Sibanye Gold Limited
(Exact name of registrant as specified in its charter)

Republic of South Africa
(Jurisdiction of incorporation or organization)
Constantia Office Park
Bridgeview House, Building 11, Ground Floor
Cnr 14th Avenue & Hendrik Potgieter Road
Wetlelvreden Park, 1709
South Africa
011-27-11-278-9800
(Address of principal executive offices)
With copies to:
Chati Keyter
Chief Financial Officer
Sibanye Gold Limited
Tel: 011-27-11-278-9700
Fax: 011-27-11-278-9863
Constantia Office Park
Bridgeview House, Building 11, Ground Floor
Cnr 14th Avenue & Hendrik Potgieter Road
Wetlelvreden Park, 1709
South Africa

Securities registered or to be registered pursuant to Section 12(b) of the Act

<table>
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<tr>
<th>Title of Each Class</th>
<th>Name of Each Exchange on Which Registered</th>
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<td>American Depositary Shares, each representing four ordinary shares</td>
<td>New York Stock Exchange*</td>
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*Not for trading, but only in connection with the registration of the American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

None

Indicate the number of outstanding shares of each of the issuer’s classes of capital or common stock at the end of the period covered by the annual report

2,266,260,491 ordinary shares of no par value each

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☑

No ☐

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T ($232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards as provided pursuant to Section 13(a) of the Exchange Act. ☐

The terms “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which filing basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑
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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical consolidated financial statements

Sibanye Gold Limited (trading as Sibanye-Stillwater (Sibanye-Stillwater)) is a South African domiciled global, precious metals mining company, which produces a mix of metals that includes gold and the platinum group metals (PGMs). Sibanye-Stillwater owns and operates a portfolio of high-quality operations and projects, which are grouped into two regions: the southern Africa region and the United States region. See Annual Financial Report—Overview—Management’s discussion and analysis of financial statements—Introduction.

Accordingly, the books of account of the Group (as defined below) are maintained in South African Rand and the Group’s annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, as prescribed by law. These financial statements are distributed to shareholders and are submitted to the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE).

The consolidated financial statements of Sibanye-Stillwater as at and for the fiscal years ended 31 December 2018, 2017 and 2016 (the Consolidated Financial Statements) have been prepared using the historical results of operations, assets and liabilities attributable to Sibanye-Stillwater and all of its subsidiaries (the Sibanye-Stillwater Group, or the Group). The Consolidated Financial Statements have been prepared under the historical cost convention, except for financial assets and financial liabilities (including derivative financial instruments), which are measured at fair value through profit or loss or through the mark to market reserve in equity.

Non-IFRS measures

The financial information in this annual report includes certain measures that are not defined by IFRS, including “adjusted earnings before interest, tax, depreciation and amortisation” (adjusted EBITDA), “normalised earnings”, “operating costs”, “All-in sustaining costs”, “All-in sustaining cost margin”, “All-in costs”, “All-in cost margin”, “headline earnings per share”, “adjusted free cash flow” and “net debt” (each as defined below or in Annual Financial Report—Overview—Five-year financial performance). These measures are not measures of financial performance or cash flows under IFRS and may not be comparable to similarly titled measures of other companies. These measures have been included for the reasons described below or in Annual Financial Report—Overview—Five-year financial performance and should not be considered by investors as alternatives to costs of sales, net operating profit, profit before taxation, cash from operating activities or any other measure of financial performance presented in accordance with IFRS.

Operating costs is defined as the average cost of production and calculated by dividing the cost of sales, before amortisation and depreciation in a period by the tonnes milled/treated in the same period, and operating cost per kilogram (and ounce) is calculated by dividing the cost of sales, before amortisation and depreciation in a period by the gold produced in the same period. See Annual Financial Report—Overview—Five-year financial performance—Group operating statistics—Footnote 1.


All-in costs is made up of All-in sustaining costs, being the cost to sustain current operations, given as a sub-total in the All-in costs calculation, together with corporate and major capital expenditure growth. See Annual Financial Report—Overview—Five-year financial performance—Group operating statistics—Footnote 4 for more information and Annual Financial Report—Overview—Management’s discussion and analysis of the financial statements—2018 financial performance compared with 2017 and 2016—Cost of sales—All-in costs for a reconciliation of cost of sales, before amortisation and depreciation to All-in costs. All-in sustaining cost margin is defined as revenue minus All-in sustaining costs divided by revenue. All-in cost margin is defined as revenue minus All-in costs divided by revenue. See Annual Financial Report—Overview—Five-year financial performance—Group operating statistics—Footnote 5.


Free cash flow is defined as cash flows from operating activities before dividends paid, less additions to property, plant and equipment. Management considers free cash flow to be an indicator of cash available for repaying debt, funding exploration and paying dividends. See Annual Financial Report—Overview—Management’s discussion and analysis of the financial statements—Liquidity and capital resources—Cash flow analysis for a reconciliation of net cash from operating activities to adjusted free cash flow.

Conversion rates

Certain information in this annual report presented in Rand has been translated into US dollars. Unless otherwise stated, the conversion rate for these translations is R14.35/US$1.00, which was the closing rate on 31 December 2018. By including the US dollar equivalents, Sibanye-Stillwater is not representing that the Rand amounts actually represent the US dollar amounts shown or that these amounts could be converted into US dollars at the rates indicated.
The Acquisitions of Lonmin, Stillwater, the Rustenburg operation and Aquarius

Lonmin acquisition
On 14 December 2017, the boards of Sibanye-Stillwater and Lonmin plc (Lonmin) announced that they had reached agreement on the terms of a recommended all-share offer pursuant to which Sibanye-Stillwater, and/or a wholly-owned subsidiary of Sibanye-Stillwater, would acquire the entire issued and to be issued ordinary share capital of Lonmin, which is a major mine-to-market producer of PGMs with core operations in South Africa (the Lonmin Acquisition). Under the terms of the Lonmin Acquisition, each Lonmin shareholder will be entitled to receive 0.967 new Sibanye-Stillwater shares for each Lonmin ordinary share that they hold. The Lonmin Acquisition is proposed to be effected by means of a scheme of arrangement between Lonmin and Lonmin’s shareholders under Part 26 of the UK Companies Act. The Lonmin Acquisition is subject to the satisfaction or waiver of a number of conditions, as set out in the announcement published pursuant to Rule 2.7 of the UK City Code on Takeovers and Mergers. Since the announcement of the Lonmin Acquisition, certain of these conditions have been satisfied, namely the receipt of approval from the Financial Surveillance Department of the South African Reserve Bank (SARB), as announced by Sibanye-Stillwater and Lonmin on 15 May 2018, and competition authority clearance in the United Kingdom, as announced by Sibanye-Stillwater and Lonmin on 28 June 2018. On 21 November 2018, it was announced that the South African Competition Tribunal had approved the Lonmin Acquisition, subject to certain specific conditions imposed on Sibanye-Stillwater, however an appeal against the South African Competition Tribunal’s decision was subsequently filed with the Competition Appeal Court of South Africa by the Association of Mineworkers and Construction Union (AMCU) on 19 December 2018. On 15 January 2019, it was announced that, in light of such appeal, Sibanye-Stillwater and Lonmin had agreed (with the consent of the UK Takeover Panel) to extend the longstop date for the scheme of arrangement relating to the Lonmin Acquisition to become effective, from 28 February 2019 to 30 June 2019. On 25 January 2019, Sibanye-Stillwater and Lonmin announced that the Competition Appeal Court of South Africa had set 2 April 2019 as the date for hearing the appeal. The appeal was heard on 2 April 2019 and the Competition Appeal Court of South Africa’s decision is awaited. The references to the Competition Appeal Court of South Africa’s hearing of the appeal in the Integrated Annual Report and Annual Financial Report herein should be read in conjunction with this statement.

The Lonmin Acquisition remains subject to the satisfaction or waiver of a number of other conditions, including (but not limited to) the approval of Lonmin shareholders and Sibanye-Stillwater shareholders and the approval of the scheme of arrangement by the High Court of Justice in England & Wales. It is expected that the Lonmin scheme document and Sibanye-Stillwater shareholder circular in connection with such shareholder approvals will be published in due course.

On 14 December 2017, a co-operation agreement was entered into between Sibanye-Stillwater and Lonmin in connection with the Lonmin Acquisition. Amongst other things, the co-operation agreement records the process by which Sibanye-Stillwater and Lonmin have agreed to co-operate in relation to certain clearances and regulatory conditions in connection with the Lonmin Acquisition, confirms certain matters relating to Lonmin’s share schemes.

Stillwater acquisition
On 9 December 2016, Sibanye-Stillwater announced it had reached a definitive agreement to acquire Stillwater Mining Company (Stillwater) for US$18 per share in cash, or US$2.200 million in aggregate (the Stillwater Transaction). On 25 April 2017, at the shareholders meeting of Sibanye-Stillwater, the Sibanye-Stillwater shareholders approved the proposed Stillwater Transaction by voting in favour of the various resolutions to give effect to the Stillwater Transaction and at the shareholders meeting of Stillwater, the requisite majority of Stillwater shareholders resolved to approve the Stillwater Transaction. Sibanye-Stillwater obtained control of Stillwater on this date. The effective date of the implementation of the Stillwater Transaction was 4 May 2017, when Sibanye-Stillwater took over legal ownership of Stillwater.

The Rustenburg operation acquisition
On 9 September 2015, Sibanye-Stillwater announced that it entered into an agreement with Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum Limited (Anglo American Platinum) to acquire the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) mining operations, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant, associated surface infrastructure and related assets and liabilities on a going concern basis (the Rustenburg operation) (the Rustenburg operation Transaction). On 19 October 2016, Sibanye-Stillwater obtained consent in terms of section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) for the transfer of the mining right and prospecting right pursuant to the Rustenburg operation Transaction. The effective date of the implementation of the Rustenburg operation Transaction was 1 November 2016, when Sibanye-Stillwater took over legal ownership and management of the Rustenburg operation.

Aquarius acquisition
On 6 October 2015, Sibanye-Stillwater announced a cash offer of US$0.195 per share for the entire issued share capital of Aquarius Platinum Limited (Aquarius) (the Aquarius Transaction and, together with the Rustenburg operation Transaction, the Stillwater Transaction and the proposed Lonmin Acquisition, the Acquisitions). Aquarius owns stakes in the Kroondal mine and Platinum Mile retreatment facilities near Rustenburg in South Africa and the Mimosa joint venture with Impala Platinum Holdings Limited (Implats) in Zimbabwe. The Aquarius Transaction completed on 12 April 2016, when Sibanye-Stillwater paid R4.301.5 million to the Aquarius shareholders and obtained control of Aquarius.
Market information

This annual report includes industry data about Sibanye-Stillwater’s markets obtained from industry surveys, industry publications, market research and other publicly available third-party information. Industry surveys and industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. Sibanye-Stillwater and its advisers have not independently verified this data.

In addition, in many cases statements in this annual report regarding the gold and PGM mining industry, and Sibanye-Stillwater’s position in these industries have been made based on internal surveys, industry forecasts, market research, as well as Sibanye-Stillwater’s own experiences. While these statements are believed by Sibanye-Stillwater to be reliable, they have not been independently verified.
DEFINED TERMS AND CONVENTIONS

In this annual report, all references to “we”, “us” and “our” refer to the Sibanye-Stillwater and the Sibanye-Stillwater Group, as applicable.

In this annual report, all references to “fiscal 2019” and “2019” are to the fiscal year ending 31 December 2019, all references to “fiscal 2018” and “2018” are to the audited fiscal year ended 31 December 2018, all references to “fiscal 2017” and “2017” are to the audited fiscal year ended 31 December 2017, and all references to “fiscal 2016” and “2016” are to the audited fiscal year ended 31 December 2016.

In this annual report, all references to “South Africa” are to the Republic of South Africa, all references to the “United States” and “US” are to the United States of America, its territories and possessions and any state of the United States and the District of Columbia, all references to the “United Kingdom” and “UK” are to the United Kingdom of Great Britain and Northern Ireland, all references to “Zimbabwe” are to the Republic of Zimbabwe, all references to “Canada” are to the Dominion of Canada and all references to “Argentina” are to the Republic of Argentina.

In this annual report, all references to the “DMR” are references to the South African Department of Mineral Resources, the government body responsible for regulating the mining industry in South Africa.

In this annual report, gold and PGM production figures are provided in kilograms, which are referred to as “kg”, or in troy ounces, which are referred as “ounces” or “oz”. Ore grades are provided in grams per metric ton, which are referred to as “grams per ton” or “g/t”. All references to “tons”, “tonnes” or “t” in this annual report are to metric tons.

In this annual report, “R”, “Rand” and “rand” refer to the South African Rand and “Rand cents” and “SA cents” refers to subunits of the South African Rand, “$”, “US$”, “US dollars” and “dollars” refer to United States dollars and “US cents” refers to subunits of the US dollar, “£”, “GBP” and “pounds sterling” refer to British pounds and “pence” refers to the subunits of the British pound.

This annual report contains references to the “total recordable injury frequency rate” (TRIFR). TRIFR includes the total number of fatalities, lost time injuries, medically treated injuries and restricted work injuries per million man hours.
FORWARD LOOKING STATEMENTS

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the US Securities Exchange Act of 1934 (the Exchange Act) with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive position, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues and income, the potential benefit of the Acquisitions (including statements regarding growth, cost savings, benefits from and access to international financing and financial re-ratings), PGM pricing expectations, levels of output, supply and demand, information relating to Sibanye-Stillwater’s underground Blitz PGM project adjacent to the east of the existing Stillwater Mine designed to explore, define and extract the PGM resource along the far eastern extent of the J-M Reef (the Blitz Project), and estimations or expectations of enterprise value, adjusted EBITDA and net asset values wherever they may occur in this annual report and the exhibits to this annual report, are necessarily estimates reflecting the best judgement of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- changes in the imposition of regulatory costs and relevant government regulations, particularly environmental, tax, health and safety regulations and new legislation affecting water, mining, mineral rights and business ownership, including any interpretation thereof which may be subject to dispute;
- economic, business, political and social conditions in South Africa, Zimbabwe, the United States, the United Kingdom and elsewhere;
- the further downgrade of South Africa’s credit rating;
- the ability of Sibanye-Stillwater to comply with requirements that it operates in a sustainable manner and provide benefits to affected communities;
- the occurrence of hazards associated with underground and surface gold, PGMs and uranium mining;
- the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance;
- uncertainty regarding the title to any of Sibanye-Stillwater’s properties;
- Sibanye-Stillwater’s ability to implement its strategy and any changes thereto;
- plans and objectives of management for future operations;
- the success of Sibanye-Stillwater’s strategy, exploration and development activities;
- Sibanye-Stillwater’s future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings, financing plans, debt position and its ability to reduce debt leverage;
- changes in the market price of gold, PGMs and/or uranium;
- fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies;
- the ability of Sibanye-Stillwater to comply with loan and other covenants and restrictions and difficulties in obtaining additional financing or refinancing;
- Sibanye-Stillwater’s ability to service its bond instruments (including high yield bonds and convertible bonds);
- the occurrence of labour disruptions and industrial actions;
- changes in assumptions underlying Sibanye-Stillwater’s estimation of its current mineral reserves;
- power disruption, constraints and cost increases;
- Sibanye-Stillwater’s ability to hire and retain senior management or sufficient technically skilled employees, as well as its ability to achieve sufficient representation of historically disadvantaged South Africans (HDSAs) in its management positions;
- the ability to achieve anticipated efficiencies and other cost savings in connection with, and the ability to successfully integrate, past, ongoing and future acquisitions, as well as at existing operations;
- the ability of Sibanye-Stillwater to complete any ongoing or future acquisitions;
- supply chain shortages and increases in the price of production inputs;
- the adequacy of Sibanye-Stillwater’s insurance coverage;
- failure of Sibanye-Stillwater’s information technology and communications systems;
- the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental, health or safety issues;
- operating in new geographies and regulatory environments where Sibanye-Stillwater has no previous experience;
- Sibanye-Stillwater’s ability to achieve steady state production at the Blitz Project;
- Sibanye-Stillwater’s ability to obtain the benefits of any streaming arrangements or pipeline financing;
- the availability, terms and deployment of capital or credit; and
- the impact of HIV, tuberculosis and other contagious diseases.

The foregoing factors and others described under “Risk Factors” should not be construed as exhaustive. There are other factors that may cause our actual results to differ materially from the forward-looking statements. Moreover, new risk factors emerge from time to time and it is not possible for us to predict all such risk factors. We cannot assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.
Our full set of 2018 reports, produced for the financial year from 1 January 2018 to 31 December 2018, covers Sibanye-Stillwater’s progress and achievements in delivering on our strategic objectives and commitment to creating stakeholder value.
ABOUT THIS REPORT

APPROACH AND PHILOSOPHY

This integrated report, our primary report to stakeholders, adopts an integrated approach to describing the operational, financial and sustainability performance (see Annual Financial Report—Overview—Five-year financial performance) and activities of Sibanye Gold Limited (trading as Sibanye-Stillwater) for the period from 1 January 2018 to 31 December 2018.

This report is intended to assist stakeholders to make informed decisions on Sibanye-Stillwater’s ability to create sustained value in the long term. It provides insight into our strategy, our business and performance, and the progress made in delivering on our strategic objectives and our commitment to creating stakeholder value over the past year. We report on those matters we consider to be most material to Sibanye-Stillwater’s sustainability, operational, financial and strategic performance. Underlying this is our commitment to ensuring that our decisions are made according to, and underpinned by, our CARES values.

This integrated report complies with the International Integrated Reporting Council’s framework on integrated reporting, the King IV Report on Corporate Governance for South Africa, 2016 (King IV), and the South African Companies Act 71 of 2008 (as amended).

In compiling this report, we have aligned with the Global Reporting Initiative (GRI) Standards and have taken into account the International Council on Mining and Metals (ICMM) guiding principles as well as the 10 Principles of the United Nations Global Compact.

In this report, we attempt to provide stakeholders with relevant information that would enable an assessment of the way our mining activities in 2018 created value, improved lives and achieved other strategic objectives. In so doing, we give an account of challenges encountered and successes achieved, the impact of our activities, and of those factors and risks, both in the external environment and internally, that have had an impact on our ability to achieve our strategic objectives and to create superior value in the past year. The process to determine the most material of these risks, together with identifying our opportunities, is described in Managing our risks and opportunities.

SCOPE AND BOUNDARY

The scope and boundary of this report take into account the Group’s organisational structure (see —Corporate profile) implemented to enhance and ensure delivery on our strategic operating objectives. Annual comparative data is provided where applicable. For the 2018 financial year, annual data is provided where possible by region, type of operation and at group level. Note that the annual data provided at group-level for 2014 and 2015 in this report is comparable to that for the South Africa (SA) gold operations for 2016 – 2018. Where data for previous years has been restated, this is indicated.

Any material events occurring post year-end and before the date of approval by the Board are reported in this report.

AUDIENCE

While the principal audience for this report is investors and shareholders, we recognise that there are other stakeholders who have varied and specific information requirements, many of which we address, despite not producing a separate sustainable development report. Instead all non-financial reporting is either included in this integrated report or is available on the website, where referenced.

This report is intended to enable stakeholders to determine whether the material issues identified will affect the sustainability of Sibanye-Stillwater’s business and its ability to create and sustain value in the short, medium and long term.

ASSURANCE

Sibanye-Stillwater’s internal audit function provides an objective evaluation of the Group’s internal control processes and systems devised to mitigate business risks and has ensured the accuracy of the information presented.

Internal audit is a management function.
CORPORATE PROFILE

Sibanye-Stillwater is an independent, global, precious metals mining company producing a unique mix of metals that includes platinum group metals (PGMs) and gold.

Domiciled and with its head office in South Africa, Sibanye-Stillwater owns and operates a portfolio of high-quality global operations, processing facilities and projects made up as follows:

**United States (US) PGM operations**
The East Boulder and the Stillwater (including Blitz) mines are located in Montana, in the United States. The Columbus Metallurgical Complex, which smelts the material mined to produce PGM-rich filter cake, also recycles PGMs from autocatalysts.

**Southern Africa (SA) PGM operations**
The Kroondal, Rustenburg and Platinum Mile operations are located on the western limb of the Bushveld Complex in South Africa, while the Mimosa joint venture is situated on the southern portion of the Great Dyke in Zimbabwe. Platinum Mile is a retreatment facility, which reprocesses risings from Rustenburg.

**South Africa (SA) gold operations**
The Driefontein, Kloof and Cooke surface operations and associated processing facilities are located on the West Rand of the Witwatersrand Basin, while Beatrix is in the southern Free State goldfields.

Sibanye-Stillwater also has an interest in surface tailings retreatment facilities located from the East Rand to the West Rand through our 38.05% stake in DRDGOLD Limited (DRDGOLD).

**Projects**
Our projects include:
- The Marathon PGM project in Ontario, Canada
- The Altar and Rio Grande copper-gold projects in the Andes in north-west Argentina, close to the Chilean border
- The Hoedspruit, Zondernaam and Vygenhoek, PGM projects in South Africa
- The Burnstone and the southern Free State gold projects in South Africa

**OPERATING FRAMEWORK**
Our operating framework is underpinned by strong, ethical corporate governance that is based on the principles of accountability, transparency, competence, responsibility, fairness and integrity, which are fundamental to the long-term sustainability of our business and to sustained value creation for all stakeholders. These principles, which are implicit in and integral to our CARES values, are applied in the management of our business and in engaging with and reporting to shareholders and other stakeholders. Our governance structures, processes and policies, together with our code of ethics, underpin execution of our strategy and support our business model.

**OUR HISTORY**
Following the unbundling by Gold Fields of its South African gold assets (other than South Deep) in 2013 to form Sibanye Gold Limited, the Company has transformed geographically and by metal produced – from being a South African gold mining company to an internationally competitive, diversified precious metals miner producing gold and the full suite of PGMs.

With the acquisition of the Stillwater Mining Company in May 2017, Sibanye Gold was rebranded as Sibanye-Stillwater.
In line with our strategy, we have continued to advance the proposed acquisition of Lonmin plc (Lonmin), which was initially announced towards the end of 2017.

Sibanye-Stillwater also has a 38.05% stake in DRDGOLD, following the vending of certain of Sibanye-Stillwater’s surface gold tailings facilities and processing assets into that company. DRDGOLD is a world leader in the retreatment of gold tailings.

**OPERATIONAL PROFILE**

**A SNAPSHOT**

### US PGM operations

<table>
<thead>
<tr>
<th>Units</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of operating mining units&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Production of mined PGMs</td>
<td>2E Moz</td>
<td>0.59</td>
</tr>
<tr>
<td>Contribution to group PGM production</td>
<td>%</td>
<td>34</td>
</tr>
<tr>
<td>Contribution to group revenue</td>
<td>%</td>
<td>31</td>
</tr>
<tr>
<td>Contribution to adjusted EBITDA&lt;sup&gt;2&lt;/sup&gt;</td>
<td>%</td>
<td>50</td>
</tr>
<tr>
<td>Mineral Reserves</td>
<td>2E Moz</td>
<td>25.6</td>
</tr>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LTIFR&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Per million hours worked</td>
<td>9.97</td>
</tr>
</tbody>
</table>

### SA PGM operations

<table>
<thead>
<tr>
<th>Units</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of operating mining units&lt;sup&gt;4&lt;/sup&gt;</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Production of mined PGMs</td>
<td>4E Moz</td>
<td>1.2</td>
</tr>
<tr>
<td>Contribution to group PGM production</td>
<td>%</td>
<td>66</td>
</tr>
<tr>
<td>Contribution to group revenue</td>
<td>%</td>
<td>30</td>
</tr>
<tr>
<td>Contribution to adjusted EBITDA&lt;sup&gt;2&lt;/sup&gt;</td>
<td>%</td>
<td>34</td>
</tr>
<tr>
<td>Mineral Reserves</td>
<td>4E Moz</td>
<td>20.4</td>
</tr>
<tr>
<td>Fatalities</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>LTIFR&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Per million hours worked</td>
<td>4.68</td>
</tr>
</tbody>
</table>

### SA gold operations

<table>
<thead>
<tr>
<th>Units</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of operating mining units&lt;sup&gt;5&lt;/sup&gt;</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Production of gold</td>
<td>Moz</td>
<td>1.2</td>
</tr>
<tr>
<td>Contribution to group revenue</td>
<td>%</td>
<td>39</td>
</tr>
<tr>
<td>Contribution to adjusted EBITDA&lt;sup&gt;2&lt;/sup&gt;</td>
<td>%</td>
<td>16</td>
</tr>
<tr>
<td>Mineral Reserves</td>
<td>Moz</td>
<td>16.6</td>
</tr>
<tr>
<td>Fatalities</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>LTIFR&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Per million hours worked</td>
<td>6.52</td>
</tr>
</tbody>
</table>

<sup>1</sup> Includes Stillwater and East Boulder mines

<sup>2</sup> The Group reports adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) based on the formula included in the facility agreements for compliance with the debt covenant formula. For a reconciliation of profit/loss before royalties and tax to adjusted EBITDA, refer to the relevant notes in the condensed consolidated interim financial statements

<sup>3</sup> Lost-time injury frequency rate

<sup>4</sup> Includes Kroondal (50% attributable pool and share agreement with Anglo American Platinum), Rustenburg operation, Platinum Mile (91.7% stake in this operation which treats chrome tailings to recover PGMs) and Mimosa (50:50 joint venture with Impala Platinum Holdings which manages this operation)

<sup>5</sup> Includes Driefontein, Kloof, Beatrix, Cooke surface sources and DRDGOLD

<sup>6</sup> Excludes ounces from recycling operation
CORPORATE PROFILE continued

LISTINGS AND SHAREHOLDER INFORMATION

Sibanye-Stillwater has its primary listing on the JSE, South Africa, where it is included in the FTSE/JSE Responsible Investment Index. The company is also listed on the NYSE, with its shares quoted as American Depositary Receipts (ADRs). For further details, see —Stakeholder engagement.

As at 31 December 2018:

- Our biggest shareholder was Gold One at 20.06% while the three largest institutional shareholders were the Public Investment Corporation (9.87%), Exor Investments UK (8.15%) and Investec Asset Management (5.00%)
- Our market capitalisation was R22.7 billion (US$1.6 billion) (2017: R34.3 billion; US$2.8 billion) (2016: R23.6 billion; US$1.7 billion)

OUR PRODUCTS

<table>
<thead>
<tr>
<th>Platinum group metals</th>
<th>Gold</th>
<th>Other</th>
</tr>
</thead>
</table>

At our PGM operations in South Africa and Zimbabwe, the primary PGMs produced are platinum, palladium and rhodium, which together with gold, are referred to as 4E (3PGM+Au). Production by ratio is approximately 58% platinum (Pt), 32% palladium (Pd), 8% rhodium (Rh) and 2% gold (Au). The PGM-bearing ore mined here is processed to produce PGMs-in-concentrate, which is currently processed and refined by third parties.

The US PGM operations primarily produce palladium and platinum (78% palladium and 22% platinum), referred to as 2E (or 2PGM). The PGM-bearing ore mined is processed and smelted to produce a PGM-rich filter cake. A third party refines the filter cake to produce refined PGMs.

The major sources of demand for PGMs are for use in autocatalysts and jewellery. Combined, these two areas accounted for around 69%\(^1\) of gross platinum and palladium demand in 2018. Autocatalysts alone accounted for 40%\(^1\) of gross platinum demand and for 85%\(^1\) of gross palladium demand in 2018.

\(^1\) Source: Johnson Matthey

Sibanye-Stillwater mines, extracts and processes gold-bearing ore at its SA gold operations to produce a beneficiated product, doré, which is then refined at Rand Refinery Proprietary Limited into gold bars with a purity of at least 99.5% in accordance with the London Bullion Market Association’s standards of Good Delivery. Sibanye-Stillwater holds a 44% interest in Rand Refinery, one of the largest refiners of gold globally, and the largest in Africa. Rand Refinery markets and sells refined gold on international markets to customers around the world.

The main sources of demand for gold are as a store of value (such as central bank holdings), as an investment (exchange traded funds, bars and coins), jewellery and for various industrial purposes.

At our PGM operations in both regions, the minor PGMs – iridium and ruthenium – are produced as co-products. They, together with the three primary PGMs, are referred to as 6E (5PGM+Au).

In addition, at the SA region’s PGM operations, nickel, copper and chrome, among other minerals, are produced as by-products.
OUR PURPOSE, VISION AND STRATEGY

We care about safe production, our stakeholders, our environment, our company and our future, and live our values. Our values underpin all that we do – all the decisions we make, how we conduct our business, our actions and behaviour.

OUR PURPOSE

Our mining improves lives

OUR VISION

Superior value creation for all our stakeholders through the responsible mining and beneficiation of our mineral resources

OUR STRATEGY

To deliver on our vision and purpose, we aim to consolidate and strengthen our competitive position as a leading international precious metals company

See —Introduction—Our strategy—Delivering on our strategy
OUR STRATEGY

DELIVERING ON OUR STRATEGY

We have defined five strategic focus areas, designed to strengthen our position as a leading, international precious metals mining company. Our strategic focus is on creating stakeholder value.

We aim to do this by seeking to ensure that we have in place a values based organisational culture that:

- supports our strategy
- focuses on employee safety and health as well as operational excellence
- ensures consistent delivery on our commitments
- is led from the top by a trusted, high-performing leadership

Our aim is to position Sibanye-Stillwater optimally in global capital markets to enable us to deliver on our strategy and to pursue value-accrative growth. In recent years, strategic development has encompassed diversification by commodity and by region.

Timeline of value-accrative growth

April 2016: Initial foray into the SA PGM sector with acquisition of Aquarius Platinum (Kroondal, Mimosa and Platinum Mile)

November 2016: Followed by acquisition of our Rustenburg operations. Delivered ~R1 billion of annual synergies from these two transactions, well ahead of schedule

May 2017: Entry into US PGM sector with acquisition of Stillwater Mining Company

December 2017: Announced proposed acquisition of Lonmin – significant potential synergies with existing SA PGM operations and aligned with our mine-to-market strategy (completion expected during 2019)

February 2019: Acquisition of SFA (Oxford) announced – will contribute institutional knowledge of the broader fundamentals and outlook for PGMs and high-tech metals and their use in future technologies
## OUR STRATEGY continued

<table>
<thead>
<tr>
<th>2018: What we did</th>
<th>2019: What we plan to do</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Establishing a values-based culture</strong>&lt;br&gt;See —Chief Executive Officer’s review</td>
<td>• Emphasised our core CARES values, which also underpin our enhanced safety strategy and framework&lt;br&gt;• Emphasised the importance of leadership’s example in living our values&lt;br&gt;• Grow leadership capability to foster culture of CARES, based on trust&lt;br&gt;• Strengthen our values-based decision making culture&lt;br&gt;• Advance strengths of leadership personnel&lt;br&gt;• Ensure continued robustness of leadership succession plans</td>
</tr>
<tr>
<td><strong>Focus on safe production and operational excellence</strong>&lt;br&gt;See —Performance review—Delivering value from operations, projects and technology, — Performance review—Ensuring safe production and —Performance review —Occupational health and well-being</td>
<td>• Enhanced senior leadership structure to better support production delivery and drive organisational priorities&lt;br&gt;• Secured strong adjusted EBITDA ahead of expectations from our PGM operations accounting for 84% of Group adjusted EBITDA in 2018&lt;br&gt;• Enhanced safety framework and restored our benchmark safety record in medium to deep-level hard-rock mining following aberrational safety incidents in the first half of 2018&lt;br&gt;• Continued Blitz production ramp-up&lt;br&gt;• Continue to entrench enhanced safety strategy and framework&lt;br&gt;• Reposition SA gold operations for sustained profitability and growth&lt;br&gt;• Maintain positive performance at PGM operations in South Africa and the United States and sustain Blitz ramp-up&lt;br&gt;• Make progress towards increased formal accreditation under responsible mining codes and strengthening our environmental, social and governance (ESG) credentials&lt;br&gt;• Encourage leadership qualities necessary to achieve innovative operating and leadership excellence</td>
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<tr>
<td><strong>Deleveraging our balance sheet</strong>&lt;br&gt;See —View from the Top —Chief Financial Officer’s report</td>
<td>• Concluded stream financing agreement, providing an alternative source of financing to buy-back bonds, which reduced debt repayment obligations and annual coupon costs significantly&lt;br&gt;• Refinanced and increased revolving credit facility to improve liquidity&lt;br&gt;• Generate strengthened cash flow through focus on operating effectiveness and business improvement, in particular leveraging off opportunities enabled through digitalisation, in a strengthening commodity price environment&lt;br&gt;• Transition to toll refining arrangement at our SA PGM operations boosting revenue and cash flow&lt;br&gt;• Target 1.5x for the net debt to adjusted EBITDA ratio</td>
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<tr>
<td><strong>Addressing our South African discount</strong>&lt;br&gt;See —View from the Top —Chief Financial Officer’s report</td>
<td>• Our geographic diversification has resulted in an increasing portion of our adjusted EBITDA being generated outside of South Africa – 50% in 2018 versus 24% in 2017 – a consequence of the growing significance of the US PGM operations within the Group&lt;br&gt;• Improvements in policy quality and regulatory certainty have been secured in the South African mining sector as evidenced by the 2018 Fraser Survey findings&lt;br&gt;• Enhance the operating context for effective safe production delivery, building on commitments to competitiveness, growth and transformation through meaningful social compacting in an improving policy and regulatory environment</td>
</tr>
<tr>
<td><strong>Pursuing value-accretive growth</strong>&lt;br&gt;See —View from the Top—Chief Executive Officer’s review and — Performance review—Delivering value from operations, projects and technology</td>
<td>• Consolidated benefits derived from acquisitions with a balanced commodity and geographic footprint&lt;br&gt;• Lonmin transaction progressed towards conclusion as the fourth step of our PGM strategy to provide full mine to metal access in South Africa&lt;br&gt;• Concluded transaction to acquire 38.05% of DRDGOLD through the vending of certain surface sources to DRDGOLD thus retaining optionality to their upside&lt;br&gt;• Progressed acquisition of SFA (Oxford) to enhance access to strategic market intelligence around powetrain evolution, energy trends and related minerals&lt;br&gt;• Conclude the Lonmin acquisition and secure benefits of integration and mine to metal market access&lt;br&gt;• Prepare for future strategic growth opportunities by:&lt;br&gt;  – Deepening investigation into potential of high-tech metals&lt;br&gt;  – Crystallising target acquisition pipeline</td>
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PERSPECTIVE FROM THE CHAIR

It is again my privilege to report to all our stakeholders on the progress made by the Group during 2018. Despite the significant vicissitudes and challenges that we had to contend with during the past year, I am pleased to report that we have emerged from this difficult period in a robust state with the appropriateness of our carefully considered strategy to diversify, geographically and by commodity, already proven. Specific challenges, which impacted on our SA gold operations, persisted at the end of the year. I am confident though that the careful and forthright management of these will result in a satisfactory and progressive outcome with our organisation poised to benefit from a constructive global climate for precious metals prices.

Elsewhere in this report, our CEO, Neal Froneman, discusses in detail the challenges that occurred and other developments that characterised our overall performance during the past year. I will, therefore, confine my review to those aspects that determined and affected our operating environment.

It is impossible to reflect on 2018 without recognising the tragic safety incidents, which occurred in the first half of 2018. The health and safety of Sibanye-Stillwater’s employees is our key priority. This unparalleled sequence of tragic events, which resulted in the deaths of our colleagues, traumatised and consumed everyone at Sibanye-Stillwater. The Board and management of Sibanye-Stillwater again extend their deepest condolences to the dependants and loved ones of the deceased employees. We will continue to provide appropriate support as required.

These tragic events were inconsistent with Sibanye-Stillwater’s historical safety performance and it has been heartening to observe the manner in which management responded to the Group-wide crisis. As a result of swift short-term measures by management and other stakeholders, and the subsequent implementation of longer-term safe production initiatives, which are described in more detail later in this report, Sibanye-Stillwater’s industry leading safety performance was re-established and improved in H2 2018.

On 1 March 2019, the Group recorded more than seven million fatality-free shifts since mid-August 2018, and on 6 March 2019, the SA gold and PGM operations combined, also achieved seven million fatality-free shifts. Both these milestones were record performances for these operations. These are commendable achievements considering the deep levels at which a significant proportion of our mining is conducted across the Group, and the number of people who operate in this environment on a daily basis. These achievements are in stark contrast to what we experienced in the first half of 2018. (See Further Information—Additional information—Recent developments.)

While this performance has restored and improved on Sibanye-Stillwater’s historical industry-leading safety record, we are conscious that we operate in a dynamic environment, which can change rapidly. As such we require continual vigilance, review and innovation to ensure ongoing improvement towards our ultimate goal of zero harm in the workplace. While the reduction in injury rates since August 2018 gives us confidence that the safety enhancement programmes we have implemented are proving effective, we remain focused on maintaining our position as the benchmark safety performer in the South African gold and PGM mining industries.

Following the unbundling by Gold Fields and establishment of the organisation as an independently listed entity on 11 February 2013, the management of Sibanye-Stillwater was successful in the turnaround of the mature gold assets we inherited in 2013 into strongly cash-generative operations, with significantly extended operating lives. This facilitated the transition of the Group into a multi-commodity, precious-metals mining company. This was initially achieved through the acquisitions of the Aquarius and Rustenburg platinum operations in 2016 and, subsequently, the acquisition of the high-quality US-domiciled Stillwater Mining Company (Stillwater) in 2017. Sibanye-Stillwater became a globally diversified precious-metals producer with a unique commodity mix and truly international geographic footprint.

The transformative Stillwater acquisition not only secured exposure to low-cost primary palladium-rich assets and significant production growth from the Blitz project at an attractive stage in the PGM price cycle but also included a world-class precious-metals processing and recycling business, giving it direct access to PGM end-user markets, which is of strategic significance.

Our continued belief and commitment to our long-term future in South Africa was underscored by the announcement, in December 2017, of our intention to acquire Lonmin. The integration of Lonmin into our existing SA PGM business, is expected to unlock additional value for stakeholders, including through the realisation of attractive synergies, and overhead and processing synergies with Lonmin’s PGM processing smelting and refining operations. This would complement and strengthen our existing SA PGM mine-to-market strategy, which was also recently achieved through the transition of the processing arrangement for our Rustenburg operation’s PGM concentrate with Anglo American Platinum, from a Purchase of Concentrate (PoC) arrangement to a toll processing arrangement from 1 January 2019. These are key components in delivering the fifth element of our planned growth trajectory illustrated above.
While the operating environment in South Africa remains challenging, with the uncertain outlook for the unstable state utility Eskom posing the greatest risk to industry sustainability, the transition in leadership of the ANC, and subsequently the South African government, in late 2017 and early 2018 respectively, has ushered in a renewed sense of optimism in the outlook for the South African economy and the industry.

Indeed, the initial signs following this transition have been generally positive. The government has a renewed commitment to economic growth with President Ramaphosa actively pursuing a target of US$100 billion in new investment. There also seems to be a greater commitment to addressing regulatory shortcomings and tackling under-delivery of services and mismanagement at state-owned enterprises.

Unfolding revelations of deep-rooted and widespread corruption have threatened to cloud these positive signs as political manoeuvring by radical and vocal elements within the ANC and the opposition parties, feeds ongoing uncertainty. However, the commitment expressed by the government to root out corruption, and the transparent manner in which the various commissions of enquiry have been allowed to progress, is extremely positive. It may be too early to firmly say that South Africa is back on the path of progress it embarked upon in 1994 but, for the first time in a decade, the outlook for South Africa seems more positive.

For the South African mining industry, specifically the appointment of Gwede Mantashe, a mining veteran who understands the complexities of the industry, as Minister of Mineral Resources in early 2018, has improved relations between the industry and the regulators across the board. Among the first initiatives undertaken by Minister Mantashe was the redrafting of the punitive Mining Charter gazetted by the previous Minister in mid-2016, which had largely undermined the confidence needed to encourage new investment and reinvestment in the country’s mines. The more inclusive and consultative approach has delivered a revision of the Mining Charter, which, while not perfect, is much-improved.

The general improvement in relations between the South African mining industry and its regulatory authorities is welcome. The continuation of this more co-operative and collaborative policy and regulatory environment suggests a more constructive outlook for future investment and growth in the local mining industry.

Sadly, though relations with organised labour and communities remain strained. The triple developmental challenges of unemployment, inequality and poverty in South Africa, which have been compounded by a slowdown in growth and poor service delivery, pose a significant threat to social stability in South Africa, and directly threaten the sustainability of the mining industry. The mining industry’s ability to continue to shoulder an ever-increasing responsibility to deliver services and infrastructure to communities is limited and uncompetitive, and needs to be addressed with some urgency.

Investors cite the complex and often hostile industrial relations environment in South Africa as a significant impediment to investment. The militant actions taken by some unions, which should be representing the interests of workers, are perplexing and destructive. The strike called by the Association of Mineworkers and Construction Union (AMCU) on 21 November 2018 at our SA gold operations is a clear case in point of negotiating in bad faith.

This strike interrupted the emerging recovery in the operational performance of our SA gold operations following significant disruptions in the first half of 2018. While ostensibly related to the wage negotiations that began in July 2018, we continue to believe that this violent protest action is not in the best interests of all stakeholders, particularly the workers. The strike has continued into 2019 with the union raising legal and procedural challenges in order to maintain and extend the protected status of the strike. While management plans have been implemented across the operations in order to mitigate the impact of the strike action, our SA gold operations are affected to varying extents.

Throughout the strike, we continued to pursue all avenues to bring this unhelpful strike action to an end and ensure the well-being of our employees. On 20 March 2019, the Labour Court of South Africa held that the gold wage extension agreement concluded on 18 February 2019 with the National Union of Mineworkers (NUM), UASA and Solidarity, and extended to AMCU and other non-unionised employees, is valid and lawful in terms of Section 23(1)(d) of the Labour Relations Act 66 of 1995 (S23(1)(d)). As a result of the legally binding nature of the extension agreement, the Company proceeded with an independent verification process to confirm the various unions’ level of representivity required to implement the extension agreement. The court judgement provides a clear path forward to resolving the ongoing strike in a manner that does not compromise our values or undermine our other stakeholders who have also been negatively impacted by the AMCU strike action.

Irrespective of the strike action, certain business units at the SA gold operations have experienced ongoing losses due to rising input costs and other operational factors. Restructuring has become imperative to establish a sustainably profitable operating footprint. This led to Sibanye-Stillwater giving notice on 14 February 2019, in terms of Section 189A of the Labour Relations Act, that it would be commencing formal consultations with employees and other stakeholders regarding possible restructuring of specific business units at its SA gold operations.

Our strategic focus is unchanged, with ongoing improvements in safe production and optimisation of our operational performance at our existing operations. A critical step in achieving this key objective will be the successful integration of Lonmin following the completion of the transaction. Delivery of these operational imperatives, along with higher prevailing precious metals prices, should accelerate Group deleveraging, which is a necessary step in addressing market concerns, and facilitate a rerating in relative value.

The Group’s growth in the PGM markets provided an informed view of automobile markets, specifically positioning the Group to understand and project future powertrain scenarios in relation to internal combustion engines, hybrid electric, battery electric and fuel cell-powered vehicles. The continued understanding of both automobile market forces and analysis of likely advances in battery and powertrain technologies will provide Sibanye-Stillwater with an opportunity to continue to leverage off this knowledge base in order to position Sibanye-Stillwater to play an ongoing, significant role in delivery of metals necessary for future powertrain requirements to the market.

To support the implementation of this strategic positioning and continued delivery of value to stakeholders, Sibanye-Stillwater has agreed to acquire SFA (Oxford), pending certain conditions. SFA is an established analytical consulting company that is a globally recognised authority on PGMs and has, for several years, provided in-depth market intelligence on battery materials and precious metals for industrial, automotive, and smart city technologies. The acquisition cost compares favourably to the cost of setting up a similar analytical and research group internally but significantly leapfrogs the time required to build up the intellectual knowledge.
I am convinced that Sibanye-Stillwater offers tangible fundamental value and is strategically positioned to benefit from any further upside in precious metals prices.

It is imperative that I express my gratitude to my fellow directors for their guidance and wisdom in what was a very challenging year for the Group. I welcome Harry Kenyon-Slaney to our Board. He has extensive experience in the mining sector – in South Africa and internationally – and his expertise in health and safety, as well as business transformation programmes, will be invaluable.

Finally, it would be remiss not to thank the members of the Sibanye-Stillwater management team, particularly Neal Froneman. Under his leadership, the management team has worked tirelessly and methodically to create and build a diversified and sustainable business that stands high in the ranks of its industry. They have dealt effectively, confidently and candidly with the challenges they have faced. After dealing comprehensively with unprecedented challenges during 2018, I look forward to observing the Group going from strength to strength.

Sello Moloko
Chairman
29 March 2019
CHIEF EXECUTIVE OFFICER’S REVIEW

Sibanye-Stillwater has undergone many fundamental changes since it was established in February 2013, transforming from a gold only producer with three mines in South Africa into a globally diversified precious metals producer with operations and projects in five jurisdictions. Following the completion of the proposed acquisition of Lonmin, the Group will rank as one of the largest primary producers of platinum and palladium, and associated PGMs, in the world. What has not changed, however, is our commitment to our purpose, vision and values. We are positive that our mining improves lives and our vision to create superior value for all stakeholders is unwavering with all of our decisions and actions underpinned by our CARES values. Of these values – commitment, accountability, respect, enabling and safe production – our first, second and third priority is safe production and the safety, health and well-being of our employees. The tragic incidents at our SA gold operations, in the first half of the year therefore had such a harrowing impact on the Group as a whole.

The manner in which the Sibanye-Stillwater team responded to and dealt with the various crises, which led to a recovery and improvement in the Group’s safety performance in the second half of the year, is extremely pleasing. I am confident that we are well-positioned to continue delivering superior value to all of our stakeholders and improving lives through our mining activities.

SAFETY
The anomalous spate of tragic safety incidents that we primarily experienced at the SA gold operations in the first eight months of 2018, which resulted in the deaths of 24 of our colleagues in South Africa, is unprecedented in the history of our organisation and contrary to our previous industry leading safety performance.

Two separate incidents in particular, at our Driefontein and Kloof operations, resulted in the disastrous loss of 12 of our colleagues. The first, a seismic event at Driefontein’s Masakhane shaft on 3 May 2018, resulted in severe damage to the workings. While six employees were thankfully rescued, seven of our employees were fatally injured. Soon after this incident, on 11 June 2018 at our Kloof Ikamva shaft, five employees succumbed to heat exhaustion when a shift boss inexplicably led his team into a temporarily suspended and appropriately barricaded area, contrary to company policies. These incidents remain subject to investigations by the Department of Mineral Resources and we are assisting the regulators with those investigations.

We continue to mourn the 24 colleagues we lost in 2018 and our heartfelt condolences go to the families, friends and colleagues of Chicco Elmon Dube, Solly Ngobeni, Matela Mating, Zanempi Mncwanazi, Otsepeng Ernest Ramosito, Ntokozo Elias Ntame, Mtungisi Vukuthi, Luke Bongumusa Mngomezulu, Baptista Paulino Cuambe, X-Mas Madikizela, Mbuulelo Albert Songowa, Thabo Abram Ntsekhe, Nkosiphendule Dudela, Luis Ernesto, Lumbe Gazala, Lingani Innocent Mngadi, Lakhí Msada, Mthokozisi Msutu, Cedrick Nkuna, Kholekile Phelile, Thokozani Tembe, Bhekzhamba Thembinkosi Ndabeni, Grace Mlambo and Philemon Mngakana. Our deceased colleagues remain in our thoughts and we will continue doing what is appropriate and right to support the dependants of the deceased.

In response to the crisis, we took immediate, well-defined steps to enhance the safety performance at our SA gold operations in particular. Near-term, high-impact measures were vigorously implemented across the operations and medium- to long-term safe production initiatives were developed, including inter alia:

- the development of a Zero Harm Strategic Framework through multi-stakeholder collaboration during three safety summits, which were convened by Sibanye-Stillwater – the safety summits are ongoing while joint implementation task teams monitor and report on progress made in the priority areas that were jointly identified by stakeholders at the summits
- the constitution of our Global Safe Production Advisory Panel, comprising five leading globally recognised safety experts, to assist in adopting a more forward-looking position that anticipates the emergence of new leading safety practices
- investing in the identification and development of new safe production technologies through the DigiMine partnership with the University of Witwatersrand, complemented by a “Virtual Centre of Excellence in Innovative Safe Production”, which is made up of a global academic network of 19 leading mine safety experts who will contribute to enhancing modernisation for safe and sustainable production

Taking into consideration the substantial behavioural component involved in many fatal incidents in the mining industry, the desire to review our organisational culture and leadership to ensure that safety is inculcated as the foremost consideration in decisions at all levels, was identified as a continued priority. In this regard, a core strategic thrust over the course of the next three years will be to further develop a values-based organisational culture that supports safe production and delivery of our strategy by continuing to instil our CARES values as the context within which we make all our decisions as a cornerstone of culture transformation.

For further detail on what is being done to ensure our workplaces are safe, and to address safety behaviour and performance, see — Performance review—Ensuring safe production and —Performance review—Occupational health and well-being.

The initial outcomes of these initiatives have been heartening with the safety performance in the second half of 2018, across the Group, in stark contrast to that of the first half. The Group operations have been fatality-free since mid-August 2018, recording a total of seven million fatality-free shifts by 1 March 2019, with the SA operations also achieving seven million fatality-free shifts on 6 March 2019. (See Further Information—Additional information—Recent developments.) Group combined injury rates were essentially flat year-on-year with a slight deterioration in injury rates at the SA gold operations and the US PGM operations, offset by a significant improvement in injury rates at the SA PGM operations where the serious injury frequency rate (SIFR) improved by 15% – in the process setting new benchmarks for moderate to deep-level hard-rock mining in South Africa. These are commendable achievements considering the proportion of deep-level mining that is conducted across the Group and the number of people who operate in this environment on a daily basis.
This performance has restored and improved Sibanye-Stillwater’s historic, industry-leading safety record but we are conscious that we operate in a
dynamic environment, which can change rapidly, as we experienced in H1 2018, and as such, requires continuous vigilance, review and innovation to
ensure ongoing improvement towards our ultimate goal of zero harm in the workplace. Consistent with our comprehensive approach and commitment
to safe production, following the unfortunate tailings dam failure in Brazil, we have concluded additional audits of our tailings storage facilities globally – no immediate risks have been identified.

FINANCIAL REVIEW

As a result of the critical impact of the safety incidents and other unanticipated operational disruptions as well as the strike (as referred to by our
Chairman in the preceding pages) on production at our SA gold operations, the Group delivered a under par financial performance in 2018. Our
strategic commodity diversification into the PGM sector and the geographical benefits of the Stillwater acquisition clearly compensated for the
operational challenges experienced at the SA gold operations however, with Group adjusted EBITDA only R676 million (7%) lower year-on-year
despite adjusted EBITDA from the SA gold operations declining by R3.946 million for the same period.
The Group’s major source of earnings is now our US PGM operations, which accounted for approximately 50% of Group adjusted EBITDA of
R8,369 million (US$632 million) in 2018 compared with R9,045 million (US$680 million) in 2017, primarily due to the increasing dollar palladium
price and strong PGM operational performance. The higher rand PGM basket price and sustained operational performance from the SA PGM
operations also resulted in the contribution from the SA PGM operations increasing substantially from 18% of Group adjusted EBITDA in 2017 to
34% in 2018. The SA gold operations contributed only 16% of Group adjusted EBITDA in 2018 compared with 59% in 2017.

Consistent with our three-year strategic goals, proactive steps to address our balance sheet leverage were also taken during the year with the
US$500 million stream transaction, secured in July, of which the largest portion was successfully applied towards reducing US$400 million of
long-term debt. Significant progress on our deleveraging strategy was, however, delayed by the sharp decline in adjusted EBITDA from our SA
gold operations in 2018 with the Group’s net debt to adjusted EBITDA (net debt to adjusted EBITDA) ratio of 2.5x at the end of 2018 only
marginally improved on the position at the end of 2017. Having secured an extension of the 3.5x net debt to adjusted EBITDA ceiling until the end
of 2019 and a covenant holiday for Q1 2019, we have sufficient headroom on our lender covenants and our liquidity remains adequate. Ongoing
strength in spot precious metals prices in 2019 is expected to support our deleveraging efforts in the coming year.

Group adjusted free cash flow was similarly impacted by the operational disruptions experienced by the SA gold operations. The Group recorded
negative free cash flow of R12 million (US$1 million) for 2018, which was an R851 million (US$64 million) improvement relative to the comparable
period in 2017 with negative free cash flow of R1,093 million (US$83 million) from the SA gold operations, offset by a tenfold increase in free cash
flow from the SA PGM operations to R881 million (US$67 million) and free cash flow from the US PGM operations of R387 million (US$29
million), which was significantly higher than negative free cash flow of R483 million (US$36 million) for 2017. The significant increase in precious
metals prices in 2019 thus far, if sustained, will have extremely positive implications for Group free cash flow in 2019.

OPERATIONAL REVIEW

US PGM operations

Mined 2E PGM production for the year of 592,608 2Eoz was towards the upper end of guidance for the year, reflecting the ongoing build-up of
production at Blitz and record production from the East Boulder mine with All-in-sustaining cost (AISC) of US$777/2Eoz in line with annual
guidance.
The Columbus Metallurgical Complex performed steadily in 2018, processing 619,683oz of mined 2E PGM and 686,592oz of recycled 3E PGM,
despite the rebuild and expansion of the second electric furnace (EF2) restricting processing flexibly. Recommissioning of EF2 in January 2019 will
add smelter capacity and significantly enhance flexibility for the rest of the year. The recycling division averaged 22.0 tonnes of feed material per day
in 2018, compared with an average feed rate of 24.2 tonnes per day in 2017. This was a noteworthy achievement, given the smelting constraints
experienced by the complex during the year.
After regressing in the first half of 2018, the palladium price regained its momentum in August 2018 with palladium and rhodium ending the year strongly. The 9% year-on-year increase in the average 2E PGM basket price received to US$1,007/2Eoz, coupled with the strong operating performance, boosted adjusted EBITDA from the US PGM operations for 2018 to US$314 million (R4,152 million) from US$161 million (R2,143 million) in 2017 with the adjusted EBITDA margin of the underground operations increasing from 43% for 2017 to 46% for 2018 and the adjusted EBITDA margin for the US PGM operations as a whole (including the lower margin recycling operations) increasing from 23% for 2017 to 26% for 2018. The continued rise in the palladium spot price in 2019, which increased by 37% from an average PGM basket price for 2018 of US$1,007/2Eoz to a spot price of US$1,375/2Eoz, if maintained will have a considerable enhancement to profitability from the US PGM operations.

The production build-up at Blitz remains on schedule with three stoppe blocks successfully commissioned in 2018. Two additional stopes are scheduled for commissioning in 2019, which are expected to add a further 40,000 2Eoz to 60,000 2Eoz to annual production. A total of 10 producing areas or stopes are expected to be commissioned at Blitz by late 2021, adding 300,000 2Eoz of annual production, on average, from 2022.

Continuous improvement and optimisation of operational performance is a core focus area across the Group and incremental expansion of production at the East Boulder mine, the Fill the Mill (FTM) project, was recently approved by our Board. The FTM project is expected to deliver approximately 40,000oz of 2E PGM annually from late 2020 through incremental expansion of mining and certain support facilities at the East Boulder mine and Columbus Metallurgical Complex with the additional production from FTM expected to reduce operating costs at East Boulder by approximately 5% over the project’s 10-year operating life.

**SA PGM operations**

The SA PGM operations continued to perform strongly with full-year 4E PGM production of 1,175,672 oz for the year ended 31 December 2018, exceeding the upper limit of guidance, and average AISC well below the lower guidance limit of R10,750/4Eoz (US$825/4Eoz).

Despite ongoing weakness in the platinum price, the average 4E PGM basket price of R13,838/4Eoz (US$1,045/4Eoz) in 2018 was 10% higher than it was in 2017, primarily due to significant increases in palladium and rhodium prices (which comprise approximately 31% and 9% of the 4E prill split respectively) and a weaker rand exchange rate.

The significant leverage of the SA PGM operations to the higher basket prices, as a result of a disciplined operating performance, is evident in the 67% year-on-year increase in adjusted EBITDA to R1,881 million (US$136 million) for H2 2018. Similarly, adjusted EBITDA for the full year of R2,882 million (US$218 million) was 81% higher than it was in 2017 with the adjusted EBITDA margin increasing from 12% in 2017 to 19% in 2018. As with the US PGM operations, at the spot 4E PGM basket price of R17,670/4Eoz at close of day on 6 March 2019, the proforma adjusted EBITDA from the SA PGM operations would have been approximately 100% higher at R3,812 million (US$268 million).

**Impact of changes to processing arrangements for Rustenburg operation from 1 January 2019**

In line with Sibanye-Stillwater’s mine-to-market PGM strategy and according to the processing agreements with Anglo American Platinum, the processing arrangement for Rustenburg production changed from a PoC arrangement to a toll processing arrangement from 1 January 2019. In terms of the PoC arrangement, Sibanye-Stillwater delivered metals concentrate from the Rustenburg operation to Anglo American Platinum for smelting and refining and Anglo American Platinum paid a percentage of the metal-in-concentrate as payment for processing the concentrate. The cost of this PoC charge was offset against revenue and reflected as an equivalent discount to the 4E PGM basket price received.

In terms of the toll arrangement, Sibanye-Stillwater will pay an agreed rate to Anglo American Platinum to smelt and refine concentrate from the Rustenburg operation but will own and sell all the refined metal produced. From a reporting perspective, Sibanye-Stillwater will no longer reflect a discount in its revenue and will receive the full average 4E PGM basket price although costs and unit costs will be higher than under the PoC arrangement, reflecting the additional tolling costs.

At the current spot 4E PGM basket price, the net result of this contractual change has a positive financial impact with the increased revenue more than offsetting the additional toll cost and, as a result, beneficial commercially and strategically. The change in the arrangement, however, results in a delay in the recognition of revenue due to the point of sale being extended to the end of the processing pipeline, which affects the recognition of revenue for 2019.

Under the PoC arrangement, a sale was recognised and accounted for on delivery of concentrate to Anglo American Platinum as the control transferred to Anglo American Platinum pursuant to the sales contract. The sale price was previously determined on a provisional basis and adjustments to the sale price were made, based on movements in the metal prices up to the date of final pricing. Under the toll arrangement, a sale will only be accounted for after the refined metals are sold, approximately four months after delivery of the concentrate to Anglo American Platinum. From an accounting perspective, this is the point when the control is transferred to the customer.

This change has resulted in:

- the revenue recognition cycle being delayed with minimal revenue and earnings recognised from the Rustenburg operation during Q1 2019 and an associated deferral of the recognition of costs
- a permanent increase in inventory and a similar reduction in trade receivable balances so the net impact on working capital is minimal
- cash flow is largely unaffected

As a result of these changes, adjusted EBITDA from the Rustenburg operation will not be recognised during Q1 2019, which will impact our net debt to adjusted EBITDA leverage ratio during the transition of the commercial arrangements. Following further discussions with our lenders, a covenant holiday for Q1 2019 has been agreed. We consequently have sufficient headroom on our lender covenants and liquidity remains adequate.
SA gold operations

As announced on 1 August 2018, all conditions precedent to the DRDGOLD transaction were met and the transaction was implemented on 31 July 2018. Sibanye-Stillwater consolidated DRDGOLD in its operating and financial results from 1 August 2018 and the current operating results include 1,870kg (60,122oz) from DRDGOLD.

Total gold production, including DRDGOLD, declined by 16% year-on-year to 36,600kg (1,176,700oz) primarily due to the impact of the anomalous H1 2018 safety incidents and other operational disruptions (the disruption of electrical power to the Beatrix operations and seismic damage to infrastructure at the Driefontein 1 and Kloof 3 shafts) and the AMCU strike in the second half of the year, as well as cessation of underground mining at the Cooke operations in late 2017, which accounted for 956kg (30,736oz) or 32% of the reduction. On a like-for-like basis, gold production (excluding DRDGOLD and the Cooke underground operations) also declined by 16% year-on-year to 34,676kg (1,114,800oz).

The impact of the 16% decline in production year-on-year is evident in the 15% increase in AISC for 2018 to R557,530/kg (US$1,309/oz) despite cost of sales before amortisation and depreciation (including DRDGOLD and the Cooke underground operations) remaining flat year-on-year. The significant fixed overhead cost component (over 80% of operating costs) for the SA gold operations makes costs very sensitive to production volume changes. As a result, unit costs such as AISC invariably increase with reductions in production volumes.

The average received rand gold price for 2018 of R535,929/kg (US$1,259/oz) was flat year-on-year. Combined with the significant decline in production, this resulted in adjusted EBITDA from the SA gold operations declining to R1,362 million (US$103 million) from R5,309 million (US$399 million) in 2017.

SECTION 189A

While the profitability of the SA gold operations is currently distorted by the production impact of the safety incidents and ongoing strike action, there are fundamental profitability issues, particularly at the Driefontein 2, 6, 7 and 8 shafts and at Beatrix 1 shaft. This will be addressed through consultation with stakeholders in terms of Section 189A of the Labour Relations Act. Notice in this regard was given to stakeholders on 14 February 2019.

This follows notices issued under Section 52(1)(a) of the Mineral and Petroleum Resources Development Act in October 2018 in respect of Beatrix and Driefontein, advising stakeholders of the marginal profitability of the mining rights that should have prompted engagements with the stakeholders on each of the mines about measures that could be taken to secure improved financial sustainability. Sadly, such constructive engagements did not transpire as strike-related issues dominated the intervening period.

Through the formal Section 189A consultation process, Sibanye-Stillwater and affected stakeholders will together consider measures to avoid and mitigate possible retrenchments of up to 5,780 employees and 800 contractors, and seek alternatives to the potential cessation or downscaling of operations at the affected shafts. We are confident that this process will reposition the SA gold operations for sustainable, profitable safe production.

STRATEGIC REVIEW

Sibanye-Stillwater’s transition from a South African gold producer to a diversified global precious metals producer was well-timed. The announcements of the Aquarius and Rustenburg acquisitions in late 2015 preceded a sustained period of increasing palladium and rhodium prices, which have risen by over 200% and 370% from respective low price points in 2016, more than offsetting the moribund platinum price.

Precious metals price performance (%)

The spot rand 4E PGM basket price of R17,695/4Eoz is approximately 60% higher than it was when the Aquarius and Rustenburg transactions were announced with the spot dollar 2E PGM basket price of US$1,375/2Eoz also approximately 60% higher than it was at the time of the Stillwater acquisition announcement.
Through these acquisitions, Sibanye-Stillwater has built a sizeable PGM business producing 1.77Moz of 4E/2E at a favourable point in the PGM price cycle. The approximate R34 billion cost of these acquisitions (when PGM prices were significantly lower) is at the low end of historical acquisition prices in the sector and compares favourably with current market valuations for similar-sized peers in the PGM industry, which have recently significantly rerated. Following completion of the proposed acquisition of Lonmin, it is expected that Sibanye-Stillwater will become the largest producer of mined platinum in the world, the second largest producer of palladium globally after Norilsk Nickel, and joint largest rhodium producer with Impala Platinum Holdings. On a gold equivalent basis, Sibanye-Stillwater remains extremely relevant, ranking third behind the proposed Newmont Mining Corporation/Goldcorp and Barrick Gold Corporation.

On 14 December 2017, we announced an all share offer to acquire 100% of Lonmin. Despite achieving a number of significant milestones during the year, including the approval of the United Kingdom Competition and Markets Authority and the South African Competition Tribunal, subject to specific conditions, an appeal against the Competition Tribunal ruling by AMCU on 19 December 2018 has delayed the completion of the transaction. The Competition Appeal Court of South Africa has set down 2 April 2019 as the date for the hearing of the appeal. As announced on 15 January 2019, Sibanye-Stillwater and Lonmin have agreed to extend the long-stop date for completion of the proposed acquisition to 30 June 2019. Sibanye-Stillwater remains committed to the proposed acquisition – a logical step in further progressing our PGM strategy – which the Board believes will be value-accrutive for Sibanye-Stillwater shareholders.

Palladium and rhodium prices have continued to rise in 2019 to date, underpinned by growing market consensus that the fundamental outlook for palladium and rhodium will remain positive for some years. Palladium is the primary product from our US PGM operations and forms an important component of the PGM basket from our South African PGM mines with rhodium, a critical component of diesel and gasoline autocatalysts, only produced in commercially relevant quantities in southern Africa.

The outlook for platinum is similarly constructive although a meaningful increase in the platinum price is still a couple of years out – by our estimation. Demand remains firm and a lack of capital investment in the South African mining industry, since the global financial crisis, is beginning to impact supply with a number of mine closures announced in the past two years. The rapid increase in palladium and rhodium prices has resulted in palladium trading at a more than US$650/oz premium over platinum, for the first time in more than a decade, which is significantly higher than the US$400/oz to US$500/oz price we expected to incentivise substitution. Indeed there are nascent signs that testing of platinum as a partial substitute for palladium is taking place. Consistent with our long-held outlook for platinum, this implies an improvement in future demand although it is likely to only occur over a period of two or three years.

The outlook for gold is similarly positive albeit more muted than the very solid PGM fundamentals. Global political and economic uncertainty is likely to persist for some years to come, which has historically been supportive of gold demand and the gold price. Despite the recent operational challenges we have experienced, we remain committed to our SA gold operations and to restoring these quality assets to profitability once the AMCU strike has concluded.
The gold assets we inherited – Beatrix, Driefontein and Kloof – have created significant value for stakeholders since the unbundling of Sibanye Gold by Gold Fields. When Sibanye Gold listed, reserves were stated as 13.5Moz with an approximate operating life of eight to 10 years. Since then, our SA gold operations have produced approximately 8.6Moz of gold (approximately 64% of the initial reserves) and enabled us to build a substantial, long-life PGM business while returning over R4.1 billion in dividends to shareholders (at an average 4.9% dividend yield over a five-year period), which is approximately 40% of our market capitalisation on listing. Moreover, after producing 8.6Moz of gold in the past six years, gold reserves of 16.6Moz at the end of 2018 are still 23% higher than they were when Sibanye Gold was constituted.

These quality assets provided a solid base from which we were able to build a large globally diversified precious metals company and will continue to contribute to the Group once the operations have normalised.

NET ASSET VALUE

Sibanye-Stillwater has, through a series of favourably priced acquisitions at a low inflection point in the PGM price cycle, built a sizeable PGM business, which offers significant upside to a higher price environment.

The significant increase in the palladium and rhodium prices since these acquisitions were made, combined with consistent delivery of solid operational results, in our view, will result in significant value being delivered to all stakeholders.

At current market consensus commodity prices and exchange rates, and based on our life of mine (LoM) plans (discounted at an average rate of approximately 7.5% real), we have determined a net asset value (NAV) for the Group of approximately R80 billion. At spot precious metals prices (at 18 February 2019), the NAV increases to approximately R110 billion. Sibanye-Stillwater is currently trading at a 0.35x price to NAV, which is substantially lower than the average price to NAV of its South African gold and PGM peers.

Our primary focus in 2019 will be to ensure that the inherent value in our NAV flows through into our share price to reduce the price to NAV discount through consistent operational and financial delivery that reflects the benefits of the improved gold and PGM commodity price environments and ensures deleveraging of our balance sheet.

Aspects beyond management control, such as volatile commodity prices, cost escalation, production disruptions, and changes to tax and other regulations, among others, could, however, materially impact the Group NAV.

POSITIONING FOR A NEW WORLD – SFA (OXFORD)

In order to ensure that the Group is suitably positioned for continued delivery of value to stakeholders, Sibanye-Stillwater has agreed to acquire SFA (Oxford), pending certain conditions, which is an established analytical consulting company, a globally recognised authority on PGMs, providing in-depth market intelligence, for several years, on battery materials and precious metals for industrial, automotive and smart city technologies.

The acquisition cost compares favourably with the cost of setting up a similar analytical and research group internally but significantly leapfrogs the time required to build up the intellectual knowledge. While Sibanye-Stillwater will have Board representation consistent with its equity holding, SFA (Oxford) will continue to operate as an independent company, providing services to global clients on metal market analysis. As such SFA (Oxford) is expected to be operating cost neutral to Sibanye-Stillwater. Post completion of the acquisition of SFA (Oxford), Sibanye-Stillwater will retain an 80% equity stake in the company with the balance apportioned to employees as an incentive and retention scheme. In this regard, Stephen Forrest will remain as Chairman of the SFA (Oxford) Board and a non-executive director, Jim Sutcliffe, will be appointed to the SFA (Oxford) Board.

2019 OUTLOOK

The extent and severity of Sibanye-Stillwater’s challenges in 2018 were unprecedented but, while we still face a number of challenges, the manner in which the Sibanye-Stillwater team has responded to and dealt with various crises gives me confidence that we are well-positioned to continue delivering superior value to all of our stakeholders.

Our significant investment in the PGM industry was not made lightly and was against conventional market wisdom. The fruits of this contrarian, but carefully considered, strategy have already delivered tangible benefits, which are not yet reflected in our market valuation. A positive and sustainable fundamental outlook for PGMs is being increasingly accepted, and Sibanye-Stillwater’s commodity mix and geographical diversification offers a unique investment opportunity.

I am confident that the Section 189A consultations with stakeholders regarding the future of certain shafts at our SA gold operations will result in a more stable and profitable business segment, which will contribute positively to Group earnings in future.
Precious metal prices, particularly palladium and rhodium, have surged in 2019 with the recent depreciation of the rand US dollar rate, which is a significant revenue driver, boosting revenues for South African mining companies. The operating environment in South Africa remains challenging although recent political changes and a seemingly more investment-oriented approach by government are positive. While structural changes have yet to be seen, general sentiment about the country’s prospects for economic stability and growth have improved.

I am convinced that Sibanye-Stillwater offers tangible fundamental value and is strategically positioned to benefit from any further upside in precious metals prices.

RECOGNITION

During the past year of disparate challenges, I have been fortunate to have the support of a team fully committed to achieving the Group’s strategic aims and willing at all times to go that extra mile. My thanks to them are unqualified and I am confident that their contributions will continue to be as fulfilling as ever. I am grateful too for the continuing support and wise counsel of the Board.

Neal Froneman
Chief Executive Officer
29 March 2019
• Group loss for the year decreased by 43% to R2,521 million
• Substantial increase in US and SA PGM adjusted EBITDA
• US$350 million revolving credit facility (RCF) refinanced and upsized to US$600 million on improved terms in April 2018
• US$500 million streaming transaction completed in July 2018
• US$395 million bond buy back resulting in US$25 million annual interest saving
• DRDGOLD transaction completed

2018 will be remembered as one of the more challenging years for Sibanye-Stillwater. The safety incidents at our SA gold operations in the early part of the year as well as the extended strike action at these operations, which started on 21 November 2018, had a significant impact on the financial results of the Group. In stark contrast to this, the PGM operations in southern Africa and the United States maintained steady operating performances with revenues benefitting from higher palladium and rhodium prices in 2018. The well-timed entry into the PGM sector is clearly evident in the financial results, with solid operating and financial performance of our PGM operations compensating for the operational and industrial relations challenges experienced at the SA gold operations.

The Group’s major source of earnings for 2018 was our US PGM operations, which accounted for 50% of Group adjusted EBITDA. The contribution from the SA PGM operations has also increased substantially, due to the improved rand PGM basket price and solid, sustained operational performance. In 2018 the SA PGM operations contributed 34% of Group adjusted EBITDA, up from 18% in 2017. Despite a flat average rand gold price received year-on-year, the impact of the safety incidents and other unanticipated operational disruptions as well as the strike, caused production from the SA gold operations to decrease by 7,034kg (226,157oz), resulting in adjusted EBITDA from the SA gold operations declining by 74% to R1,362 million. The SA gold operations contributed only 16% of Group adjusted EBITDA in 2018, compared with 59% in 2017.

The liquidity requirements of the Group were substantially improved through the refinancing of the three-year US$350 million RCF in April 2018. The facility was refinanced for three years with two optional one-year extensions and was increased to US$600 million on improved terms. In anticipation of the change in revenue recognition at Rustenburg operation, where we are moving from a purchase of concentrate arrangement to a toll refining agreement, the Group approached its lending group to provide further covenant relief. The net debt to adjusted EBITDA covenant has been extended at 3.5 times till the end of 2019, thereafter it will step down to 2.5 times.

Sibanye-Stillwater completed a gold and palladium stream agreement with Wheaton Precious Metals International Limited (Wheaton International) in July 2018. In terms of the agreement, Sibanye-Stillwater received US$500 million from Wheaton International in exchange for an amount of gold and palladium equal to a percentage of gold and palladium produced from our US PGM operations (comprised of its East Boulder and Stillwater mining operations). The US$500 million arising from the transaction was competitively priced relative to existing Group debt and alternative financing available in international capital markets.

A portion of the advanced proceeds of the streaming transaction of US$500 million was utilised to buy back US$415 million of the high yield and convertible bonds for a nominal consideration of US$395 million. The buyback has resulted in an annual interest saving of US$25 million and a saving of US$137 million over the remaining life of these bonds.

From an operational perspective, the rand gold price received for 2018 was in line with 2017 at R535,929/kg. The impact of the safety incidents and other unanticipated operational disruptions as well as the strike, caused production from the SA gold operations to decrease by 7,034kg (226,157oz). The average rand basket price received at the SA PGM operations was 10% higher at R13,838/4Eoz in 2018, compared with R12,534/4Eoz in 2017. The SA PGM operations performed strongly with 4E PGM production of 1,175,672oz in 2018, compared with 1,194,348oz in 2017 mainly due to lower surface production. The US dollar average basket price received at the US PGM operations was 9% higher at US$1,007/2Eoz compared with US$927/2Eoz in 2017. 2E PGM production at 592,608 was 57% higher, reflecting the increased contribution from Blitz and the inclusion of a full year compared with eight months in 2017.

Cost performance at the SA PGM operations was again pleasing during 2018. The AISC at the SA PGM operations at R10,417/4Eoz was in line with the cost performance of 2017 at R10,399/4Eoz. The AISC at the US PGM operations increased by 4% for 2018 to $677/2Eoz mainly due to the frontloading of skills for Blitz, increased royalties due to the improved basket price, higher maintenance cost and planned outages in the metallurgical complex. Unit costs at the SA gold operations were primarily affected by the safety incidents and other unanticipated operational disruptions as well as the strike. The AISC increased from R482,693/kg in 2017 to R557,530/kg.
For management’s explanation of factors that have affected the Group’s financial condition and results of operations for the historical periods covered by the financial statements, and management’s assessment of factors and trends which are anticipated to have a material effect on the Group’s financial condition and results of operations in future periods, see Annual Financial Report—Overview—Management’s discussion and analysis of the financial statements.

Proposed Lonmin transaction

On 14 December 2017, the Boards of Sibanye-Stillwater and Lonmin announced that they had reached agreement on the terms of a recommended all-share offer pursuant to which Sibanye-Stillwater, and/or a wholly-owned subsidiary of Sibanye-Stillwater, will acquire the entire issued and to be issued ordinary share capital of Lonmin.

The Lonmin group is a major mine-to-market producer of PGMs with core operations in South Africa. It produces PGMs predominantly used in many industrial applications, and in jewellery and investment, with saleable by-products including gold, copper, chrome and cobalt. The Lonmin group is a major primary producer of PGMs worldwide. Lonmin shares are admitted to listing on the premium listing segment of the official list and to trading on the main market of the London Stock Exchange, and have a secondary listing on the JSE main board. Lonmin also has an American Depositary Receipt programme traded on the over-the-counter market in the US.

The Board believes that the proposed acquisition of Lonmin is compelling and value-accretive for Sibanye-Stillwater shareholders and is a logical step in executing its PGM strategy in southern Africa. By combining Sibanye-Stillwater’s existing, and contiguous, South African PGM assets with Lonmin’s operations, including Lonmin’s processing facilities, Sibanye-Stillwater will be able to unlock operational synergies and complete its strategy to become a fully integrated PGM producer in South Africa. By combining Sibanye-Stillwater’s existing, and contiguous, South African PGM assets with Lonmin’s operations, including Lonmin’s processing facilities, Sibanye-Stillwater will be able to unlock operational synergies estimated at R730 million over the first three years while a further R780 million is expected to be unlocked should the Rustenburg PGM material be treated at the Lonmin facilities after 2021. We are also confident that this transaction will bring greater stability to the Lonmin assets, and ensure a more sustainable and positive future.

To date, several of the conditions precedent have been fulfilled including approvals from the South African Reserve Bank, the UK Competition and Markets Authority, as well as the South African Competition Commission approval received on 21 November 2018, subject to specific conditions.

On 19 December 2018, AMCU filed an appeal with the Competition Appeal Court of South Africa against the South African Competition Commission decision, which will be heard on 2 April 2019. Sibanye-Stillwater and Lonmin have agreed to extend the long-stop date for completion of the proposed acquisition from 28 February 2019 to 30 June 2019.

Additional conditions precedent include, inter alia, the approvals of Lonmin and Sibanye-Stillwater shareholders and the courts of England and Wales. A circular to Sibanye-Stillwater shareholders and the Lonmin scheme of arrangement document will be posted to the respective shareholders in due course. Included in those documents will be the expected dates of the shareholder meetings and timetable for the closing of the transaction.

FOCUS AREAS – 2019

The continued deleveraging of the organisation will be the primary focus for 2019 through earnings growth, cash flow generation and possible alternative financing solutions which may include pipeline financing. In order to maintain adequate liquidity, the refinancing of the R6.0 billion RCF, maturing in November 2019, will be prioritised. The facility will potentially be increased to provide adequate working capital requirements to the enlarged Group post completion of the Lonmin transaction.

The strong performance of commodity prices, more specifically palladium, rhodium and gold and the weakening of the rand against the US dollar, which started in 2018 and has continued into 2019, should assist with earnings growth and cash flow, which will have a substantial positive impact on the continued deleveraging.

The Group’s main focus on successful closure of the Lonmin transaction will be the integration of the Lonmin assets and on leveraging the initial cost synergies identified during the due diligence. High-level planning of the integration effort and the associated timeline has already started.
ACKNOWLEDGEMENT

I continue to be supported by a strong and diligent finance team across the Sibanye-Stillwater group. The Group has been able to mitigate some of the adverse consequences relating to the volatile global environment in which we operate through proactive responses by the financial team. We continue to provide relevant, qualitative information and reporting to all our stakeholders that reflect our objectives and values. I would like to take this opportunity to thank the financial team for their unwavering support and look forward to 2019.

Charl Keyter
Chief Financial Officer
29 March 2019
MANAGING OUR RISKS AND OPPORTUNITIES

Sibanye-Stillwater views risk and opportunity management as an integral element of our strategy implementation that supports the Group in performing effectively and building confidence in the delivery of predictable outcomes in the dynamic environment in which we operate. A solid understanding and effective management of our risks and opportunities, and ensuring we have appropriate measures in place to mitigate risks and act on opportunities, will give us a competitive advantage. By effectively containing risks and realising opportunities in pursuit of our strategy, we are able to deliver on our strategic objectives and generate sustained value for all stakeholders over time.

Sibanye-Stillwater considers a risk and/or an opportunity to be material if it substantially affects our ability to create and sustain value in the short, medium and long term. The process to identify the material risks and opportunities facing Sibanye-Stillwater is three-pronged and involves taking into account:

- Our external operating environment
- Internal factors that may adversely affect business performance
- Stakeholder attitudes, concerns and expectations (see —Stakeholder engagement)

Due consideration and understanding of these factors allows management to identify the most significant and material issues in terms of their potential impact on the Group’s ability to achieve its strategic and business objectives and to create value. Management evaluates the likelihood and potential impact of material issues occurring from multiple perspectives, including strategic, financial and operational viewpoints, prioritising the most material and developing appropriate response plans to mitigate and manage the risks identified.

In this section we report on and discuss first our risks, how these are identified and how we mitigate and manage them. This is followed by a discussion on our approach to opportunities (see —Identifying and managing our material opportunities).

Management of our material risks entails identifying the relevant variables – strategic, external and internal – and understanding how they might impact Sibanye-Stillwater’s ability to deliver on our strategy and achieve our strategic objectives.

OUR RISK MANAGEMENT FRAMEWORK

Risk management is a continuous, proactive, dynamic process, designed to identify, understand, manage and communicate risks that may impact Sibanye-Stillwater’s ability to achieve its strategic business objectives. The Group-wide risk assessment process has been enhanced to ensure that our strategic objectives are included at all levels of risk determination, and to ensure alignment across the Group.

The Group-wide assessment process is cascaded to our major operating segments, which allows for customised identification and management of risks to safe production delivery and cash flow from each operating segment and the contextualising of these risks at a Group level. Many of the risks that are material to the Group are consolidated from an operating segment, commodity or territory specific risks, with strategic opportunities driven mainly as part of the Group strategic plan.

GOVERNANCE

Governance oversight of risk and opportunity management in 2018 included an annual independent review of Sibanye-Stillwater’s updated enterprise risk management framework, practices and systems, and their effectiveness, by external assurance provider, PwC. The review confirmed that our risk management framework is compliant with King IV, ISO 31000 and the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In line with its duties and responsibilities, the Board of Directors, supported by the Risk Committee, monitored, reviewed, provided feedback on and approved the risk management framework, its components, and the systems and processes making up enterprise risk management.

The diagram below summarises the framework that is in place to identify material risks.

Identifying our material risks

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Group-wide risk management</th>
<th>Operating environment</th>
<th>Stakeholder engagement</th>
<th>Enterprise risk management</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Gathering initial input</td>
<td></td>
<td>Analysis of factors over which we have no control that may affect our ability to deliver on strategic objectives</td>
<td>Analysis of issues raised by stakeholder engagement (see —Stakeholder engagement)</td>
<td>Analysis of information from internal business processes</td>
</tr>
<tr>
<td>2</td>
<td>Evaluating input</td>
<td>Qualitative</td>
<td>Review of risks based on strategic, financial, non-financial and operational considerations</td>
<td>Quantitative</td>
<td>Review of risks based on implications for reputation, licence to operate and compliance</td>
</tr>
<tr>
<td>3</td>
<td>Reviewing and prioritising</td>
<td>Application of filters for risk determination and allocation of responsibilities to ensure control and further mitigation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Determining material risks</td>
<td></td>
<td></td>
<td></td>
<td>Significant material risks are agreed, ranked and appropriate responses determined</td>
</tr>
</tbody>
</table>
As part of ongoing monitoring of risk management, the Board deliberated and agreed on acceptable appetite and risk tolerance levels for key performance areas. Our risk appetite refers to the extent of business risk we are willing to take to achieve our strategic objectives and attain certain financial and commercial outcomes. In agreeing our risk appetite, we consider revenue growth, earnings sustainability, environmental impact, employee well-being, health, safety, the environment, human resources, business plan delivery, licence to operate, ethics and governance.

**RISK APPETITE STATEMENTS**

The Group is committed to operating responsibly in its pursuit of creating superior shareholder value. The following strategic risk appetite statements provide directional decision support for strategic decision making in line with this commitment.

**HEALTH, SAFETY, SUSTAINABILITY AND ENVIRONMENT**

- Sibanye-Stillwater will strive for zero harm and to minimise risk by not putting profits ahead of health, safety, sustainability or environment
- Sibanye-Stillwater strives to exceed industry standards and to avoid entering operating environments where health, safety, sustainability and environment (HSSE) records are not in line with international norms
- Sibanye-Stillwater seeks to avoid any activity that will compromise our alignment with leading industry health, safety, sustainability and environmental standards

**FINANCIAL AND INVESTMENT DECISIONS**

- Sibanye-Stillwater will strategically take on additional leverage in order to increase shareholder value only where the operational requirements, through detailed evaluation, are determined to be outweighed by the benefit
- Sibanye-Stillwater is not willing to accept any risk that has the potential to cause at least a 500-basis point deviation in margin from the plan
- As part of evaluating investment decisions or capital allocations, the Group applies relevant hurdle rates and discount factors, taking into account items such as level of study undertaken on the project or operation and country risk, among others

**RISK ESCALATION**

The top 10 risks identified in the risk register are:

- included in or escalated to the Group strategic risk register
- evaluated for further mitigation measures to reduce the risk to within the tolerance levels
- reported to the Board

**OUR TOP 10 MATERIAL RISKS**

For 2018, we identified and monitored the following top 10 material risks. Given the transformative acquisition of Stillwater concluded in 2017 and the resulting geographic and product diversity, Sibanye-Stillwater’s risk profile has substantially changed. This change is reflected in the change in our material risks and in regional differences. Diversification has reduced the potential impact of certain risks previously considered material. Further detail on each risk, its impact on our strategic objectives, and related mitigation measures, see —Top 10 risks: Description, impact and related mitigating actions.

Risk assessments are conducted across the Group at operating unit, business unit, region and Group level with each area continuously monitoring its risk registers. These risk registers are reviewed formally by the Risk Committee twice a year. In 2018, the strategic risk assessments for the Group, and the US and SA operations were independently facilitated by Willis Towers Watson.

The risk methodology applied requires that the risks are inherently rated to provide a view of the risk profile. Controls in place are identified. The risks are then rated to provide a residual rating.

The top 10 strategic risk inherent and residual risk rankings are reflected in the heat maps (below).
Details of the top 10 residual risks identified for 2018 are provided in the table below. Also provided is the risk movement since 2017 and the new risks identified as a result of our geographical and product diversification.

Top 10 material risks and opportunities in 2018

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Risk description in 2018</th>
<th>Comparison with 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government actions</td>
<td>Incorporates the following risks from 2017: Further deterioration in South African rating and potential adverse impact on valuations and cost of financing (4)</td>
</tr>
<tr>
<td>2</td>
<td>Socio-political instability and unrest in South Africa</td>
<td>Incorporates the following risks from 2017: Unrealistic expectations for business to uplift communities in South Africa (8)</td>
</tr>
<tr>
<td>3</td>
<td>Impact of safety incidents, including those contrary to company policy ¹</td>
<td>Incorporates the following risks from 2017: Safety, health and environmental incidents (7)</td>
</tr>
<tr>
<td>4</td>
<td>Mining Charter outcome and Mineral and Petroleum Resources Development Act amendments</td>
<td>Incorporates the following risks from 2017: Maintaining and obtaining operating licences and other permits in uncertain political and regulatory environments (6)</td>
</tr>
<tr>
<td>5</td>
<td>Under-delivery on operational plans</td>
<td>Incorporates the following risks from 2017: Under-delivery on operational targets owing to external factors (9)</td>
</tr>
<tr>
<td>6</td>
<td>Significant PGM, gold and other commodity price decreases</td>
<td>New risk</td>
</tr>
<tr>
<td>7</td>
<td>Global economic downturn or strengthened US economy</td>
<td>New risk</td>
</tr>
<tr>
<td>8</td>
<td>Financial covenants and net debt</td>
<td>Incorporates the following risk from 2017: Ability to access, service and repay debt due to external and internal factors that may impact cash flow (2)</td>
</tr>
<tr>
<td>9</td>
<td>Organised labour</td>
<td>Incorporates the following risk from 2017: Operational disruptions (25)</td>
</tr>
<tr>
<td>10</td>
<td>Change in regulatory requirements</td>
<td>Incorporates the following risk from 2017: Adverse regulatory changes and socio-political instability (3)</td>
</tr>
</tbody>
</table>

¹ Safety and well-being of our employees is a priority for Sibanye-Stillwater at Group and regional level. As the anomalous spate of fatalities in 2018 is of great concern, a review of the circumstances of each incident was conducted and action was taken to enhance safety practices.

Our Group and regional risk registers include the impact of safety, health and environmental incidents, as well as under-delivery on our plans among the top 10 Group and/or regional risks.
**MANAGING OUR RISKS AND OPPORTUNITIES continued**

<table>
<thead>
<tr>
<th>Related strategic objective</th>
<th>Risk identification and ranking</th>
<th>Underlying vulnerabilities</th>
<th>Potential consequences and impact on delivery of strategy</th>
<th>Enhancement action plan</th>
<th>Key performance indicators (KPIs)</th>
<th>Inherent risk rating</th>
<th>Residual risk rating</th>
<th>Risk tolerance</th>
<th>Source of risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Addressing our South African discount</td>
<td>• Pursuing value-accretive growth</td>
<td>1. GOVERNMENT ACTIONS</td>
<td>For further information, see: —Chief Executive Officer’s review, —Chief Financial Officer’s report and —Performance review—Minimising the environmental impact</td>
<td>• Policy and regulatory uncertainty in South Africa • Nationalisation movement/discussion • Inability to comply with social licence and US political climate • Low investor support • Further policy and regulatory uncertainty • Increased cost of compliance and doing business • Loss of international competitiveness • Lack of investment • Increased cost/decreased access to capital • Decreased revenue and SA operations’ sustainability</td>
<td>• Broad stakeholder engagement • Direct legal challenges to legislation • Ongoing monitoring of regional compliance • Participation in organised business lobby groups • Active involvement in business associations to influence outcomes of regulatory certainty and policy making • Geographical diversity</td>
<td>• Favourable minerals policy • Costs of sustaining social licence • SA discount on share price • Optionality to address negative government policy</td>
<td>High</td>
<td>Medium</td>
<td>• Compliance with key laws, legal requirements and social requirements for social and labour plans (SLPs) and Mining Charter targets</td>
</tr>
</tbody>
</table>

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### MANAGING OUR RISKS AND OPPORTUNITIES

#### 2. SOCIO-POLITICAL INSTABILITY AND UNREST IN SOUTH AFRICA

For further information, see: —Chief Executive Officer’s review, —Chief Financial Officer’s report, —Stakeholder engagement, —Performance review—Delivering value from operations, projects and technology, —Performance review—Ensuring safe production, and —Performance review—Occupational health and well-being

<table>
<thead>
<tr>
<th>Related strategic objective</th>
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</thead>
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<tr>
<td>• Addressing our South African discount</td>
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<td>• Focus on safe production and operational excellence</td>
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</tbody>
</table>

- Failure to meet community expectations
- Failure of local economic development projects
- Community uprising
- Historic area of weakness
- Hijacked by political interests
- High unemployment
- SA clash of vested interests
- Dysfunctional local government
- Lack of services (including electricity) and escalating cost of services
- Heightened expectations

- Business and operational disruption
- Safety and security compromised
- Increased costs
- Impact on employee morale
- Unable to deliver on operational plans
- Reduced cash flow
- Mining licence uncertainty
- Reputational impact
- Company required to play government role
- SLP pressure and costs

- Stakeholder engagement
- Investment in local economic development
- Community compacts

- Improved stakeholder relationships (evidenced by reduced community protest action and existence of compact agreements)

- Compliance with key laws, legal requirements and social requirements for SLPs and Mining Charter targets

- High

- Medium
### MANAGING OUR RISKS AND OPPORTUNITIES

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<tr>
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<td>Focus on safe production and operational excellence</td>
<td>3. IMPACT OF SAFETY INCIDENTS, INCLUDING THOSE CONTRARY TO COMPANY POLICY</td>
<td>For further information, see: —Perspective from the chair, —Chief Executive Officer’s review, —Chief Financial Officer’s report, —Performance review—Delivering value from operations, projects and technology, —Performance review—Superior value for the workforce, —Performance review—Ensuring safe production, —Performance review—Occupational health and well-being, and —Governance—Corporate governance and leadership and —Governance—Remuneration report</td>
<td>Lack of alignment between safety performance and values and culture</td>
<td>Adoption of the zero harm safety framework, developed jointly with the Department of Mineral Resources and organised labour</td>
<td>High</td>
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<tr>
<td>Deleveraging our balance sheet</td>
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<td></td>
<td>Technical complexity</td>
<td>Continued focus on enhancing safe production, based on an enabling environment and empowered employees</td>
<td>Medium</td>
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<td></td>
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<td></td>
<td>Depth of operations</td>
<td>Establishment of the Global Safe Production Advisory Panel comprising international experts in the fields of mining and rock engineering</td>
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<td>Propensity for high-risk behaviour</td>
<td>Continued focus on mine health and safety systems</td>
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<td></td>
<td>Disregard for rules and procedures by non-management personnel</td>
<td>Continued focus on employee training and awareness</td>
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<td>Desensitisation to events</td>
<td>Behavioural intervention</td>
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<td>Safety perceived by some as exclusively management issue</td>
<td>Appropriately skilled appointments</td>
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<td>Labour-intensive</td>
<td>Safety campaigns</td>
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<td></td>
<td>Narrow nature of ore body</td>
<td>Safety rewards and recognition (and consequences for poor safety performance)</td>
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<td></td>
<td>Mature mines</td>
<td>Participation in industry safety bodies</td>
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<td></td>
<td></td>
<td>Fatalities</td>
<td>Auditing</td>
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<td>Serious injuries</td>
<td>Continued focus on seismic monitoring systems</td>
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<td>Reputational impacts</td>
<td>Continued focus on safe operating standards and procedures</td>
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<td>Employee morale and engagement</td>
<td>Safety function</td>
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<td>Damaged relationships (customers, organised labour, shareholders and communities)</td>
<td>Board sub-committee/oversight</td>
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<td>Operational/business disruption</td>
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<td>Increased regulatory and stakeholder scrutiny</td>
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<td>Increased expense</td>
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<td>Loss of production</td>
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<td>Legal consequences</td>
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<td>Fines and penalties</td>
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<td></td>
<td>Sustainability of operations</td>
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<td>Percentage decrease in FIFR, SIFR and LTIFR year on year</td>
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<td></td>
<td>Low tolerance of any activity that will compromise alignment with industry-leading health, safety, security and environment</td>
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**Note:** Other strategic objectives include: 3. IMPACT OF SAFETY INCIDENTS, INCLUDING THOSE CONTRARY TO COMPANY POLICY. For further information, see: —Perspective from the chair, —Chief Executive Officer’s review, —Chief Financial Officer’s report, —Performance review—Delivering value from operations, projects and technology, —Performance review—Superior value for the workforce, —Performance review—Ensuring safe production, —Performance review—Occupational health and well-being, and —Governance—Corporate governance and leadership and —Governance—Remuneration report.
### MANAGING OUR RISKS AND OPPORTUNITIES

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</thead>
<tbody>
<tr>
<td>Addressing our South African discount</td>
<td></td>
<td>Uncertainty around new Mining Charter</td>
<td>Additional dilution to shareholders</td>
<td>Mining Charter conducive to competitiveness and investment</td>
<td>High</td>
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<tr>
<td>Pursuing value-accretive growth</td>
<td></td>
<td>Charter compliance is requirement to operate</td>
<td>Additional cost of compliance</td>
<td>Direct legal challenges to legislation</td>
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<tr>
<td></td>
<td></td>
<td>Lack of clarity around legal status of Mining Charter</td>
<td>Further discounts to share price</td>
<td>Ongoing regional compliance monitoring</td>
<td>Medium</td>
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<tr>
<td></td>
<td></td>
<td>Uncertainty of Mining Charter negotiations</td>
<td>Loss of investor confidence</td>
<td>Organised business lobby groups</td>
<td>Low</td>
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<td></td>
<td></td>
<td>Trust deficit between business and communities</td>
<td>Increased operating costs</td>
<td>Active involvement in business associations to influence outcomes of regulatory certainty and policy making</td>
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<tr>
<td></td>
<td></td>
<td>Unrealistic expectations created in government engagement with communities</td>
<td>Lack of access to capital markets</td>
<td>Geographical diversity</td>
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<tr>
<td></td>
<td></td>
<td>Uncertain legal tenure over mineral rights</td>
<td>Change to operating strategy</td>
<td>Compliance with current Mining Charter</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Sustainability of SA operations at risk</td>
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</table>
### MANAGING OUR RISKS AND OPPORTUNITIES

| Related strategic objective | Risk identification and ranking | Underlying vulnerabilities | Potential consequences and impact on delivery of strategy | Enhancement action plan | Key performance indicators (KPIs) | Inherent risk rating | Residual risk rating | Risk tolerance |
|-----------------------------|---------------------------------|----------------------------|----------------------------------------------------------|-------------------------|----------------------------------|---------------------|---------------------|------------------|-------------------|
| Focus on safe production and operational excellence | | | | | | | | |
| Deleveraging our balance sheet | | | | | | | | |
| 5. UNDER-DELIVERY TO PLAN | | Under-performance | | | Reduced variance on delivery to plan | High | Medium | ACHIEVEMENT OF TARGETS TO BUSINESS AND OPERATIONAL PLANS |
| For further information, see: —Chief Executive Officer’s review, —Chief Financial Officer’s report, and —Performance review—Delivering value from operations, projects and technology | Failure to meet operational targets and stakeholder expectations | Cash flow generation from operations | Highly leveraged and marginal due to strong Rand and/or low commodity prices | Losing competitive edge in South Africa | Volatility of commodity pricing | High fixed costs | Safety performance | Organised labour | Lack of mining flexibility and technical complexity (such as seismicity) | Disengaged employees | Dependence on key infrastructure | Planning and review systems | Competent people | Strong regional operational leadership | Operating model | Board oversight | Role clarity | Realistic targets | Flexibility | Regional organisational structure | Change management capability | Decoupling of gold mines | |
| | Loss of investor confidence | Low morale | Job losses | Inability to repay debt | Domino effect | Loss of revenue | Asset restructuring | Unable to retain key employees | Difficulty delivering on community programmes | Reduced cash flow | Poor stakeholder relations | |
| | Improved grade projection implemented at US PGM operations | |

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*Sibanye-Stillwater Integrated Annual Report 2018*
### MANAGING OUR RISKS AND OPPORTUNITIES continued

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<th>Risk tolerance</th>
<th>Related strategic objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deleveraging our balance sheet</td>
<td>6. SIGNIFICANT PGM, GOLD AND COMMODITY PRICE DECREASE</td>
<td>Tight margins, Highly operationally leveraged, Financial leverage, High levels of debt, Earnings dependent on prices, Difficult to plan confidently, Lack of flexibility to adapt to or absorb lower prices (long-term planning decisions), Fewer high-grade resources (gold) available, Cash flow pressures, Investors desire for pure commodity exposure</td>
<td>Decrease in revenue, Increased leverage, Potential layoffs, Further social instability, Shutting down operations, Constrained capital, Increase in unit costs, Reputational impact, Revision of strategy – Covenant breach – Increase in cost of capital projects due to stop/start nature – Equity issuance</td>
<td><em>Hedging</em></td>
<td><em>Corporate financing strategy implemented</em></td>
<td>High</td>
<td>Medium</td>
<td><strong>EXTERNAL</strong></td>
<td><em>Achievement of targets to business and operational plans</em></td>
</tr>
</tbody>
</table>

For further information, see: —Chief Executive Officer’s review, and —Chief Financial Officer’s report.
### Related strategic objective
- Deleveraging our balance sheet
- Pursuing value-accretive growth

### Risk identification and ranking
- 7. GLOBAL ECONOMIC DOWNTURN OR STRENGTHENED US ECONOMY
  
  For further information, see: —Chief Executive Officer’s review, and —Chief Financial Officer’s report

### Underlying vulnerabilities
- Significant exposure to PGM markets
- PGM markets are relatively volatile
- Platinum is in downturn
- Significant exposure to South Africa
- Uncertainty about direction of economy and political uncertainty
- Economy drives demand
- Social instability
- Strong US economy has negative impact on gold

### Potential consequences and impact on delivery of strategy
- Decrease in revenue
- Decreasing commodity demand and prices
- Increased leverage
- Potential layoffs
- Further social instability
- Shutting down operations
- Lack of capital investment
- Increase in unit costs
- Reputational impact
- Revision in strategy
- Covenant breach

### Enhancement action plan
- Geographical and commodity diversification
- Hedging
- Inherent flexibility and agility to respond rapidly
- Restructuring regional cost base
- Managing capital structure
- Ensuring borrowing facilities are available
- Targeting lower cost quartile producer

### Key performance indicators (KPIs)
- Improved PGM market intelligence

### Inherent risk rating
- High

### Residual risk rating
- Medium

### Risk tolerance
- Achievement of targets to business and operational plans

### Related strategic objective
- Achievement of targets to business and operational plans

### External and Internal

---

### 8. FINANCIAL COVENANTS AND NET DEBT

For further information, see: —Chief Executive Officer’s review, and —Chief Financial Officer’s report

### Risk identification and ranking
- High debt leverage
- Operational under-performance
- Safety stoppages
- Low cash flows
- Not producing sufficient cash to reduce debt in line with projections
- Alternative financing options may not materialise
- Sensitivity to strong Rand and commodity pricing

### Underlying vulnerabilities
- Refinancing on more expensive terms
- Investor perception
- Reputational impact
- Loss of shareholder confidence
- Increased scrutiny over management of business
- Loss of liquidity
- Major restructuring

### Potential consequences and impact on delivery of strategy
- Ensuring delivery on operational plan
- Hedging
- Pursuing alternative financing options
- Sale of non-core assets
- Facilities and Hedging Committee
- Review of operational costs and capital
- Lender and investor management

### Enhancement action plan
- Reduced variance on delivery to plan
- Net debt to adjusted EBITDA ratio
- Corporate financing strategy implemented

### Key performance indicators (KPIs)
- Net debt to adjusted EBITDA ratio

### Inherent risk rating
- Medium

### Residual risk rating
- Medium

### Risk tolerance
- Achievement of targets in business and operational plans

### Related strategic objective
- Achievement of targets in business and operational plans

### External and Internal
### MANAGING OUR RISKS AND OPPORTUNITIES

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<tr>
<td>9. ORGANISED LABOUR For further information, see: Perspective from the chair, Executive Officer’s review, Stakeholder engagement, and Performance review—Superior value for the workforce</td>
<td>Focus on safe production and operational excellence</td>
<td>Unionised workforce across all operations Inter-union rivalry and militancy in South Africa Destructive nature of unions Safety performance Politicisation of union activities Lack of alignment, mistrust between Sibanye-Stillwater and unions Social inequality in South Africa Large labour force (~65,000 people and growing)</td>
<td>Loss of production efficiency Impacts on employee engagement, morale, productivity and accountability Employee safety Reputational damage Property damage Loss of lives Job loss Unrealistic wage demands</td>
<td>Employee relations structure Collective agreements People Advisory Committee Benchmarking Competitive wages and benefits (US) Direct employee communication Community outreach programmes Diversification Effective security function</td>
<td>Successful wage agreement</td>
<td>High</td>
<td>Medium</td>
<td></td>
<td>Compliance with key laws, legal requirements and social requirements for SLPs and Mining Charter targets</td>
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<td>Deleveraging our balance sheet</td>
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<td>10. CHANGE IN REGULATORY REQUIREMENTS</td>
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<td>For further information, see: —Perspective from the chair, —Chief Executive Officer’s review, —Stakeholder engagement, and —Performance review—Minimising the environmental impact</td>
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<tr>
<td>- Environmental lobby group in Montana, US</td>
<td>- Carbon emissions regulations</td>
<td>- Changing regulatory environment (ongoing)</td>
<td>- Complexity of global regulatory and compliance environment</td>
<td>- Geographic footprint</td>
<td>- Increased visibility of Sibanye-Stillwater</td>
<td>- Well-funded and well-organised anti-mining non-governmental organisations (NGOs)</td>
<td>- Political uncertainty</td>
<td>- Lack of technical expertise of regulators (South Africa) resulting in delays and onerous requirements</td>
<td>- Anti-diesel movement</td>
</tr>
</tbody>
</table>

**EXTERNAL**
IDENTIFYING AND MANAGING OUR MATERIAL OPPORTUNITIES

Our process for reviewing and developing our strategy is the primary mechanism for identification and prioritisation of material opportunities. At operating segment level, the strategies incorporate mainly opportunities for enhancing operating effectiveness and business improvement that can yield improved safe production results and reductions in the unit costs of mining.

At Group level, we maintain strategic intelligence around developments that are of relevance to the commodity markets in which we are active and that may also result in the emergence of attractive commodity segments as extensions of our business. Our acquisition of SFA (Oxford) early in 2019 represents an enhancement of our capacity to maintain a credible strategic intelligence platform.

OPERATING IN A DYNAMIC WORLD

During the year, external developments and internal events in several spheres resulted in our view of risks in particular, and to a lesser extent opportunities, evolving during the course of the year. Key developments and events included the regulatory framework for the mining sector in South Africa, global trends related to transportation and energy, and the tragic safety events and hostile industrial action at our South African gold operations.

BUSINESS IMPROVEMENT IN OUR OPERATING SEGMENTS

Our refreshed Group architecture and leadership arrangements have been designed to address strategic priorities providing dedicated focus on the specific requirements of our operating segments and driving key focus areas through dedicated functional executive portfolios. The main operating segment specific opportunities may be summarised as follows:

Sustaining the strong safe production momentum at our SA and US PGM operations while preparing for the expected integration of Lonmin in South Africa and continuing to secure the ramp up from the Blitz expansion in the United States are the primary priorities while the South African gold operations are in need of structuring for sustained profitable operations with enhancement of the safety improvements delivered in H2 2018. We are confident that the refreshed leadership arrangements will address strategic risks to the business and capitalise on opportunities through increased executive leadership focus on critical areas.

COMMODITY CONFIDENCE THROUGH RESPONSIBLE ASSURANCE

Scrutiny of the integrity of minerals supply chains is intensifying globally with the imperative of demonstrating the responsibility of our mining operations becoming an increasingly critical priority for all our stakeholders. In addition to local stakeholders who have direct interest in the impact of our operations and with whom we need to sustain our social licence to operate, investors, lenders and offtakers are progressively insisting on adherence to more exacting standards with respect to the demonstration of responsible mining and our ESG performance in particular.

We recognise the opportunity to build enhanced confidence among the financial and commercial markets, and among social stakeholders, by sustaining and intensifying our focus on and strengthening where necessary our ESG performance. We expect that this will be supported by securing formal assurance under relevant and appropriate codes, and progressively acquiring certification to management systems relevant to the most critical dimensions of our ESG performance.

The evolving political climate in South Africa, with significant improvements in regulatory certainty and commitments to address systemic corruption, has created new opportunities for meaningful social compacting and the establishment of an operating context conducive to more effective operations. The 2018 Fraser Institute survey results provide strong indications of investor sentiment being restored to historical levels. While there is still substantial progress to be made in securing the broad stakeholder alignment that is necessary, opportunities are improving for growth in investment in South African mining commensurate with a reducing discount on returns.
Our confidence in the robustness of the global precious metals markets remains intact with prospects for the positive accelerated trend in PGM basket prices continuing as the supply and demand balance tightens. This has already strengthened cashflows beyond the original projections when we entered the PGM markets during a low phase in the commodity price cycles, and we foresee opportunities for this to continue. Pursuit of an accelerated deleveraging trajectory is further enhanced through the opportunities inherent in increasing direct access to the PGM metal markets with the proposed Lonmin acquisition representing the fourth step in our PGM acquisitions and concluding establishment of our mine-to-metal value chain in South Africa. We consider that the chrome and gold markets also have solid fundamentals with prospects for further price consolidation and accretion over the short to medium term.

NEW AGE MINERALS

We also recognise potential for emergence of a spectrum of New Age minerals as the global transportation and energy markets evolve. While it is premature to be definitive about the most credible opportunities, we are strengthening our strategic intelligence in this area from which we expect a firm strategy to emerge.

LINKAGE TO GROUP STRATEGIC FOCUS AREAS

The reviewed risks and opportunities have substantially informed the evolution of our strategic focus areas that are described in the strategy section, see —Our strategy.
STAKEHOLDER ENGAGEMENT

APPROACH

Alignment with our stakeholders is critical to the success and sustainability of our business. Maintaining honest and positive relationships with our stakeholders is essential if we are to ensure their support and positive contributions towards achieving mutual success. We also believe that, by engaging meaningfully with our stakeholders, we are in a better position to understand their expectations of value and will be able to deliver accordingly for mutual benefit.

We subscribe to the principles of various local and global bodies, such as the International Council on Mining and Metals (ICMM) and the World Gold Council, on sustainable development and corporate governance to guide our approach to engagement, and to ensure that our engagements are transparent and integrate sustainable development and, specifically, our values into our decision-making processes. We also believe that, through partnerships with governments, civil society and development agencies, we will be able to ensure that our contribution is impactful and takes into account the needs of the environments in which we operate.

Stakeholder engagement informs our business objectives and we strive to maintain sustainable stakeholder relationships based on trust, mutual respect and meaningful interactions.

In South Africa, our communities extend beyond our demarcated boundaries to include a wide range of stakeholders, including government and NGOs, and suppliers, among others.

Constructive relations with our communities, in particular, are essential to our success and sustainability, and understanding the needs of our communities and the challenges they face is key in enabling us to deliver on our purpose of ensuring that our mining improves lives.

Stable community relations are becoming a critical element in maintaining a social licence to operate for mining companies globally, with increasing focus on ensuring socio-economic stability that will be sustained long after our mines have depleted their economic reserves.

STAKEHOLDER IDENTIFICATION

Sibanye-Stillwater is committed to proactive, open and constructive stakeholder engagement, which informs participative decision-making. Our stakeholder engagement aims to:

- Strategically inculcate a culture of effective engagement within the organisation
- Develop and implement formal and informal systems of communication for the benefit of the Group and stakeholders
- Ensure regular engagement and response to issues that are material to stakeholders
- Accurately understand the influence of business activities on stakeholders and the potential impact that stakeholders may have on the business, whether positive or negative, to enhance the engagement process
- Ensure engagement is conducted in a timely, accurate and relevant manner
- Continuously monitor, review and improve engagement activities

As a responsible corporate citizen, Sibanye-Stillwater fosters and maintains constructive engagement with all stakeholders in order to deliver on our vision to create superior value for all stakeholders, to maintain our licence to operate, and ultimately for the long-term success and sustainability of the business.

Our stakeholders

<table>
<thead>
<tr>
<th>Group</th>
<th>Form, frequency and reasons for engagement</th>
<th>Key expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employees</strong></td>
<td>Regular (daily, monthly and quarterly):</td>
<td></td>
</tr>
<tr>
<td>We employ about 65,000 people with a diverse set of skills, and various educational and cultural backgrounds. Our employees provide services ranging from core mining to processing and support. In the US, we are the largest industrial employer in Montana with over 1,600 employees and a total annual payroll of over US$170 million.</td>
<td>• Written communication</td>
<td></td>
</tr>
<tr>
<td>• Electronic communication</td>
<td>• Information sharing</td>
<td></td>
</tr>
<tr>
<td>• Meetings</td>
<td>• Education</td>
<td></td>
</tr>
<tr>
<td>• Events</td>
<td>• Consultation</td>
<td></td>
</tr>
</tbody>
</table>

<p>| <strong>Organised labour (unions)</strong> | • Written communication  |
| Allied to employee relations is engagement with organised labour, which includes unions representing certain employee categories, principally those involved in core mining and processing. The US employees are represented by the United Steelworkers union (USW) | • Meetings  |
| In the US, labour communication is ongoing. | • Information  |
| | • Consultation and bargaining  |
| | • Issues management |</p>
<table>
<thead>
<tr>
<th>Group</th>
<th>Form, frequency and reasons for engagement</th>
<th>Key expectations</th>
</tr>
</thead>
</table>
| Investors and providers of capital | • Results presentations  
• Market announcements  
• Conferences  
• Mine visits  
• Investor days  
• One-on-one investor and analyst meetings  
• Conference calls | • Information sharing  
• Communicating strategy  
• Addressing questions and concerns |
| Suppliers                    | • Written communication  
• Meetings | • Information  
• Contractual issues  
• Issues management |
| Government and regulators    | As necessary to inform regulators of operational activities and allow regulators access to all levels of the organisation’s leadership:  
• Meetings  
• Audits  
• Written communication  
• General compliance engagement (reporting) | • To provide statutory reports, to engage on issues of mutual interests and to deal with issues as they arise  
• Regular tours and other information sessions for stakeholders |
| Traditional leaders          | • Written communication  
• Meetings | • Information  
• Development planning  
• Issues management |
| NGOs, community-based organisations and faith-based organisations | • Written communication  
• Meetings | • Information  
• Development planning  
• Issues management |
We also engage with other entities who do not share directly in the value created. We engage with the media, which we rely on as a conduit for our messaging, and to amplify and support engagement with other stakeholders. Similarly, the SA operations engage with the Minerals Council South Africa, and the US operations with the National Mining Association, the Montana Mining Association, the American Exploration and Mining Association, the Montana Chamber of Commerce, and the Treasure State Resources Association, which are all industry groups. The Minerals Council and peer engagement focus on issues pertinent to the industry as a whole, such as wage negotiations for the gold mining sector, the Mining Charter, legacy matters and illegal mining.

As we strive to create a conducive environment that will enable us to realise our business objectives and create value – safety, cost, volume and grade – we aim to align stakeholder interests and aspirations.

PERFORMANCE

SA operations

We introduced our Stakeholder Perception Index in 2018 – a tool aimed at measuring stakeholder perceptions in line with King IV and our shared value approach – which we tested among community leaders and local government in communities around our gold operations in the West Rand and the Free State (see —Performance review—Social upliftment and community development).

We used convergent interviewing (unstructured interviews without specific questions and structured face-to-face surveys as well as focus groups) as reliable information gathering techniques. The interviews revealed the following:

- **Organisation** – Many interest groups do not have a formal representative or governing structure and therefore lack cohesion
- **Communication** – Stakeholders expect regular and consistent communication
- **Transparency** – Different interest groups need to know that they are receiving the same messages
- **Education** – Stakeholders need to know how mines operate
- **Co-planning** – Stakeholders want to be involved in development project identification and planning
- **Decision-making process** – Decisions have to be reviewed regularly and stakeholders need to be engaged in making decisions about projects
- **Consultation** – Stakeholders want to be consulted before changes are made that might affect them
- **Focus area** – Stakeholders expect Sibanye-Stillwater to be consistent in communicating focus areas (such as procurement, employment and social development)
- **Conflict resolution** – Conflicts between stakeholders and Sibanye-Stillwater need to be resolved timeously and amicably

The result of the index will be used as a baseline for the organisation to review its stakeholder engagement processes and thus ensure that they serve the interests of the organisation and the stakeholders. We intend to conduct biennial studies to test the status and the strength of our relationship against this baseline.

Given the importance of the participation of local stakeholders in our supply chain activities, we have also strengthened our engagements with business forums and individual small, medium and micro enterprises (SMMEs) with a view to facilitating their participation in local economic development programmes. We also engaged with over 400 local businesses in 2018 to address challenges in local procurement and enterprise development, which was the main cause of strained community relationships throughout the year.

Through our engagements with communities, business forums and individual SMMEs, municipalities and traditional leaders, our own officials and unions, and the Department of Mineral Resources, among others, the primary challenges concerning stakeholders were identified, including:

- Local procurement
- Community development
- Recruitment
- Community safety
**STAKEHOLDER ENGAGEMENT** continued

- Education and skills development

We also conducted internal workshops on stakeholder relations, which covered the cost of conflict, and the need to establish sound internal and external stakeholder relationships. Participants considered our commitments (social and labour plans, transformation and others), challenges and solutions. This workshop revealed the need for executive leadership in external stakeholder engagement.

In a trust-building process in the Rustenburg region, we met with a variety of stakeholders, including internal functional heads, the municipality, ward councillors and traditional leaders, to engage on and explain our approach and methodology, which differs from those of the companies that previously managed our operations.

An action plan on the outcomes of these interventions is expected to be rolled out in 2019.

**US operations**

In early 2018, two environmental groups made public their efforts to place an anti-mining ballot initiative in the November general election. The proposed ballot language stated that a mine proponent must provide “clear and convincing evidence” that a mine would not require “perpetual water treatment” following closure in order for the state to grant an operating permit. Industry believed that, if this initiative were enacted, it would cause significant delay in permitting new mines and may make it effectively impossible to secure a permit to begin operating a new hard-rock mine in Montana. By June, the environmental groups responsible for the initiative had collected the required number of citizen signatures and Montana’s Secretary of State had certified the initiative as Citizen Initiative 186 (I-186) to appear on the general election ballot. A mining coalition made up of Sibanye-Stillwater and four other hard-rock mining entities with a presence in Montana launched an opposition campaign, “Stop I-186 to Protect Miners and Jobs”. Pre-campaign polling in June indicated that the initial “no” vote was predicted at less than 30% while the initial “yes” vote was predicted at greater than 50% with a number of voters undecided. The US operations took a leadership role in the campaign: engaged the workforce and community leaders to oppose the initiative, encouraged them to participate actively on social media and with signs, letters to the editor, and other public engagement, and communicated routinely with elected officials and others in influential positions in an effort to convince the electorate to “Vote No on 186”. The organisation also facilitated the filming of two of the five opposition campaign commercials near Stillwater operations. In addition to the organisation’s direct efforts, we worked closely with the United Steelworkers union, which publicly opposed the initiative with a powerful letter to the editor and a mailing to all of its Montana members. To complement the United Steelworkers’ position, the Montana chapter of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) also vehemently opposed the initiative. We believe this alignment with labour was key to convincing the electorate that the initiative would negatively impact Montana. The efforts were markedly successful, and Montana voted down the initiative in the general election. In spite of the unfavourable initial polling, the “no” votes prevailed with 56% of voters voting “no” and only 44% voting “yes”.

**FUTURE FOCUS**

**SA operations**

Into 2019, our SA operations plan to focus on optimising community relations and communication with stakeholders. The challenges relating to service delivery, unemployment and historic issues related to mining continue to pose undue pressure on our mines, and increase the demands for Sibanye-Stillwater’s involvement in social issues beyond social and labour plan commitments. Our objectives are therefore to manage our reputation and address issues accordingly while delivering strategic socio-economic development programmes in line with stakeholder expectations.

Our key focus areas will be:

- **Impact** – ensuring that our initiatives have broader and positive impact
- **Sustainability** – ensuring that our projects are sustainable (owned and driven by communities)
- **People** – focusing on people and ensuring that we continue to uphold our CARES values

**US operations**

Although the ultimate vote was a success, the campaign surrounding I-186 was a reminder of the complex history of hard-rock mining in Montana, and the general need to tell our positive mining story that is built on the collaboration of the Good Neighbor Agreement principles. In 2019, the US operations are committed to sharing publicly collaboration successes and encouraging others in mining and other industries to consider this collaborative approach. The US operations are also committed to supporting similar collaborative efforts through the Community Giving programme.
DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

APPROACH

Operational excellence and innovative growth create sustainability as our strategy drives us to create superior value for all stakeholders at our mining operations and projects in the United States, South Africa, Zimbabwe, Canada and Argentina.

We remain globally competitive yet proudly South African by focusing on commodity and geographical diversification that delivers clear strategic and financial benefits.

IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS

We continue to make progress in aligning our operations and projects with the United Nations (UN) Sustainable Development Goals (SDGs), focusing particularly on Goal 12.

OPERATIONAL PERFORMANCE

Our US and SA PGM operations maintained steady operating performances with revenues benefiting from higher palladium and rhodium prices in 2018, which have continued to strengthen into 2019. The benefits of our well-timed diversification into the PGM sector, as well as our geographical diversification, are clearly evident in the PGM financial results of the segments. The solid operating and financial performance of our PGM operations compensated for challenges experienced by our SA gold operations.

US PGM operations

Our dominant source of earnings is now our US PGM operations, which accounted for approximately 50% of Group adjusted EBITDA in 2018 with the adjusted EBITDA margin for the US PGM operations increasing from 43% in 2017 to 46% in 2018, primarily due to the higher dollar palladium price and strong operational performance. Adjusted EBITDA from the US PGM operations (including the lower margin recycling operations) increased from 23% in 2017 to 26% for 2018.

Mined 2E PGM production for the year of 592,608 2Eoz was towards the upper end of market guidance, reflecting the ongoing build-up of production at Blitz and record production from the East Boulder mine. AISC of US$677/2Eoz was in line with annual guidance.

The 9% year-on-year increase in the average 2E PGM basket price for the year of US$1,007/2Eoz, coupled with the strong operating performance, boosted adjusted EBITDA for 2018 to US$314 million (R4,152 million).

Despite the ongoing rebuild and expansion of the second electric furnace (EF2), the Columbus Metallurgical Complex performed well, processing 619,683oz of mined 2E PGM and 686,592oz of recycled 3E PGM. The recycling division averaged 22.0 tonnes of feed material per day in 2018 in comparison with an average feed rate of 23.9 tonnes per day in 2017.

Capital expenditure of US$214 million was marginally lower than market guidance of US$220 million. This capital expenditure is evenly split between sustaining and growth/project capital associated with the ongoing development and production ramp-up from Blitz, which is on schedule with three stop blocks successfully commissioned and in production.

<table>
<thead>
<tr>
<th>Mined 2E production</th>
<th>2018</th>
<th>20171</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stillwater</td>
<td>364,167</td>
<td>228,2682</td>
</tr>
<tr>
<td>East Boulder</td>
<td>228,441</td>
<td>148,088</td>
</tr>
<tr>
<td>Total mined</td>
<td>592,608</td>
<td>373,356</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recycling 3E3 at Columbus Metallurgical Complex</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGM fed</td>
<td>686,592</td>
<td>517,148</td>
</tr>
<tr>
<td>PGM sold</td>
<td>540,546</td>
<td>377,793</td>
</tr>
<tr>
<td>PGM tolled returned</td>
<td>144,172</td>
<td>108,728</td>
</tr>
</tbody>
</table>

1 May to December 2017
2 Includes 7,000 2Eoz produced by Blitz project in 2017 and 40,232 2Eoz in 2018
3 Recycling production includes rhodium

SA PGM operations

The contribution from the SA PGM operations has increased substantially due to the improved rand PGM basket price and solid, sustained operational performance. In 2018, the SA PGM operations contributed 34% of Group adjusted EBITDA, up from 18% in 2017, with the adjusted EBITDA margin increasing year-on-year from 12% to 19%.

Full-year 4E PGM production was 1,175,672oz for the year ended 31 December 2018, exceeding the upper guidance limit.

Kroondal attributable built on the record performance of the previous year increasing the record by 5.8% from the previous year’s production to 255,172oz attributable.

Rustenburg was 3.9% lower than the previous year at 778,346oz mainly as result of lower surface production, underground production is in line with the previous year’s performance.

Attributable 4E PGM production from Mimosa was up 0.34% from the previous year to 124,576oz another consistent performance despite the turbulent political and economic environment in Zimbabwe.

Platinum Mile’s production was down 9.6% from the previous year to 17,578oz, mainly as a result of the improved recoveries from the Rustenburg operations resulting lower feed grade to Platinum Mile, subsequently Platinum Mile embarked on a plant improvement strategy (see —Projects). The average 4E PGM basket price for the year ended 31 December 2018 of R13,838/4Eoz (US$1,045/4Eoz) was 10% higher year-on-year.
Adjasted EBITDA for the full year of Z2,882 million (US$218 million) was 81% higher than it was in 2017 with the adjusted EBITDA margin increasing from 12% in 2017 to 19% in 2018.

SA gold operations

Including 1,870kg (60,122oz) from DRDGOLD, total gold production declined by 16% year-on-year to 36,600kg (1,176,600oz), primarily due to the impact of the safety incidents in the first half of the year and other operational disruptions (power cuts at Beatrix, and seismic damage to infrastructure at the Driefontein 1 and Kloof 3 shafts), the AMCU strike in the second half of the year, and the cessation of underground mining at the Cooke operations in late 2017, which accounted for 956kg (30,736oz) or 32% of the reduction.

Gold production (excluding DRDGOLD and the Cooke underground operations) also declined by 16% to 34,676kg (1,114,800oz).

Underground production from the Driefontein operations decreased by 33% year-on-year to 8,952kg (287,800oz) due to repairs to the footwall infrastructure of the Masakhane shaft, following the seismic damage in May 2018 and the impact of the AMCU strike. The footwall infrastructure has been rehabilitated successfully but anticipated production build-up in the area was delayed by the strike.

Gold production from surface sources decreased by 64% to 621kg (20,000oz) due to the depletion of surface reserves and the disposal of the 2 and 3 plants to DRDGOLD. The possible restructuring of specific shafts at Driefontein, and recovery in volumes once the strike has ended, are expected to return the operation to profitability in 2019.

Underground production from the Kloof operations decreased by 13% to 12,933kg (415,800oz) in comparison with 2017. Production volumes decreased by 16%, most notably at 3, 4 and 7 shafts, which were affected by the trauma of safety incidents and the AMCU strike. Surface production increased by 39% to 2,231kg (71,700oz) due to the additional milling capacity as a result of lower underground production, and the decision to process Kloof surface material at the Driefontein and Ezulwini metallurgical processing facilities.

At the Beatrix operations, underground gold production decreased slightly by 6% to 8,291kg (266,600oz), primarily due to the strike that affected production in the fourth quarter. Gold production from surface sources increased by 7% to 246kg (7,900oz) due to a 23% improvement in mined grades to 0.4g/t.

Underground production from the Cooke operations decreased by 97% to 81kg (2,600oz), following cessation of underground operations in November 2017 and final clean-up in December 2017. No underground gold was produced from the Cooke operations other than that from the clean-up of mud dams. Surface gold production increased by 64% to 1,265kg (40,700oz) due to a 26% increase in processed volumes to 4.0Mt due to the inclusion of Dump 38 and the acquisition of third-party material, which resulted in an additional 531kg (17,000oz) of gold for the period under review.

The impact of the 16% decline in production year-on-year is evident in the 15% increase in AISC for 2018 to Z557,530/kg (US$1,309/oz) although cost of sales before amortisation and depreciation (including DRDGOLD and the Cooke underground operations) remained flat year-on-year. The significant fixed overhead cost component (over 80% of operating costs) for the SA gold operations makes costs very sensitive to production volume changes and, as a result, unit costs such as AISC invariably increase with reductions in production volumes.

The average received rand gold price for 2018 of Z35,929/kg (US$1,259/oz), which was flat year-on-year, combined with the significant decline in production, resulted in adjusted EBITDA from our SA gold operations declining to Z1,362 million (US$103 million) from Z5,309 million (US$399 million) in 2017.
## SA and US PGM operations (2018)

<table>
<thead>
<tr>
<th></th>
<th>Total PGM operations</th>
<th>SA PGM operations</th>
<th>US PGM operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Kroondal</td>
<td>Mimosa</td>
</tr>
<tr>
<td>Ore milled</td>
<td>000t</td>
<td>27,180</td>
<td>25,841</td>
</tr>
<tr>
<td>Underground</td>
<td>000t</td>
<td>13,720</td>
<td>12,381</td>
</tr>
<tr>
<td>Surface</td>
<td>000t</td>
<td>13,460</td>
<td>13,460</td>
</tr>
<tr>
<td>Plant head grade</td>
<td>g/t</td>
<td>2.65</td>
<td>2.01</td>
</tr>
<tr>
<td>Underground</td>
<td>g/t</td>
<td>4.40</td>
<td>3.25</td>
</tr>
<tr>
<td>Surface</td>
<td>g/t</td>
<td>0.87</td>
<td>0.87</td>
</tr>
<tr>
<td>Plant recoveries</td>
<td>%</td>
<td>76.34</td>
<td>70.40</td>
</tr>
<tr>
<td>Underground</td>
<td>%</td>
<td>86.24</td>
<td>83.60</td>
</tr>
<tr>
<td>Surface</td>
<td>%</td>
<td>25.23</td>
<td>25.23</td>
</tr>
<tr>
<td>Yield</td>
<td>g/t</td>
<td>2.02</td>
<td>1.42</td>
</tr>
<tr>
<td>Underground</td>
<td>g/t</td>
<td>3.79</td>
<td>2.71</td>
</tr>
<tr>
<td>Surface</td>
<td>g/t</td>
<td>0.22</td>
<td>0.22</td>
</tr>
<tr>
<td>PGM production</td>
<td>(4E/2E)</td>
<td>000oz</td>
<td>1,768</td>
</tr>
<tr>
<td>Underground</td>
<td>000oz</td>
<td>1,673</td>
<td>1,080</td>
</tr>
<tr>
<td>Surface</td>
<td>000oz</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td>PGM sales (4E/2E)</td>
<td>000oz</td>
<td>1,770</td>
<td>1,176</td>
</tr>
<tr>
<td>Price and costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average PGM basket</td>
<td>R/oz</td>
<td>13,657</td>
<td>13,838</td>
</tr>
<tr>
<td>price received</td>
<td>US$/oz</td>
<td>1,031</td>
<td>1,045</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>margin</td>
<td>%</td>
<td>23</td>
</tr>
<tr>
<td>margins</td>
<td></td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>All-in sustaining</td>
<td>R/oz</td>
<td>9,904</td>
<td>10,417</td>
</tr>
<tr>
<td>cost</td>
<td>US$/oz</td>
<td>748</td>
<td>787</td>
</tr>
<tr>
<td>All-in cost</td>
<td>R/oz</td>
<td>10,897</td>
<td>10,472</td>
</tr>
<tr>
<td></td>
<td>US$/oz</td>
<td>823</td>
<td>791</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore reserve</td>
<td>development</td>
<td>Rm</td>
<td>1,477</td>
</tr>
<tr>
<td>Sustaining capital</td>
<td></td>
<td>Rm</td>
<td>725</td>
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<tr>
<td>Growth projects</td>
<td></td>
<td>Rm</td>
<td>1,632</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>Rm</td>
<td>3,833</td>
</tr>
<tr>
<td>US$m</td>
<td></td>
<td>290</td>
<td>76</td>
</tr>
</tbody>
</table>

Average exchange rate in 2018 was R13.24/US$

Figures may not tally as they are rounded independently.

The US PGM operations' underground production is converted to metric tonnes and kilograms, and performance is translated into South African rand. In addition to the US PGM operations' underground production, recycled material is treated, which is excluded from the statistics.

1 Kroondal and Mimosa represent 50% attributable production while Platinum Mile is 91.7% owned and 100% incorporated.

2 The Group and total SA PGM operations’ unit cost benchmarks exclude the financial results of Mimosa, which is equity accounted, and excluded from revenue and cost of sales.

3 The average PGM basket price is the PGM revenue per 4E/2E ounce prior to a purchase-of-concentrate adjustment.

4 Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

5 All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, as the cost to sustain current operations and presented as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth. All-in sustaining cost per ounce (and kilogram) and All-in cost per ounce (and kilogram) are calculated by dividing the All-in sustaining cost and All-in cost respectively, in a period, by the total 4E/2E PGM production in the same period.

6 The US PGM operations’ growth project expenditure in 2018 was R71 million (US$5 million) – the majority of which related to the Altar and Marathon projects.

7 Excludes Mimosa due to it being equity accounted.
### SA and US PGM operations (2017)

<table>
<thead>
<tr>
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<th>SA PGM operations</th>
<th>US PGM operations</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Kroondal</td>
<td>Mimosa</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ore milled</td>
<td>000t</td>
<td>27,051</td>
<td>26,196</td>
</tr>
<tr>
<td>underground</td>
<td>000t</td>
<td>13,116</td>
<td>12,261</td>
</tr>
<tr>
<td>surface</td>
<td>000t</td>
<td>13,935</td>
<td>13,935</td>
</tr>
<tr>
<td><strong>plant head grade</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>underground</td>
<td>g/t</td>
<td>2.50</td>
<td>2.09</td>
</tr>
<tr>
<td>surface</td>
<td>g/t</td>
<td>4.06</td>
<td>3.30</td>
</tr>
<tr>
<td><strong>plant recoveries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>underground</td>
<td>%</td>
<td>72.37</td>
<td>68.06</td>
</tr>
<tr>
<td>surface</td>
<td>%</td>
<td>85.22</td>
<td>83.42</td>
</tr>
<tr>
<td><strong>yield</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>underground</td>
<td>g/t</td>
<td>1.81</td>
<td>1.42</td>
</tr>
<tr>
<td>surface</td>
<td>g/t</td>
<td>3.46</td>
<td>2.75</td>
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<td><strong>PGM production</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(4E/2E)</td>
<td>000oz</td>
<td>1,571</td>
<td>1,194</td>
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<tr>
<td>underground</td>
<td>000oz</td>
<td>1,460</td>
<td>1,084</td>
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<td>surface</td>
<td>000oz</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td><strong>PGM sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4E/2E)</td>
<td>000oz</td>
<td>1,550</td>
<td>1,194</td>
</tr>
<tr>
<td><strong>Price and costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>average PGM basket</td>
<td>R/oz</td>
<td>12,477</td>
<td>12,534</td>
</tr>
<tr>
<td>price received**</td>
<td>US$/oz</td>
<td>938</td>
<td>942</td>
</tr>
<tr>
<td>adjusted EBITDA</td>
<td>%</td>
<td>17</td>
<td>12</td>
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<tr>
<td>margin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>all-in sustaining</td>
<td>R/oz</td>
<td>9,959</td>
<td>10,399</td>
</tr>
<tr>
<td>cost**</td>
<td>US$/oz</td>
<td>748</td>
<td>782</td>
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<tr>
<td>all-in cost**</td>
<td>R/oz</td>
<td>10,582</td>
<td>10,401</td>
</tr>
<tr>
<td>US$/oz</td>
<td></td>
<td>795</td>
<td>782</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ore reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>development</td>
<td>Rm</td>
<td>1,004</td>
<td>465</td>
</tr>
<tr>
<td>sustaining</td>
<td>Rm</td>
<td>572</td>
<td>568</td>
</tr>
<tr>
<td>growth projects**</td>
<td>Rm</td>
<td>891</td>
<td>2</td>
</tr>
<tr>
<td><strong>total</strong></td>
<td>Rm</td>
<td>2,466</td>
<td>1,035</td>
</tr>
<tr>
<td>US$m</td>
<td>202</td>
<td>78</td>
<td>14</td>
</tr>
</tbody>
</table>

Average exchange rate in 2017 was R13.31/US$

Figures may not tally as they are rounded independently.

The US PGM operations' underground production is converted to metric tonnes and kilograms, and performance is translated into South African rand. In addition to the US PGM operations' underground production, recycled material is treated, which is excluded from the statistics shown.

1. Kroondal and Mimosa represent 50% attributable production while Platinum Mile is 91.7% owned and 100% incorporated.

2. The average PGM basket price is the PGM revenue per 4E/2E ounce prior to a purchase-of-concentrate adjustment.

3. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

4. All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges, and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, as the cost to sustain current operations and presented as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth. All-in sustaining cost per ounce (and kilogram) and All-in cost per ounce (and kilogram) are calculated by dividing the All-in sustaining cost and All-in cost respectively, by the total 4E/2E PGM production in the same period.

5. The US PGM operations' corporate project expenditure in 2017 was R40 million (US$3 million) – the majority of which related to the Altar and Marathon projects.

6. Excludes Mimosa due to it being equity accounted.
### SA gold operations (2018)

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>Total</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>DRDGold</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore milled</td>
<td>000t</td>
<td>27,199</td>
<td>3,143</td>
<td>7,108</td>
<td>2,952</td>
<td>4,092</td>
<td>9,904</td>
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<tr>
<td>Underground</td>
<td>000t</td>
<td>5,811</td>
<td>1,634</td>
<td>1,821</td>
<td>2,282</td>
<td>74</td>
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<tr>
<td>Surface</td>
<td>000t</td>
<td>21,388</td>
<td>1,509</td>
<td>5,287</td>
<td>670</td>
<td>4018</td>
<td>9,904</td>
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<tr>
<td><strong>Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground</td>
<td>g/t</td>
<td>5.21</td>
<td>5.48</td>
<td>7.11</td>
<td>3.63</td>
<td>1.08</td>
<td>0</td>
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<tr>
<td>Surface</td>
<td>g/t</td>
<td>0.30</td>
<td>0.41</td>
<td>0.44</td>
<td>0.37</td>
<td>0.33</td>
<td>0.19</td>
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<td><strong>Gold production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground</td>
<td>kg</td>
<td>36,600</td>
<td>9,573</td>
<td>15,253</td>
<td>8,536</td>
<td>1,394</td>
<td>1,844</td>
</tr>
<tr>
<td></td>
<td>000oz</td>
<td>1,177</td>
<td>308</td>
<td>490</td>
<td>275</td>
<td>45</td>
<td>59</td>
</tr>
<tr>
<td>Surface</td>
<td>kg</td>
<td>6,337</td>
<td>621</td>
<td>2,313</td>
<td>245</td>
<td>1,314</td>
<td>1,844</td>
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<tr>
<td></td>
<td>000oz</td>
<td>204</td>
<td>20</td>
<td>72</td>
<td>8</td>
<td>42</td>
<td>59</td>
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<tr>
<td><strong>Gold sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground</td>
<td>kg</td>
<td>36,489</td>
<td>9,573</td>
<td>15,164</td>
<td>8,536</td>
<td>1,346</td>
<td>1,670</td>
</tr>
<tr>
<td></td>
<td>000oz</td>
<td>1,173</td>
<td>308</td>
<td>488</td>
<td>275</td>
<td>43</td>
<td>60</td>
</tr>
<tr>
<td><strong>Price and costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold price received</td>
<td>R/kg</td>
<td>535,929</td>
<td>533,918</td>
<td>536,250</td>
<td>539,046</td>
<td>550,223</td>
<td>560,160</td>
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<tr>
<td></td>
<td>US$/oz</td>
<td>1,259</td>
<td>1,254</td>
<td>1,259</td>
<td>1,266</td>
<td>1,266</td>
<td>1,316</td>
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<tr>
<td>Adjusted EBITDA margin1</td>
<td>%</td>
<td>7</td>
<td>(13)</td>
<td>21</td>
<td>14</td>
<td>(50)</td>
<td>3</td>
</tr>
<tr>
<td>All-in sustaining cost2</td>
<td>R/kg</td>
<td>557,530</td>
<td>707,375</td>
<td>489,587</td>
<td>521,884</td>
<td>476,003</td>
<td>569,893</td>
</tr>
<tr>
<td></td>
<td>US$/oz</td>
<td>1,309</td>
<td>1,661</td>
<td>1,150</td>
<td>1,226</td>
<td>1,118</td>
<td>1,338</td>
</tr>
<tr>
<td>All-in cost2</td>
<td>R/kg</td>
<td>583,409</td>
<td>707,417</td>
<td>498,938</td>
<td>522,083</td>
<td>476,003</td>
<td>732,086</td>
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<tr>
<td></td>
<td>US$/oz</td>
<td>1,370</td>
<td>1,661</td>
<td>1,172</td>
<td>1,226</td>
<td>1,118</td>
<td>1,719</td>
</tr>
</tbody>
</table>

**Capital expenditure**

|                          | Rm   |       |       |       |       |       |       |
| Ore reserve development  | 2,054| 817   | 840   | 397   | 0     | 0     |       |
| Sustaining capital       | 546  | 228   | 221   | 83    | 0     | 15    |       |
| Growth projects3         | 648  | 1     | 142   | 2     | 0     | 303   |       |
| **Total**                | 3,248| 1,046 | 1,202 | 481   | 0     | 318   | 24     |

**Average exchange rate in 2018 was R13.24/US$** Figures may not tally as they are rounded independently

1 Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue

2 All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, as the cost to sustain current operations and presented as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth. All-in sustaining cost per kilogram (and ounce) and All-in cost per kilogram (and ounce) are calculated by dividing the All-in sustaining cost and All-in cost, respectively, in a period by the total gold sold in the same period.

3 Growth project expenditure in 2018 was R201 million (US$15 million) – the majority of which was related to the Burnstone project.
SA gold operations (2017)

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore milled</td>
<td>000t</td>
<td>19,030</td>
<td>6,042</td>
<td>5,844</td>
<td>3,515</td>
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<tr>
<td>Underground Ore milled</td>
<td>000t</td>
<td>7,575</td>
<td>2,137</td>
<td>2,177</td>
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<tr>
<td>Surface Ore milled</td>
<td>000t</td>
<td>11,455</td>
<td>3,905</td>
<td>3,667</td>
<td>778</td>
</tr>
<tr>
<td><strong>Yield</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground Yield</td>
<td>g/t</td>
<td>2.29</td>
<td>2.48</td>
<td>2.86</td>
<td>2.59</td>
</tr>
<tr>
<td>Surface Yield</td>
<td>g/t</td>
<td>5.19</td>
<td>6.21</td>
<td>6.81</td>
<td>3.24</td>
</tr>
<tr>
<td><strong>Gold production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground kg</td>
<td>43,634</td>
<td>15,004</td>
<td>16,432</td>
<td>9,091</td>
<td>3,107</td>
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<tr>
<td>Surface kg</td>
<td>39,285</td>
<td>13,262</td>
<td>14,826</td>
<td>8,859</td>
<td>2,338</td>
</tr>
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<td><strong>Gold sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground kg</td>
<td>43,763</td>
<td>15,088</td>
<td>16,466</td>
<td>9,091</td>
<td>3,118</td>
</tr>
<tr>
<td>Surface kg</td>
<td>4,349</td>
<td>1,263</td>
<td>426</td>
<td>477</td>
<td>285</td>
</tr>
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<td><strong>Price and costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold price received</td>
<td>R/kg</td>
<td>536,378</td>
<td>535,319</td>
<td>537,167</td>
<td>536,333</td>
</tr>
<tr>
<td></td>
<td>US$/oz</td>
<td>1,254</td>
<td>1,251</td>
<td>1,256</td>
<td>1,254</td>
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<tr>
<td>Adjusted EBITDA margin1</td>
<td>%</td>
<td>23</td>
<td>23</td>
<td>34</td>
<td>19</td>
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<tr>
<td>All-in sustaining cost2</td>
<td>R/kg</td>
<td>482,693</td>
<td>487,951</td>
<td>430,572</td>
<td>502,761</td>
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<td></td>
<td>US$/oz</td>
<td>1,128</td>
<td>1,141</td>
<td>1,007</td>
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<tr>
<td>All-in cost2</td>
<td>R/kg</td>
<td>501,620</td>
<td>490,893</td>
<td>439,506</td>
<td>503,036</td>
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<td></td>
<td>US$/oz</td>
<td>1,173</td>
<td>1,148</td>
<td>1,027</td>
<td>1,176</td>
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<tr>
<td><strong>Capital expenditure</strong></td>
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<td></td>
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<tr>
<td>Ore reserve development</td>
<td>Rm</td>
<td>2,288</td>
<td>876</td>
<td>876</td>
<td>482</td>
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<tr>
<td>Sustaining capital</td>
<td>Rm</td>
<td>531</td>
<td>235</td>
<td>210</td>
<td>63</td>
</tr>
<tr>
<td>Growth projects3</td>
<td>Rm</td>
<td>591</td>
<td>44</td>
<td>147</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>3,410</td>
<td>1,156</td>
<td>1,234</td>
<td>546</td>
</tr>
<tr>
<td></td>
<td>US$m</td>
<td>256</td>
<td>87</td>
<td>93</td>
<td>41</td>
</tr>
</tbody>
</table>

Average exchange rate in 2017 was R13.31/US$.

Figures may not tally as they are rounded independently.

1 Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.
2 All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, as the cost to sustain current operations and presented as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth. All-in sustaining cost per kilogram (and ounce) and All-in cost per kilogram (and ounce) are calculated by dividing the All-in sustaining cost and All-in cost, respectively, in a period by the total gold sold in the same period.
3 Growth project expenditure in 2017 was R402 million (US$30 million) – the majority of which was related to the Burnstone project.
DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

continued

FUTURE FOCUS

The Group is poised to benefit from the sharp increase in precious metals prices in the first three months of 2019, particularly palladium and rhodium, and most recently a recovery in the platinum price, which are well supported by robust fundamentals.

Mined 2E PGM production from the US PGM operations is forecast at between 645,000oz and 675,000oz due to continued production build-up from Blitz. AISC is forecast to be between US$690/2Eoz and US$730/2Eoz, an increase range of 2% to 8% versus 2018’s reported AISC of US$677/2Eoz. This anticipated increase is largely attributed to maintenance equipment capital spend at Stillwater and increased royalties and taxes as a result of higher prevailing US$ PGM prices. Unit cash operating cost, which is calculated before these specific items, is expected to decline year-on-year as lower cost production from Blitz supplements stable production from Stillwater West and East Boulder. Total capital spend for the year is guided at between US$235 million and US$245 million. Approximately half of this anticipated spend is growth capital, including expenditure on the Fill the Mill (FTM) project.

From the SA PGM operations, 4E PGM production in 2019 is forecast at 1.0Moz – 1.1Moz with AISC between R12,500/4Eoz and R13,200/4Eoz (US$922/4Eoz and US$974/4Eoz), reflecting the transition to the toll processing arrangement. Capital expenditure is forecast at R1,400 million (US$103 million), including approximately R230 million (US$17 million) of project capital, excluding Mimosa. The dollar costs are based on an average exchange rate of R13.55/US$.

DRDGOLD has been fully consolidated into Group operating and financial results from 1 August 2018 but, at this stage, we can report that guidance for our SA gold operations will be available only once the protracted AMCU strike has been terminated and the restructuring process has been completed.

FILL THE MILL GROWTH PROJECT

The Fill the Mill (FTM) project, a low capital-investment, high-return, growth project at the US PGM operations is expected to deliver approximately 40,000oz of annual 2E PGM production, over an expected 10-year period from late 2020, through incremental expansion of mining and certain support facilities at East Boulder and the Columbus Metallurgical Complex.

Incremental project capital is approximately US$19 million (excluding additional operating costs) over two years until first production.

PROJECTS

See Further Information—Information on the company for details on each project.

Expenditure on organic growth projects in 2018 was R2,279 million (US$172 million) in comparison with R1,482 million (US$111 million) in 2017. Our projects are reviewed, evaluated and ranked every year in line with our strategic planning in order to determine execution priority and thus ensure highest capital efficiency for the entire portfolio.

US PGM projects

BLITZ

The Blitz section, a significant expansion project currently under development, started ore production in 2017 and produced 40,232 oz in 2018 as part of the Stillwater mine. The current section is accessed by a 580m-deep shaft and five portals.

The Blitz project will expand the Stillwater mine 6,000m to the east of the existing mining operations. All primary development in the Blitz area will be 5m high by 5m wide, which will significantly reduce underground support personnel per tonne mined. The average Blitz reserve grade is 24g/t with localised stoping (ore) areas in excess of 30g/t.

The Blitz project is expected to add an additional 300,000 2E PGM ounces to the existing Stillwater and East Boulder production by 2021/2022. Planned production expansion in the Blitz project area requires accelerated manpower hiring, expansion of concentrator capacity and shorten permitting time lines for tailings expansion.

MARATHON

During 2018, at the Marathon PGM-copper project, approximately 10km north of Marathon, Ontario, adjacent to the Trans-Canada Highway 17 on the north-east shore of Lake Superior, geological prospecting mapping and trench sampling continued at the Boyer zone where surface mineralisation was extended by 800m. In addition, a passive seismic survey was completed over the Marathon property (1,024 geophones) as a project funded by the Horizon 2020 European Union research and innovation programme. The data is currently being processed with a view to locating high-velocity zones that correlate with massive sulphide high-grade feeders at Marathon. The gravity survey line (6,000m) was also surveyed in 2018 across a seismic high-velocity zone to verify higher density. Baseline environmental stream sampling and a community relations programme continued at the same time.

SA PGM operations

CHROME OPTIMISATION

A chrome spiral recovery plant currently exists at the Waterval UG2 concentrator to treat flotation tails. In order to improve chrome recovery, fine fraction chrome recovery technology trade-off studies were conducted in 2018. The trade-off studies concluded that a reflux classifier was the preferred technology solution. The chrome optimisation project introduces two modular reflux classifiers to increase the recovery of chrome in the -75 micron tailings fraction. The project envisages the recovery of an additional 10,000tpm of chrome concentrate equivalent to 20% of current production.
A contracting company, Linhleko Projects, will recover the chromite concentrate in terms of an outcome-based business model and the SA PGM operations will initially account for the contract as a finance lease that will be reflected as a right of use asset and finance lease liability (considered to be debt) of approximately R230 million. Sibanye-Stillwater will not directly fund the project but will pay for the plant in terms of an outcome-based business model that is related to actual chrome production. The project is expected to be commissioned in Q4 2019.

**PLATINUM MILE RECOVERY FLOTATION EXPANSION PROJECT**

The aim of the Platinum Mile recovery flotation expansion project is to increase throughput by 520m³ and retention time from eight minutes to 24 minutes thereby significantly improving 4PGE recovery.

The increased rougher retention time resulted in an overall plant recovery of about 2%.

Earthworks for the rougher cell expansion to the Platinum Mile recovery flotation expansion project commenced on 23 January 2018 and the project was commissioned during Q4 2018 for a capital cost of R60 million.

**SA gold projects**

**BURNSTONE**

The Burnstone project is a shallow to intermediate depth gold mining project near Balfour in Mpumalanga, 80km north-west of Johannesburg. The Burnstone development project was purchased by Sibanye-Stillwater in 2014. The project feasibility study that was prepared was independently reviewed in 2015 and finance was approved in 2016 with development starting in 2016. As from commencement of development in 2016 to May 2018, 12,368 metres of development had been completed which includes seven reef raises that are production ready.

The capital approved for the Burnstone project during 2018 was R442.0 million. On completion of a detailed engineering design, the project capital provision approved for 2018 was reduced to R417.6 million in order to deliver new infrastructure on a just in time basis with an expected expenditure of R198.0 million by end December 2018. Development was stopped in May 2018, due to a capital preservation exercise. The operational requirements subsequently focused on the establishment of underground engineering infrastructure in preparation for mining production in 2021.

The Burnstone project focus for 2019 is to continue establishing underground engineering infrastructure in preparation for expected mining production commencing in 2021. The Burnstone 2019 operational plan project capital provision of R125 million has been allocated to complete the required engineering infrastructure to support mining production from 2021.

**SOUTHERN ORANGE FREE STATE**

Sibanye-Stillwater acquired the Southern Orange Free State (SOFs) project (which includes the Bloemhoek and De Bron Merriespruit projects) near Virginia in the Free State in 2014 through the acquisition of Witwatersrand Consolidated Gold Resources (Wits Gold).

The De Bron Merriespruit project was at feasibility stage and an application for a new mining right over the SOFS project area was submitted to the Department of Mineral Resources in terms of Section 22 of the Mineral and Petroleum Resources Development Act. The SOFS mining right was granted in February 2014 and executed on 14 June 2017. The right expires on 13 June 2040.

A feasibility study on Bloemhoek, which began in 2016, is expected to be finalised in 2019. If the project is approved, the development is expected to enter the Bloemhoek project area from Beatrix 3 shaft in 2021. The Bloemhoek and De Bron Merriespruit projects envisage using existing Beatrix support infrastructure in order to limit the amount of capital funding required to reach production phase.

**FAR WEST GOLD RECOVERIES**

In August 2018, the sale of selected surface assets to DRDGOLD was concluded. Select West Rand Tailings Retreatment Project (WRTRP) assets were traded for 38.05% of all DRDGOLD shares. DRDGOLD’s gold reserves increased by approximately 83% from 3.28Moz to 6.00Moz following the transaction.

Renamed Far West Gold Recoveries, 30km west of Johannesburg, this project, which is now in operation, includes historic tailings storage facilities over an area of 412.3ha with a combined Mineral Reserve estimate of 246Mt at an average grade of 0.344g/t gold for a total gold content of 2.72Moz.

DRDGOLD commissioned a “reduced” Phase 1 of the Far West Gold Recoveries project, with the pumping of reclaimed tailings from the Driefontein 5 tailings facility into the upgraded Driefontein 2 carbon-in-leach (CIL) circuit. The project is on track to process the designed 500 000tpm in Q1 2019.

DRDGOLD intends developing the assets into a large-scale 1.2Mtpm, 20-year operation that will reclaim gold in a phased approach.

**KLOOF OPTIMISATION PROJECT**

The extension project at Kloof’s 4 shaft, to access the area between 45 and 47 levels, progressed to a point just below 46 level in 2018. Development will continue to 47 level.

In addition, the Kloof 8 shaft expansion project, designed to increase current production levels at 8 shaft, was approved in 2018 and will be fully operational by 2020.

The Kloof integration project, designed to optimise operating shafts and close redundant infrastructure, also began in 2018. This project will significantly decrease operating costs.
Other projects

ALTAR

On 5 November 2018, Sibanye-Stillwater concluded a transaction with Regulus Resources and a newly formed subsidiary of Regulus, Aldebaran Resources creating a strategic partnership to unlock value at the Altar copper-gold project in the province of San Juan, Argentina, 180km west of the city of San Juan.

During 2018, Regulus Resources spun out its Argentine assets, including the Rio Grande project, into a newly formed company, Aldebaran Resources, which has entered into a joint venture and option agreement with Stillwater Canada (an indirect subsidiary of Sibanye-Stillwater) to acquire up to an 80% interest in Peregrine Metals, a wholly owned subsidiary of Sibanye-Stillwater, which owns the Altar copper-gold project.

A drill programme to test the deep extensions down to 1,500m depth of the Quebrada de la Mina (QDM)-radio-porphyry, Altar East and Altar Central was conducted in 2018. The core drilling programme of 4,923m was completed with three new holes and one drillhole extension with maximum depths of 1,540m from surface. In addition, work continued on extension of the QDM ground magnetic survey, the talus fine geochemical survey and surface prospecting.

In terms of the agreement, Sibanye-Stillwater will retain a direct interest in the Altar project of either 40% or 20% (should Aldebaran Resources exercise its additional earn-in option), as well as indirect exposure to all Aldebaran assets (including the Rio Grande project) through its 19.9% shareholding in Aldebaran Resources.

The Rio Grande project (owned and managed by Aldebaran Resources) is an iron oxide copper-gold type, copper-gold exploration stage project in north-western Argentina, approximately 1,400km north-west of Buenos Aires. Lindero, a Fortuna Silver property, 10km from Rio Grande with a similar type of mineral deposit, began development in 2018 and initial production is expected in 2019.

TECHNOLOGY AND INNOVATION

STRATEGY DEVELOPMENTS IN 2018

The Technology and Innovation department has transformed in terms of its research and development focus, corporate and regional alignment strategies and management of internal and external initiatives, ensuring that the resourcing of initiatives remains aligned with the growth and transformation of the organisation.

Technology and Innovation is now contained within the Group Technical function with the intention of implementing a comprehensive and cohesive global technology and innovation strategy that will be implemented by appropriate structures in each geography. The focus will be on value creation through three key tiers, namely:

- The strategic long-term tier will operate from a global perspective and manage the consolidation of long-term internal initiatives and strategies that have global relevance, such as the digital transformation theme. The strategic tier will also be responsible for external research and development initiatives and partnerships with research institutions.
- The medium-term tactical tier will operate from a regional or commodity-specific perspective and be responsible for technology and innovation initiatives within the relevant geography or commodity. The tactical tier will manage programmes that form part of the strategic tier’s portfolio of initiatives, establish centres of excellence for themes that have global relevance or adopt technologies that have been proven in alternate regional or commodity specific centres of excellence. The tactical tier will also be responsible for implementing technology and innovation culture and change frameworks that are developed by the strategic tier, ensuring a common global technology and innovation identity.
- The short-term executional tier will maintain focus on implementing quick-win initiatives as well as continuous improvement programmes that are supplemented by technology.

Sibanye-Stillwater supports projects and programmes that contribute to the sustainability of the organisation through measurable improvement of the following:

- Safety
- Environmental performance
- Organisational and operational efficiencies, yielding maximum return on capital employed
- Operational transparency, creating greater insight and enabling more proactive management
- Education, training and skills
- Our ability to support secondary industries with sectoral transfer of skills, equipment and technology

Sibanye-Stillwater continues to drive technology and innovation as a strategic imperative.

Key technology and innovation partnerships and initiatives

MANDELA MINING PRECINCT

The Mandela Mining Precinct, an outcome of the government-supported Mining Phakisa process, and previously referred to as the Mining Precincts’ Innovation Hub, was formally opened on the 14 September 2018 by our CEO Neal Froneman in his capacity as Vice President of the Minerals Council South Africa. The opening was attended by the Minister of Science and Technology as well as the Minister of Mineral Resources. The Mandela Mining Precinct’s research agenda progressed well in 2018 and is expected to deliver tangible value in various forms in 2019.
The Mandela Mining Precinct creates a space for researchers from various institutions and organisations to collaborate and work together, enabling greater access to researchers and mining staff. The function of the precinct is to co-ordinate research activities towards the revitalisation of South Africa’s mining operations through the development of next-generation mining systems.

**SIBANYE-STILLWATER DIGITAL MINING LABORATORY**

The Sibanye-Stillwater and the University of the Witwatersrand (Wits) Mining Institute’s (WMI) Digital Mining Laboratory (DigiMine), the result of a long-term commitment by Sibanye-Stillwater to relevant research institutions in South Africa, was officially launched in 2018. The WMI and DigiMine have demonstrated their ability to add value from a fundamental and applied research perspective and Sibanye-Stillwater has elected to provide an additional R10 million annually for the next three years. The funding is in line with a provision of the stream finance arrangement. The funding will be directed to five core focus areas:

- Fast-tracking of WMI-initiated technologies and prototypes through DigiMine, in partnership with the Wits Siemens Solutions Laboratory
- Fast-tracking of mine seismicity research
- Enhancing the sustainability of the WMI and DigiMine
- Enhancing the delivery structure for the research and development agenda
- The creation of the Sibanye-Stillwater Health and Safety DNA project

Sibanye-Stillwater’s total investment in tertiary institutions is now R20 million per annum, inclusive of the aforementioned, the original R5 million commitment to DigiMine and a R5 million investment in the University of Johannesburg’s mining engineering faculty, which is being used to establish complimentary infrastructure that supports Sibanye-Stillwater’s long-term research and development strategy.

**DIGITAL TRANSFORMATION**

Thematically, digital transformation is the only strategic technology pillar that is applicable to all aspects of the organisation. As such, a dedicated functional and governing committee, comprised of relevant representation from Group Technical, and the SA and US operations, has been established. The digital transformation steering committee forms the fundamental base of the digital transformation initiative and is suitably resourced with an agile, multi-disciplinary team that will be focusing on value realisation across the entire mining value chain.

During the establishment of the initiative, it became apparent that there is significant value in leveraging external expertise in order to fast track ideation and prioritisation of key strategic aspects of the process and initiatives. Consequently, Sibanye-Stillwater has established an advisory panel of globally renowned disruptors from various industries and institutions. The value of the advisory committee has been immediate and they have contributed substantially to the current state of the initiative by accelerating our understanding of the theme.

The vision of Sibanye-Stillwater’s digital transformation initiative is to enhance value creation through digitalisation to create a prescriptive data-driven organisation, effective in the safe, sustainable and responsible extraction and beneficiation of our resources.

With the above in place, Sibanye-Stillwater has developed a digital transformation strategy that is aligned with that of the organisation. In addition, most of the SA operations’ teams have begun the execution of the strategy and technological road map development with the Stillwater operations planned for early 2019. The key deliverable for 2019 will be a long-term programme that aims to create an integrated, transparent insightful, concise, prescriptive, effective and safe operating organisation. In addition, several immediate high-value initiatives have been identified and initiated with the expectation of relative value realisation in the first half of 2019.

**ADVANCED TRANSPORT AND MACHINERY PROGRAMME**

Significant advancement was made towards understanding the application of newly developed battery technology in mobile assets, namely locomotives and trackless mobile machinery. Two separate prototypes for battery and diesel locomotives have progressed well and are showing promising results. While there have been several technical difficulties, solutions to the difficulties are in the process of being completed. Both prototypes are expected to enter production trials in the first half of 2019 with the intention of finalising a commercial variant for implementation by the end of 2019.

Furthermore, significant opportunity has been identified in applying analytics and deep learning algorithms to information that resides in manual reports and numerous digital systems, installed on fixed and mobile machinery, to improve overall equipment and processing effectiveness. In 2017, Sibanye-Stillwater ran a data consolidation and advanced analytics project that sought to understand the value of this in the process efficiency environment. The outcome of the initiative was in line with general research on the subject and the model suggested that there was the potential for as much as 1%-2% recovery improvement at the processing plant in question (research notes 1.5%-2.5%).

As such, the initiative has been progressed to operational proof of concept, in addition to two separate initiatives for overall equipment efficiency on trackless mobile machinery and locomotives, with results expected in the first half of 2019.

**STOPE MECHANISATION AND CURRENT MINING IMPROVEMENT PROGRAMME**

Sibanye-Stillwater’s ongoing organisational diversification requires that continuous re-ranking of technology and innovation initiatives is performed to ensure that each initiative is still relevant in terms of impact, cost and complexity, reserve applicability and interdependence. During a revision of all technology and innovation initiatives in the Group, the decision was made to temporarily suspend stope mechanisation and current mining improvement projects in lieu of the progress made with the digital transformation programme.

Sibanye-Stillwater will continue to maintain a robust pipeline of prospective projects for implementation as and when resources become available to do so.
SUPERIOR VALUE FOR THE WORKFORCE

APPROACH

Our mining activities improve lives when we are able to create superior value for our employees by safely delivering on and exceeding individual and team performance objectives in alignment with our key business drivers: safety, cost, volume and quality.

Significant growth and geographical diversification in the past three years has challenged our human resource (HR) function to constantly expand its knowledge base in order to realise these objectives.

While our overall HR strategy allows for regional autonomy, performance standards are regularly reviewed and revised at Group level. Our HR policies and development programmes are designed to meet the needs of all employees within diverse socio-economic environments.

At our US and SA operations, we strive to engage meaningfully with all employee and organised labour representatives in terms of our visible felt leadership principle and our social compact.

In South Africa, our five-year HR strategy, People@Sibanye-Stillwater, incorporates our employee value proposition and provides a road map to 2021. It supports Sibanye-Stillwater’s strategic objectives, and is aimed at establishing Sibanye-Stillwater as a transformed, values-based organisation.

Sibanye-Stillwater is a significant employer in the regions in which it operates – our US PGM operations are the largest private, industrial employer in the state of Montana.

LIVING OUR VALUES

- Engagement forums regulate interaction with organised labour by dealing with issues as they arise without delay, separating issues at national, regional and branch level, managing each issue appropriately, and taking ownership of employee-related matters.
- Employees need to trust that our leaders live the values and that they fulfil their promises.
- Our employee value proposition provides for a conducive work environment and career opportunities for employees (our aim is for 80% internal recruitment).
- “Modern mining promise”: We aim to be a transformed organisation that goes beyond compliance.
- Stakeholder engagement: HR has a role to play within communities where current and future employees reside.
- Stakeholder mapping: We identify and categorise all our stakeholders to ensure that we understand their different needs, levels of influence and interests, and thus determine the levels of engagement required in each category.
- Leadership development: Our leaders strive to engage meaningfully with employees.
- Social contributions to the communities in which our employees live: We focus on making valuable socio-economic contributions.
- Management and the unions are encouraged to clarify roles.

STRATEGIC FRAMEWORK

OUTCOMES

- ATTRACT
- GROW
- ENABLE
- RETAIN
EMPLOYEE VALUE PROPOSITION

- Being an employer of choice among graduates in core disciplines: Providing a conducive, safe, inclusive working environment, in which employees are valued, with opportunities for a rewarding career as well as learning and skills development. See — Training and development

- Building mutually beneficial, constructive relationships, based on trust and respect: Ensuring we act in line with our CARES values, deliver on our promises, and engage transparently and honestly with employees and all other stakeholders. Furthermore, establishing Sibanye-Stillwater as a values-based, modern mining company has been identified as key in addressing our safety performance. See — Performance review—Ensuring safe production and — Performance review—Occupational health and well-being

- Developing leadership capacity: Enhancing senior management skills required for meaningful engagement so that leaders are able to motivate employees to reach their full potential. See — Organisational and leadership development and — Talent management

- Contributing to socio-economic development: Sharing value created by paying salaries and wages spent within communities, by contributing to and investing in local economic development initiatives in communities in which our employees live, and by encouraging employee volunteerism. This ties in with Sibanye-Stillwater’s duty as a responsible corporate citizen and helps address poverty, inequality and unemployment around the SA operations. See — Governance—Corporate governance and leadership—Report of the Social and Ethics Committee

IN LINE WITH THE SUSTAINABLE DEVELOPMENT GOALS

The intended outcomes of our HR strategy are aligned, either directly or indirectly, with the United Nations (UN) Sustainable Development Goals (SDGs): Goals 1, 4, 5, 8 and 10.

PERFORMANCE

TARGETS

SA operations

- To exceed transformation targets: The targets for 2018 were 40% historically disadvantaged South Africans (HDSAs) in management level positions and 10% women in mining, specifically core mining positions. These targets have been changed as a result of the amendments to the Mining Charter and will take effect from 2019.

US operations

- Opportunities to improve diversity are sought with every new recruitment.

SA operations: Transformation

<table>
<thead>
<tr>
<th>History disadvantaged South Africans in:</th>
<th>2018 (%)</th>
<th>2017 (%)</th>
<th>Mining Charter targets1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>48</td>
<td>49</td>
<td>40</td>
</tr>
<tr>
<td>Core and critical skills</td>
<td>71</td>
<td>70</td>
<td>60</td>
</tr>
<tr>
<td>Women in management</td>
<td>19</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>Women in mining</td>
<td>13</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Women in core positions</td>
<td>9</td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>

1 These targets will be replaced by the new targets that have been set in the amended Mining Charter and will become effective from 2019.

WORKPLACE MANAGEMENT

In South Africa, we began the year with business transformation initiatives aimed at clarifying roles and responsibilities within a fit-for-purpose HR management system, ensuring that our governance structures and rules were aligned across the organisation, maintaining or improving our service levels so that we could reduce costs while increasing productivity.

We reviewed our HR practices and policies (overtime, acting and relieving, call-out and standby) and invested in an information management system (contractor management, automation and digitalisation of employee services, such as leave and sick days, and harmonisation of remuneration and benefits) that would enable sustainable business continuity. This system also facilitates the identification of HR-related business risks.

At the SA operations, we embarked on targeted recruitment for critical positions and implemented a cadet scheme to address the shortage of skilled employees in our stoping and development crews. To this end, and to play our part in addressing the critical youth unemployment issue in South Africa, we recruited 64 trainees, aged 18 to 25, through the local community forum at Beatrix so that they could gain on-the-job experience – 29 have been employed to work at the mine while the rest have been included in our database of suitable candidates.

At the same time, we began using an automated recruitment system, which has reduced the time and cost involved in conventional evaluation of applications by 60%. The system will be integrated with other electronic employee services for efficient data processing and to include communities in online learning platforms.
SUPERIOR VALUE FOR THE WORKFORCE

At the US operations, the human capital planning and recruitment strategy for the Blitz Project is a continuous initiative from one year to the next. Initially, focus was on the tunnel-boring machine. Manpower requirements and related prospective budgets for 2020 and 2021, in terms of anticipated scheduled production, are in place.

ORGANISATIONAL AND LEADERSHIP DEVELOPMENT

As leadership development is an integral part of the architecture of any organisation, we seek to create an executive talent pool that is aware of business needs, given the environment in which we operate.

In 2018, in order to ensure that we had competent leaders, living the Group’s values and ready to move to the next level, we instituted talent management, psychometric assessments, leadership development and a dedicated on-boarding initiative.

TALENT MANAGEMENT

The success of talent management depends on the integration of all HR functions. When attracting employees to fill vacant positions, we ensure that our internal talent pool is reviewed and that all possible successors are interviewed so that we achieve 80% self-sufficiency with a blend of external hires.

In South Africa, in 2018, we addressed our internal talent and succession pipeline by institutionalising our career growth model with quarterly talent reviews and career days, which exposed more than 2,000 employees to the different disciplines within Sibanye-Stillwater to enable a seamless transition from one level to the next.

The career growth model has four critical pillars: performance, leadership ability, qualification/technical competence/business knowledge, and potential/culture fit. This model embeds the philosophy that career development is a series of interventions aimed at developing a career through skills training, lateral critical experiences, moving to higher job responsibilities and cross-functional positions within the same organisation.

The 70-20-10 learning and development model (below) is also applied as a valuable general guideline to maximise the effectiveness of learning and development programmes through activities and inputs.

The performance management process is linked to individual development, talent management and leadership development. It plays a major role in identifying employees for the talent pool. An average performance score, over a period of three years, is considered for the selection process. If this information is not available, performance over a period of at least six months is considered.

Within our mentoring and coaching framework, individual career development plans have been aligned with succession planning.

SA operations: Talent pool

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent pool size (A-D Band)</td>
<td>1,787</td>
<td>1,282</td>
<td>691</td>
</tr>
<tr>
<td>Successors promoted</td>
<td>131</td>
<td>105</td>
<td>108</td>
</tr>
</tbody>
</table>

1 Employees identified as potential leaders for development
2 D Band employees only
PSYCHOMETRIC ASSESSMENTS

Psychometric assessments are used in recruiting, identifying talent and promoting effective HR development and personal growth.

Psychometric assessment activities are designed to:

- Align the Group’s assessment practices with relevant legislation
- Ensure that the Sibanye-Stillwater approach to psychometric assessment is applied consistently in other work-related streams, such as performance optimisation, talent management and recruitment at senior level
- Optimise human capital, employed on the basis of their competence, matched against job-related requirements and developed to meet job requirements
- Establish and maintain progressive assessment practices aligned with local best practice
- Regulate the psychometric assessment process for Sibanye-Stillwater
- Ensure fair and equitable decisions regarding employee selection, promotion, development and organisational transformation
- Provide opportunities for employees to gain personal insight and self-development through effective and efficient assessment practices

THE VALUE OF ASSESSMENTS: CANDIDATES BUSINESS NEEDS

Employee assessments

The new assessment framework was successfully implemented across the SA operations in 2018. Most E band level and higher employees were assessed by an independent service provider. Individual feedback is expected from the beginning of 2019. 87% of D band and below successors were assessed internally.

A total of 5,609 assessments were completed during 2018, including 200 graduates and bursars, as well as 63 learnership candidates, while 1,572 operators were assessed.

The objective for 2019 is to have assessment results for all D level employees to determine emerging themes, which will be aligned with training interventions.

Executive assessments

In 2019, the Executive Committee and top 40 leaders will undergo 360° assessments.

As leadership is a competitive advantage and enabler for delivery on business goals and social imperatives, we aim to promote and improve leadership capability and have developed a leadership competency framework based on the Sibanye-Stillwater CARES values.

Feedback from these assessments will assist leadership in improving relationships, accountability and performance.

LEADERSHIP DEVELOPMENT

In South Africa, Sibanye-Stillwater aims to strengthen leadership capability by implementing tailor-made development programmes that are aligned with business needs. We are aware of the need for agile, value-based leadership to execute our strategy.

In order to deliver world-class leadership development programmes, Sibanye-Stillwater partnered with an independent service provider in 2018 and delivered the first executive development programme for 40 future leaders, which included coaching of the Executive Committee.

The programme included strategy execution, crisis and change management, mergers and acquisitions, and community immersion, among others.

The women leadership development programme launched in August 2017 focused on improving gender diversity in 2018 by addressing personal and career growth, financial management, and employment of women in mining globally, in South Africa and at community level.
SUPERIOR VALUE FOR THE WORKFORCE  continued

ON-BOARDING
During phase 1 of the on-boarding process in 2018, we conducted a survey among all newly appointed and promoted middle and senior managers to determine the level of employee engagement. We could thus determine the balance between job resources and job demands, burnout and organisational commitment. A task team then designed and implemented an on-boarding policy and process. Phase 2 will begin in 2019 with the launch of the programme, a welcome video and workshop for HR managers. An on-boarding tracking tool will be used as part of the engagement process to provide system guidelines for employees, HR and managers about activities that prepare employees for their new roles. On-boarding surveys will continue as part of the process.

At the US operations, all newly hired and re-hired employees attend orientation, which includes an introduction to the Group, a review of our CARES values, discussion on policies and procedures, and a presentation on the health and welfare benefits package, as well as a well-rounded introduction to the organisation as a whole.

Recruitment
Our new electronic recruitment model focuses initially on internal candidates via the intranet before any vacant posts are advertised externally. Filters, in the form of five key questions, are also used to streamline the process. Much paper work has been eliminated by taking this process online. As part of the digitalisation process, the HR function is making much greater use of technology and is working closely with the IT function to develop systems to manage its various services. Accordingly, the approach to training is being reviewed with greater use of virtual learning, e-learning and blended learning (a combination of e-learning and conventional training, See — Training and development).

The digitalisation process is aligned with the overall business transformation programme, aimed at enhancing efficiencies and reducing costs. A revised overtime policy has resulted in a R1 million reduction in the amount paid out for overtime work. Contracted services have been streamlined in line with the rationalisation of employee benefit services, resulting in a saving of R2 million.

EFFECTIVE PERFORMANCE
Sibanye-Stillwater invested significantly in developing a performance-driven culture within the SA operations in 2018. We benchmarked our policies, practices, processes and systems to understand the requirements and found:

• System and process: Our systems and processes were at least on par with other high-performing companies. In many instances, our system enhancements exceeded others.
• Engagement: We recognised the need for one-on-one engagement sessions between managers and their team members to enable effective performance. The sessions focus on recognition and celebration, role clarity and real-time feedback.
• Visible matrices: We track performance effectively so that senior managers are able to focus on the needs of service departments and thus ensure the same levels of visibility.

In 2018 we focused on the following key elements:

• Implementation of system enhancements to integrate performance and development behaviours, including the introduction of management dashboards to track performance discussions, and automation of performance improvement and enhancement plans
• Transparency in the performance review process to build trust in the processes
• Refocusing the performance review to a performance conversation to start the culture transformation journey
• Implementation of the HR development programme to enable the HR community at the SA operations to better support effective performance in the operations and services departments

TIME AND ATTENDANCE
A review of time and attendance measured compliance with legislated basic conditions of employment as well as health and safety regulations, including certified fitness to work, so that employees would not suffer the consequences of exceeding the maximum 40 hours a week at the SA operations.

At the US operations, all employees work a specific schedule, depending on the operational facility or support department to which they are assigned. Scheduled work shifts comply with the requirements of the US Department of Labor and the Fair Labor Standards Act governing the maximum number of working hours and overtime.

We have focused on continuous improvement in our HR system road map for the next three years. Our structured process reviews system capabilities, and the quality of outputs and efficiencies, to support the business in remaining compliant and in touch with the fast-changing technological landscape.

Our road map focuses on improving system controls and capability, particularly with regard to safety and people, in the following areas:

• Regulatory-related system blocking and control
  – Statutory leave management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
  – Certificate of fitness management (maintained system capability improvements in 2018/new business planned for 2019)
  – Annual training management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
SUPEIROR VALUE FOR THE WORKFORCE continued

- Certification and qualification management (system framework and capability improvements drafted in 2018/completion of system framework capability and roll-out planned for 2019)
- Short shift management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
- Overtime management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
- Work permit management (system framework and capability improvements and roll-out planned for 2019)

- HR core controls
  - Absentee management (reviewed and improved efficient absentee management and long-term sick management processes and controls in 2018)
  - Disciplinary management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
  - Talent management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
  - Training booking management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
  - Manning board (developed organisational structure system within HR operating systems showing structure/key HR risk indicators planned for completion and roll-out in 2019)
  - HR planning (review system technology used for business HR planning in 2019)
  - eJob architecture (developed job architecture framework in 2018/system integration and review of standards in 2019)

As part of the journey towards improvement in these areas, we have strategically reviewed the manner in which we manage the people elements within our system environment.

Our key system drivers have included:

- Integration of diverse conditions as part of the portfolio and growth of our business to strategically review controls that could cater for various conditions and variations in HR
- Versatility and efficiency by improving the use of systems and technology for quicker inputs and outputs through the workflow system environment for effective and streamlined approvals
- Interaction and technology to advance our system environment for best practice and greater use of robotics and automation
- Communication and information to improve real-time data and statistical information
SUPERIOR VALUE FOR THE WORKFORCE

Workforce by operation at 31 December

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permanent employees</td>
<td>Contractors ¹</td>
<td>Total</td>
</tr>
<tr>
<td><strong>SA operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beatrix</td>
<td>7,329</td>
<td>929</td>
<td>8,258</td>
</tr>
<tr>
<td>Driefontein</td>
<td>10,576</td>
<td>1,072</td>
<td>11,648</td>
</tr>
<tr>
<td>Kloof</td>
<td>9,776</td>
<td>1,160</td>
<td>10,936</td>
</tr>
<tr>
<td>Burnstone</td>
<td>114</td>
<td>66</td>
<td>180</td>
</tr>
<tr>
<td>Cooke</td>
<td>486</td>
<td>290</td>
<td>776</td>
</tr>
<tr>
<td><strong>Gold (excluding services)</strong></td>
<td>28,281</td>
<td>3,487</td>
<td>31,768</td>
</tr>
<tr>
<td>Kroondal (100%)</td>
<td>5,673</td>
<td>2,617</td>
<td>8,290</td>
</tr>
<tr>
<td>Rustenburg</td>
<td>13,023</td>
<td>2,354</td>
<td>15,377</td>
</tr>
<tr>
<td><strong>SA PGM¹ (excluding services)</strong></td>
<td>18,696</td>
<td>4,971</td>
<td>23,667</td>
</tr>
<tr>
<td>Regional Services³</td>
<td>2,251</td>
<td>1,239</td>
<td>3,490</td>
</tr>
<tr>
<td><strong>SA other⁴</strong></td>
<td>1,720</td>
<td>806</td>
<td>2,526</td>
</tr>
<tr>
<td><strong>SA operations – Total</strong></td>
<td>50,948</td>
<td>10,503</td>
<td>61,451</td>
</tr>
<tr>
<td><strong>US operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stillwater</td>
<td>962</td>
<td>280</td>
<td>1,242</td>
</tr>
<tr>
<td>East Boulder</td>
<td>411</td>
<td>45</td>
<td>456</td>
</tr>
<tr>
<td>Columbus Metallurgical Complex</td>
<td>186</td>
<td>54</td>
<td>240</td>
</tr>
<tr>
<td>Regional services⁵</td>
<td>67</td>
<td>5</td>
<td>72</td>
</tr>
<tr>
<td>Other⁶</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>US operations – Total</strong></td>
<td>1,628</td>
<td>384</td>
<td>2,012</td>
</tr>
<tr>
<td>Corporate Office²</td>
<td>55</td>
<td>0</td>
<td>55</td>
</tr>
<tr>
<td><strong>Group – Total</strong></td>
<td>52,631</td>
<td>10,887</td>
<td>63,518</td>
</tr>
</tbody>
</table>

¹ Contractors excludes “free” contractors who receive a fee for service irrespective of the number of contractor employees on site (not compensated on a fee-per-head basis but a fee for the service or work performed)
² PGM operations under management: In 2016, Kroondal is included from April to December 2016 and Rustenburg operation from November to December 2016. In 2017, these operations are included for the full year.
³ Regional services include executive management of the SA operations and employees providing a service to the SA operations and to the gold operations not reflected in other. The number for the Rustenburg employees above includes 1,029 employees who provide regional services to the SA PGM operations.
⁴ Other includes Protection Services, Shared Services, Sibanye-Stillwater Academy, Health Services and Property (gold and SA PGM operations)
⁵ Regional services in the US includes executive management located in Columbus and Montana offices
⁶ Other represents two employees at Marathon, Canada (no contractors at 31 December 2018). Altar employees are included with Aldebaran from 2018 (non-managed).
⁷ Corporate office includes executive management since September 2017

Workforce composition (2018)

<table>
<thead>
<tr>
<th>Permanent employees</th>
<th>Contractors</th>
</tr>
</thead>
<tbody>
<tr>
<td>50,948</td>
<td>1,028</td>
</tr>
<tr>
<td>1,628</td>
<td>384</td>
</tr>
<tr>
<td>55</td>
<td>0</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>52,631</td>
</tr>
</tbody>
</table>

Sibanye-Stillwater Integrated Annual Report 2018
SUPERIOR VALUE FOR THE WORKFORCE

Workforce by age

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th></th>
<th>2017</th>
<th></th>
<th></th>
<th>2016</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permanent</td>
<td>Contractor</td>
<td>Total</td>
<td>Permanent</td>
<td>Contractor</td>
<td>Total</td>
<td>Permanent</td>
<td>Contractor</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>employees</td>
<td>s</td>
<td>%</td>
<td>employees</td>
<td>s</td>
<td>%</td>
<td>employees</td>
<td>s</td>
<td>%</td>
</tr>
<tr>
<td>SA operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;30 years</td>
<td>3,402</td>
<td>2,950</td>
<td>6,352</td>
<td>3,043</td>
<td>2,694</td>
<td>7,728</td>
<td>5,913</td>
<td>4,560</td>
<td>10,473</td>
</tr>
<tr>
<td>30-50 years</td>
<td>37,230</td>
<td>6,492</td>
<td>43,722</td>
<td>37,275</td>
<td>7,738</td>
<td>45,013</td>
<td>41,636</td>
<td>9,536</td>
<td>51,172</td>
</tr>
<tr>
<td>&gt;50 years</td>
<td>10,316</td>
<td>1,061</td>
<td>11,377</td>
<td>10,317</td>
<td>1,369</td>
<td>11,706</td>
<td>11,095</td>
<td>1,791</td>
<td>12,886</td>
</tr>
<tr>
<td>US operations</td>
<td>194</td>
<td>194</td>
<td>12</td>
<td>157</td>
<td></td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;30 years</td>
<td>904</td>
<td>904</td>
<td>55</td>
<td>848</td>
<td></td>
<td>56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;50 years</td>
<td>530</td>
<td>530</td>
<td>33</td>
<td>508</td>
<td></td>
<td>34</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Ages of contractors at US operations not available

ABSENTEEISM

SA operations: Absenteeism (%)

For more about absenteeism, see “—Performance review—Ensuring safe production, and —Performance review—Occupational health and well-being.”

US operations’ employees are allotted a specific number of vacation and sick/personal days per year. When these discretionary days off of work have been exhausted, should the employee miss work, employment is terminated.

EMPLOYEE TURNOVER

The annual turnover for management level employees in the SA operations in 2018 was 14%, including 9% HDSAs and 4% women in management. The total turnover in the SA operations was 5% (6% at the gold operations and 3% at the PGM operations).

Annualised attrition in the US operations in 2018 was 8.7%. The attrition rate among miners was 4.8%.

No incidents of discrimination were reported during 2018.

GENDER DIVERSITY

We aim to establish a working environment, and instil a culture, that supports and proactively attracts women at all levels, and which accelerates gender equity through employee development and improved communication, promoting awareness and understanding of gender diversity and equity, and removing gender-related barriers to make the working environment more conducive for women. Every effort has been made to ensure that our HR policies are gender-neutral.

Women representation in our workforce improved to 13% in 2018 with 9% of core mining roles held by women. A particular focus of succession planning is to increase female representation in middle management and in senior/executive management.

Sexual harassment is not tolerated at all as it violates our values and disrupts the workplace. As awareness and understanding of sexual harassment play a pivotal role in preventing sexual harassment in the workplace, regular awareness campaigns are conducted. Sexual harassment is also addressed in employee “return from leave” refresher induction training. Our sexual harassment policy governs procedures to be followed in dealing with sexual harassment. A sexual misconduct unit of Protection Services handles all reported sexual harassment cases, with information from anonymous tip-offs or HR managers, and counselling is provided to affected employees. In 2018, two cases of sexual harassment were reported at our SA PGM operations and one at our SA gold operations.

Women employed (%)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th></th>
<th>2017</th>
<th></th>
<th></th>
<th>2016</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SA operations</td>
<td>US operations</td>
<td>Total</td>
<td>SA operations</td>
<td>US operations</td>
<td>Total</td>
<td>SA operations</td>
<td>US operations</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>gold</td>
<td>PGM</td>
<td>Total</td>
<td>gold</td>
<td>PGM</td>
<td>Total</td>
<td>gold</td>
<td>PGM</td>
<td>Total</td>
</tr>
<tr>
<td>Group</td>
<td>13</td>
<td>12</td>
<td>15</td>
<td>9</td>
<td>13</td>
<td>10</td>
<td>14</td>
<td>8</td>
<td>11</td>
</tr>
</tbody>
</table>
SUPERIOR VALUE FOR THE WORKFORCE  continued

Women in core mining positions (2018)

<table>
<thead>
<tr>
<th></th>
<th>Group Total</th>
<th>SA operations Gold</th>
<th>SA operations PGM</th>
<th>US operations PGM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Gold</td>
<td>PGM</td>
<td>PGM</td>
</tr>
<tr>
<td></td>
<td>4,656 (9%)</td>
<td>2,543 (9%)</td>
<td>2,058 (12%)</td>
<td>53 (3.3%)</td>
</tr>
</tbody>
</table>

Gender diversity of permanent employees (2018)

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>%</th>
<th>Female</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA operations</td>
<td>44,107</td>
<td>87</td>
<td>6,751</td>
<td>13</td>
</tr>
<tr>
<td>US operations</td>
<td>1,487</td>
<td>92</td>
<td>139</td>
<td>9</td>
</tr>
<tr>
<td>Corporate office</td>
<td>29</td>
<td>53</td>
<td>26</td>
<td>47</td>
</tr>
<tr>
<td>Group</td>
<td>45,713</td>
<td>87</td>
<td>6,916</td>
<td>13</td>
</tr>
</tbody>
</table>

1 Includes services and other
2 Excludes two employees working outside of the US PGM operations at the Marathon (Canada) project

TRAINING AND DEVELOPMENT

In 2018, our SA operations invested R559 million (2017: R532 million) in HR development, representing 10.1 million hours of training, equivalent to 69 training hours per employee (2017: 79.6). The total number of employees and community members attending one or more of our training programmes increased from 104,647 in 2017 to 146,978 in 2018. The main reason for the increase was significantly higher demand for core skills training to equip employees with skills needed to facilitate operational changes and workforce redeployment.

In our US operations, US$2.6 million (2017: US$1.3 million) or R34.4 million (2017: R17.3 million) was spent on training. A total of 115 salaried employees participated in leadership development training while nine participated in a continuing education programme (with 75% of the costs for tuition and books reimbursed by the organisation).

All newly hired and rehired employees attend new hire orientation prior to beginning work. The orientation includes an introduction to the organisation, review of our CARES values, discussion of policies and procedures, and a presentation on the health and welfare benefits package, as well as presentations by other departments.

Human resources development (2018)

<table>
<thead>
<tr>
<th></th>
<th>Expenditure (R)</th>
<th>Number of learners</th>
<th>Total training hours (number of learners x average training days per learner)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internships</td>
<td>56,154,890</td>
<td>101</td>
<td>324,576</td>
</tr>
<tr>
<td>Bursaries</td>
<td>12,750,659</td>
<td>92</td>
<td>185,472</td>
</tr>
<tr>
<td><strong>Adult education and training</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>66,891,011</td>
<td>566</td>
<td>203,760</td>
</tr>
<tr>
<td>Community</td>
<td>15,496,045</td>
<td>202</td>
<td>90,900</td>
</tr>
<tr>
<td><strong>Learnerships</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>42,510,421</td>
<td>240</td>
<td>483,840</td>
</tr>
<tr>
<td>Mining</td>
<td>85,329,045</td>
<td>465</td>
<td>921,312</td>
</tr>
<tr>
<td>Learner official (A-stream)</td>
<td>7,377,869</td>
<td>29</td>
<td>58,464</td>
</tr>
<tr>
<td><strong>Portable skills training</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>3,705,700</td>
<td>71</td>
<td>3,408</td>
</tr>
<tr>
<td>Community</td>
<td>7,027,011</td>
<td>143</td>
<td>13,728</td>
</tr>
<tr>
<td>Leadership development</td>
<td>5,489,991</td>
<td>89</td>
<td>3,560</td>
</tr>
<tr>
<td>Core skills training</td>
<td>197,088,516</td>
<td>119,394</td>
<td>7,641,216</td>
</tr>
<tr>
<td>Cadet training</td>
<td>4,801,855</td>
<td>144</td>
<td>9,216</td>
</tr>
<tr>
<td>Coaches/Mentorship training</td>
<td>1,089,850</td>
<td>435</td>
<td>3,480</td>
</tr>
<tr>
<td>Employee indebtedness (Care for iMali)</td>
<td>2,427,052</td>
<td>12,324</td>
<td>98,588</td>
</tr>
<tr>
<td>Community maths and science</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Support and research</td>
<td>14,201,451</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>36,882,556</td>
<td>12,631</td>
<td>101,048</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>559,223,922</td>
<td>146,978</td>
<td>10,142,366</td>
</tr>
</tbody>
</table>
SA operations: Human resource development (R million)

<table>
<thead>
<tr>
<th></th>
<th>2018 SLP financial provision</th>
<th>2018 Actual training expenditure</th>
<th>2017 SLP financial provision</th>
<th>2017 Actual training expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrix</td>
<td>113</td>
<td>77</td>
<td>74</td>
<td>73</td>
</tr>
<tr>
<td>Burnstone</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>–</td>
</tr>
<tr>
<td>Cooke</td>
<td>13</td>
<td>1</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>Driefontein</td>
<td>138</td>
<td>135</td>
<td>144</td>
<td>132</td>
</tr>
<tr>
<td>Kloof</td>
<td>113</td>
<td>143</td>
<td>104</td>
<td>111</td>
</tr>
<tr>
<td>Kroondal</td>
<td>45</td>
<td>69</td>
<td>59</td>
<td>–</td>
</tr>
<tr>
<td>Rustenburg</td>
<td>96</td>
<td>133</td>
<td>131</td>
<td>134</td>
</tr>
<tr>
<td>Total</td>
<td>523</td>
<td>559</td>
<td>473</td>
<td>532</td>
</tr>
</tbody>
</table>

ADULT EDUCATION AND TRAINING

Sibanye-Stillwater offers adult education and training for employees and other beneficiaries who are functionally illiterate. The programme, with the same curriculum throughout the SA operations, provides people with the basic foundation for life-long learning and equips them with basic competencies, including the ability to read, write, communicate effectively, and solve problems in their homes, communities and workplaces.

In 2018, 54% (2017: 43%) of employees in the SA operations had qualifications equivalent to adult education and training level 3 and higher. The literacy level at the gold operations in 2018 was 71% (2017: 62%) and 37% (2017: 24%) at the SA PGM operations.

In 2018, seven employees who had attended adult education and training moved into a mining learnership programme (2017: 11).

SA operations: Adult education and training

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of employees trained</th>
<th>Number of community members trained</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,220</td>
<td>434</td>
</tr>
<tr>
<td>2014</td>
<td>1,325</td>
<td>984</td>
</tr>
<tr>
<td>2015</td>
<td>1,276</td>
<td>1,325</td>
</tr>
<tr>
<td>2016</td>
<td>1,392</td>
<td>675</td>
</tr>
<tr>
<td>2017</td>
<td>719</td>
<td>238</td>
</tr>
<tr>
<td>2018</td>
<td>566</td>
<td>202</td>
</tr>
<tr>
<td>Total</td>
<td>6,498</td>
<td>3,858</td>
</tr>
</tbody>
</table>

SPORTS PROMOTION

As part of our holistic wellness strategy, our housing department also promotes sports among employees. Sibanye-Stillwater supports around 13 sporting codes, including body building, soccer, netball, cultural dance, social games and athletics, among others.

In 2018, one of our employees, Bongani Zwane, completed the gruelling Comrades Marathon in second place.

MODERN APPROACH TO LEARNING AND DEVELOPMENT

Key to achieving zero harm (see —Performance review— Ensuring safe production, and —Performance review— Occupational health and well-being) and safe, sustainable production are competent and skilled employees, supporting the business case for training as an imperative.

During the last quarter of 2018, a training sub-committee was established to develop an enhanced training strategy and framework, and to monitor its implementation. It focuses primarily on the implementation of leading practice in learning delivery and management technology to improve training competency and outcomes across the entire organisation. It will also develop partnerships and collaboration with industry to achieve effective skills and knowledge transfer as a long-term intervention.

A specialist technology-based learning service provider, assigned the position of “knowledge manager”, will manage this process in 2019. Among the learnings options being considered are:

- Integrated learner management systems compatible with existing HR financial management systems
- Automated learner recruitment and training administration systems
- Web-based learning solutions
- Cloud- and server-based technological platforms
- Cell-phone learning applications (M-Learning Tube)
- Free WiFi learning areas
- Intranet learning work areas
- Mobile electronic devices and tablet applications
- Virtual-reality learning and assessment tools
- Situational and incident simulations
SUPERIOR VALUE FOR THE WORKFORCE continued

- Interactive learning and knowledge gamification
- Access to online skills programmes and qualifications

The approach will be a basic but robust generic learner management system during 2019 with learning solutions aimed at enhancing the induction and review training of employees as a first phase, followed by modernised learning solutions for the critical front-line safe production leadership designations.

LABOUR RELATIONS

In 2018, around 95% (2017: 93%) of our total permanent workforce in the SA operations was represented by four recognised unions: AMCU, NUM, Solidarity and UASA.

During the year, changes were made to the disciplinary code to accommodate the safety cardinal rules. Training and awareness sessions were held for the implementation of Protection of Personal Information Act (POPI), and all documents and processes are being reviewed to ensure compliance.

In the US operations, 1,237 (2017: 1,163) employees are members of the United Steel Workers International Union (USW). At the Stillwater mine and Columbus Metallurgical Complex, 917 (2017: 845) employees had union representation and 320 (2017: 318) at the East Boulder mine.

SA OPERATIONS: LABOUR RELATIONS AND WAGE NEGOTIATIONS

On 14 November 2018, Sibanye-Stillwater signed a three-year wage agreement with three unions (NUM, Solidarity and UASA) at its SA gold operations for the period 1 July 2018 to 30 June 2021.

The agreement allows for increases in the basic wages of Category 4-8 surface and underground employees of R700 a month in the first and second years, and R825 a month in the third year.

Miners, artisans and officials will receive increases of 5.5% in year one and 5.5% or a Consumer Price Index (CPI) increase, whichever is the greater, in years two and three of the agreement.

In addition to the basic wage, the parties agreed to a monthly increase of R50 in the current living-out allowance to a maximum of R2,150 per month from 1 September 2018. We will increase the living-out allowance by R75 to a maximum of R2,225 per month on 1 September 2019 and by R100 to a maximum of R2,325 per month in the year that follows.

We also agreed to increase, incrementally, the current minimum medical incapacity benefit of R55,000 to R60,000 over the three-year period by increasing the benefit by R1,500 on 1 July 2018, R1,500 on 1 July 2019 and R2,000 on 1 July 2020.

In addition, the following additional non-wage issues were agreed:

- An increase in the guaranteed minimum severance payment to R50,000 over the three-year period
- Female employees will be entitled to four months paid maternity leave with an option to spread the leave over a period of six months

See —Performance review—Occupational health and well-being for details on our agreement to introduce a cost-effective uniform approach to healthcare across all our SA gold operations

Strike

On 19 November 2018, AMCU gave notice that its members would embark on protected strike action at our SA gold operations from the evening shift on 21 November 2018. Despite ongoing attempts by Sibanye-Stillwater to reach a fair and reasonable outcome during the negotiations, AMCU national leadership intervened and persisted with its original, unaffordable demands. Acts of violence and intimidation, including the murder of an employee and serious injury to several others, have been recorded. By the end of the reporting period, the strike had not ceased.

Reported acts of intimidation and violence were investigated and implicated employees were disciplined accordingly in line with our policy. Violent actions were in direct contravention of the interdict granted by the Labour Court to Sibanye-Stillwater on 22 November 2018.

In order to respect the rights of all workers, and prevent further violence, management engaged with union leadership on a possible Peace Pact. However, not all parties signed it.

SA PGM operations

Currently, the wage agreement in place at Kroondal comes to an end in June 2020 whereas the wage agreement at the Rustenburg operation ends in June 2019.

US operations

Wage contracts at the Columbus Metallurgical Complex and the Stillwater mine are due to be renewed on 31 May 2019. The next wage negotiations at East Boulder will be in December 2021.

Union representation at SA operations (2018)

<table>
<thead>
<tr>
<th></th>
<th>Gold</th>
<th>PGM</th>
<th>Services and other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>28,535</td>
<td>17,397</td>
<td>2,645</td>
<td>48,587</td>
</tr>
<tr>
<td>Representation (%)</td>
<td>98</td>
<td>93</td>
<td>88</td>
<td>95</td>
</tr>
</tbody>
</table>
Union representation at US operations in 2018 (%)  

<table>
<thead>
<tr>
<th></th>
<th>Stillwater (including Blitz)</th>
<th>Columbus Metallurgical Complex</th>
<th>East Boulder</th>
<th>Administrative support staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>USW</td>
<td>642</td>
<td>703</td>
<td>745</td>
<td>0</td>
</tr>
<tr>
<td>Non-unionised</td>
<td>15.8</td>
<td>23.7</td>
<td>22.1</td>
<td>100</td>
</tr>
</tbody>
</table>

1 Marathon (Canada) does not have unionised employees

SA operations: Membership by union

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Gold</td>
<td>PGM</td>
</tr>
<tr>
<td>Membership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMCU</td>
<td>25,830</td>
<td>13,469</td>
<td>11,955</td>
</tr>
<tr>
<td>NUM</td>
<td>18,192</td>
<td>13,236</td>
<td>3,158</td>
</tr>
<tr>
<td>UASA</td>
<td>3,236</td>
<td>1,113</td>
<td>1,846</td>
</tr>
<tr>
<td>Solidarity</td>
<td>1,319</td>
<td>717</td>
<td>438</td>
</tr>
<tr>
<td>Non-unionised</td>
<td>2,371</td>
<td>697</td>
<td>1,299</td>
</tr>
<tr>
<td>Total</td>
<td>50,948</td>
<td>29,232</td>
<td>18,696</td>
</tr>
<tr>
<td>Membership representation (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMCU</td>
<td>51</td>
<td>46</td>
<td>64</td>
</tr>
<tr>
<td>NUM</td>
<td>36</td>
<td>45</td>
<td>17</td>
</tr>
<tr>
<td>UASA</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Solidarity</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Non-unionised</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Salaries and wages

On 26 November 2018, President Cyril Ramaphosa signed into law the National Minimum Wage Bill, which sets South Africa’s first national minimum wage at R20 an hour or R3,500 per month (depending on the number of hours worked). As at 28 July 2018, the total monthly cash remuneration of an entry-level underground employee in the gold mining sector was R11,114.

In 2018, employees working at the SA operations, on average, earned (including overtime, bonuses, insurance, medical and other benefits) a gross cost to company wage ranging from R16,080 to R21,703 per month for a Category 4 employee and R21,316 to R25,620 per month for a Category 8 employee. The total wage bill in the SA operations in 2018 was R13.1 billion (2017: R13.7 billion). In the US operations, the total wage and salary bill in 2018 was US$163.8 million (R2.6 billion). It was US$114.7 million (R1.5 billion) in eight months of 2017.

The minimum wage in Montana, US, in 2019 will be US$8.50 per hour. The union pay scale for entry level custodians begins at US$23.59 per hour. The entry level wage for non-unionised employees is US$18.50 per hour for an administrative assistant.

Caring for employees and their dependants

Through the Matshediso programme, as part of its duty of care to employees, Sibanye-Stillwater provides financial assistance to the families and dependants of employees who are severely disabled or fatally injured in mine accidents.

Purpose and objectives

Matshediso aims to improve the lives of dependants of employees who have died or suffered a severe permanent disability in a mine accident by:

- Ensuring that dependants have a good basic education that enables them to attend a tertiary institution
- Providing some closure for families
- Seeking to redress legacy issues by reducing historic imbalances in migrant labour
- Creating a skills pool for bursars, learnerships and job opportunities
- Helping to reduce poverty and unemployment

Sibanye-Stillwater supported 374 dependants in 2018 at a total cost of R1.5 million (2017: R0.8 million). In addition, at year-end, the families of South African employees received vouchers to the value of R1,500 per family while families living in Mozambique, where the cost of living is much higher, received R2,000 each.

Feedback from all beneficiaries of the programme, as well as school principals and teachers, is positive. Of the 40 matriculants supported by Matshediso in 2018, 15 passed their final examinations.
## SUPERIOR VALUE FOR THE WORKFORCE

<table>
<thead>
<tr>
<th>Benefit</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Host schools</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R7,000 (primary)</td>
<td>R5,000</td>
<td></td>
<td>R2,500</td>
</tr>
<tr>
<td>R15,000 (secondary)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Boarding schools</strong></td>
<td>R18,000</td>
<td>R10,000</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Uniform, stationery, text books and transport</strong></td>
<td>R3,000</td>
<td>R2,000</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Extra classes at host schools</strong></td>
<td>R2,160 per subject per year</td>
<td>R500</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Study opportunities</strong></td>
<td>Bursary/internship awarded automatically for study of choice at recognised tertiary institution (certain minimum requirements)</td>
<td>Bursary opportunities in core mining disciplines, including finance</td>
<td></td>
</tr>
<tr>
<td><strong>Christmas voucher or hamper</strong></td>
<td>R1,500 per family</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total amount paid to beneficiaries</strong></td>
<td>R1,488,154</td>
<td>R761,100</td>
<td>R685,600</td>
</tr>
</tbody>
</table>
Caring for employees
In addition to the Matshediso programme, Sibanye-Stillwater also undertakes home adaptation and maintenance projects to provide the families of severely disabled or fatally injured employees with functional housing.

For paraplegics and quadriplegics (spinal cord injuries), home adaptations include:
- Houses renovated or built (56m² with an open-plan kitchen/lounge, two bedrooms and a bathroom)
- Electricity and water connected (if municipal infrastructure is not available, two water tanks are installed)
- Doorways are widened, and ramps and pathways are installed
- Bathrooms are made wheelchair-friendly and suitable toilets are fitted

In 2018, one employee, in rehabilitation, received an adapted home.

For families of deceased employees, either a new house is built (as above) or home maintenance is undertaken, which includes:
- Municipal electricity and water connections or two water tanks, as needed, and any leaks are fixed
- Repairs and maintenance (painting of interior and exterior walls, tiling of floors and installation of new doors and windows)

Sibanye-Stillwater is currently renovating or building homes for 14 widows and their families.

CARE for iMALI
In the SA operations, our financial literacy programme, CARE for iMali, continues to make a difference in employees’ lives. Since the launch of the programme at the gold operations in 2014, there has been a reduction of 54% in the number of garnishee orders (from 4,023 to 1,847) and an average percentage increase in take-home (net) pay of 30% (from R7,537 to R10,839). CARE for iMali has also been implemented at the PGM operations in South Africa where 4,500 employees have enrolled in the programme and garnishee deductions have been reduced by 11% since the launch of the programme in 2017. The total average percentage increase in take-home pay at these PGM operations is 6% (from R13,038 to R13,885).

EMPLOYEE SHARE OWNERSHIP SCHEME
In the SA operations, 21,178 (2017: 22,269) employees participated in our employee share ownership scheme, Thusano Trust, established in 2010 when employees of Gold Fields acquired 13,524,365 Gold Fields shares, in terms of a collective agreement between NUM, UASA, Solidarity and GFI Mining South Africa (a wholly owned subsidiary of Gold Fields). The shares were allocated to employees in Paterson employment bands A, B and C, according to their years of service. With the unbundling of Gold Fields and the creation of Sibanye Gold in 2013, Sibanye employees were allocated an equal number of shares in each company.

With the acquisition of Rustenburg operations in 2016, Sibanye-Stillwater concluded a 26% broad-based BEE transaction through a subsidiary. In terms of this transaction, the Rustenburg Mine Employees Trust now has a shareholding of 30.4% in the Rustenburg entity, the Rustenburg Mine Community Development Trust 24.8%, Bakgatla-ba-Kgafela Investment Holdings 24.8% and Siyanda Resources 20%.

At the US operations, all employees are eligible to earn supplemental wages via one of four bonus programmes: miners’ incentive, the employee incentive plan for unionised employees, the salary incentive plan for non-unionised salary employees and the short-term incentive plan for management. All bonus programmes require a scorecard of metrics upon which the bonus is based. Scorecards include desired measurable targets, by department, which are reviewed and adjusted as needed by the respective vice-president. In addition, all salaried employees are subject to the annual performance management programme, which also requires supervisors to set individual annual goals, including role performance metrics by which an employee’s performance is evaluated. The role performance metric scorecard is the basis for a performance or merit increase in base salary in the following calendar year. Role performance metric categories include safety, production, work quality, business improvement, people recognition and leadership qualities.

TRANSFORMATION IN THE SA OPERATION
In line with our commitment to broad-based black economic empowerment (BBBEE) in the SA operations, and in anticipation of the revised Mining Charter targets, we aimed to ensure that 80% of new recruits were from HDSA backgrounds in 2018. At the same time, we renewed our focus on integrating our talent management approach, which included targeted recruitment and succession planning and management, specifically in under-represented areas.

We also conducted an audit of compliance with BBBEE and employment equity legislation, and aligned our recruitment strategy accordingly in terms of life-of-mine evolution and pipeline planning.

Employment equity improved to 48% from more than 45% in 2017 while employment of women remained at 13%.

We are addressing gender equity with the establishment of the SA operations working group, which has been tasked with developing strategies and policies to create an enabling environment and awareness of gender diversity.

Our workforce in the SA operations currently comprises 23% migrants who have not been recruited from communities near the mines – 16% at our gold operations and 7% at the PGM operations. Approximately 77% of our workforce resides locally, including some migrant employees.
SA operations: Employment equity by category as at 31 December 2018\(^1\)

<table>
<thead>
<tr>
<th>Category</th>
<th>Historically disadvantaged South Africans</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Board</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>Executive/senior management</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Middle management (E Band)</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>Junior management (D Band)</td>
<td>378</td>
<td>49</td>
</tr>
<tr>
<td>Core and critical skills</td>
<td>31,286</td>
<td>71</td>
</tr>
</tbody>
</table>

\(^1\) All employment equity numbers include white females

SA operations: Recruitment by category

<table>
<thead>
<tr>
<th>Category</th>
<th>Gold</th>
<th>PGM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Women in mining</td>
</tr>
<tr>
<td>Management(^2)</td>
<td>38</td>
<td>5</td>
</tr>
<tr>
<td>Senior management(^3)</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Core and critical skills</td>
<td>1,840</td>
<td>359</td>
</tr>
<tr>
<td>Total</td>
<td>1,880</td>
<td>365</td>
</tr>
</tbody>
</table>

\(^1\) Moratorium on recruitment at SA PGM operations
\(^2\) D and E lower positions
\(^3\) E upper positions and above

SA operations: Origin of employees (2018)

<table>
<thead>
<tr>
<th>Province</th>
<th>Gold</th>
<th>PGM</th>
<th>Services</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>8,348</td>
<td>4,243</td>
<td>716</td>
<td>13,307</td>
<td>26</td>
</tr>
<tr>
<td>Free State</td>
<td>3,125</td>
<td>770</td>
<td>537</td>
<td>4,432</td>
<td>9</td>
</tr>
<tr>
<td>Gauteng</td>
<td>3,759</td>
<td>938</td>
<td>1,367</td>
<td>6,614</td>
<td>12</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>2,862</td>
<td>274</td>
<td>326</td>
<td>3,462</td>
<td>7</td>
</tr>
<tr>
<td>Limpopo</td>
<td>801</td>
<td>956</td>
<td>194</td>
<td>1,951</td>
<td>4</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>660</td>
<td>413</td>
<td>70</td>
<td>1,143</td>
<td>2</td>
</tr>
<tr>
<td>North West</td>
<td>746</td>
<td>7,330</td>
<td>328</td>
<td>8,404</td>
<td>16</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>54</td>
<td>184</td>
<td>10</td>
<td>248</td>
<td>0</td>
</tr>
<tr>
<td>Western Cape</td>
<td>18</td>
<td>27</td>
<td>10</td>
<td>55</td>
<td>0</td>
</tr>
<tr>
<td>Non-South African</td>
<td>7,908</td>
<td>3,561</td>
<td>415</td>
<td>11,882</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>28,281</td>
<td>18,696</td>
<td>3,971</td>
<td>50,948</td>
<td>100</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Country</th>
<th>Gold</th>
<th>PGM</th>
<th>Services</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>262</td>
<td>7</td>
<td>19</td>
<td>288</td>
<td>2</td>
</tr>
<tr>
<td>DRC</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Ghana</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Lesotho</td>
<td>3,504</td>
<td>1,062</td>
<td>217</td>
<td>4,783</td>
<td>40</td>
</tr>
<tr>
<td>Mozambique</td>
<td>3,351</td>
<td>2,419</td>
<td>119</td>
<td>5,889</td>
<td>50</td>
</tr>
<tr>
<td>Nigeria</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Peru</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Swaziland</td>
<td>783</td>
<td>49</td>
<td>52</td>
<td>884</td>
<td>7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Zambia</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>7</td>
<td>18</td>
<td>2</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>Total non-South African</td>
<td>7,908</td>
<td>3,561</td>
<td>415</td>
<td>11,882</td>
<td>100</td>
</tr>
</tbody>
</table>

SA operations: Local community recruitment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PGM</td>
<td>Gold</td>
<td>PGM</td>
</tr>
<tr>
<td>Appointments</td>
<td>659</td>
<td>1,931</td>
<td>502</td>
</tr>
<tr>
<td>Local recruits</td>
<td>650</td>
<td>1,726</td>
<td>401</td>
</tr>
<tr>
<td>%</td>
<td>98.6</td>
<td>69.4</td>
<td>80</td>
</tr>
</tbody>
</table>

\(^1\) Recruitment moratorium
SUPERIOR VALUE FOR THE WORKFORCE continued

US PGM operations: Employee distribution by county (Montana)

<table>
<thead>
<tr>
<th>County</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stillwater</td>
<td>561</td>
<td>540</td>
</tr>
<tr>
<td>Yellowstone</td>
<td>457</td>
<td>420</td>
</tr>
<tr>
<td>Sweet Grass</td>
<td>167</td>
<td>148</td>
</tr>
<tr>
<td>Park</td>
<td>165</td>
<td>155</td>
</tr>
<tr>
<td>Carbon</td>
<td>133</td>
<td>121</td>
</tr>
<tr>
<td>Other locations(^1)</td>
<td>143</td>
<td>121</td>
</tr>
</tbody>
</table>

\(^1\) Excludes two employees at Marathon (Canada)

FUTURE FOCUS

In addition to beginning the process of integrating Lonmin employees into Sibanye-Stillwater, following completion of the proposed acquisition.

SA operations

- Finalising and rolling out our employee value proposition
- Increasing gender diversity and equity
- Creating a compelling employment relationship
- Integrating the strategic talent and workforce management plan
- Establishing strategic and effective partnerships (collaboration) with employees to find new ways of working
- Continuing digitalisation of HR information systems
- Optimising and repositioning loss-making gold operations, which may require formal restructuring that could result in termination of employment
- An effective, efficient and agile HR strategy and operating model
- Establishing a high-performance culture

US operations

- Diligent attention to manpower and staffing to support the Blitz project and other development projects
- Enhancing on-boarding programmes to include new technology that will alleviate the administrative burden of paper-based forms
- Expanding and formalising training programmes and curricula for job-specific, leadership and supervisor training as well as succession planning
- Improving efforts to be transparent in what we do and how we do it with specific regard to our unionised employee base
- Concentrating efforts on refining performance management and role clarity initiatives to ensure impact and enhancement of business objectives, retention and succession planning
- Further aligning incentives and the pay-for-performance culture by improving efforts to compensate employees in terms of performance, key performance indicators and the value they bring to the organisation
- Continuing to monitor cost-containment initiatives to mitigate a rising healthcare trend while providing quality, co-ordinated care to employees and their families
- Monitoring employee engagement and feedback via a regional workforce survey in 2019
ENSURING SAFE PRODUCTION

APPROACH

Our resolve to align all stakeholders on our journey towards achieving zero harm throughout the Group – in SA and in the US remains firm – we focus on creating an enabling environment, using fit-for-purpose systems, in which empowered people can work safely throughout the organisation.

A critical pillar supporting the delivery of Sibanye-Stillwater’s business strategy and vision to create superior value for all our stakeholders is the safety, health and well-being of our employees (the most important of our stakeholders). Our approach is rooted in our CARES values – commitment, accountability, respect, enabling and safety – and our purpose to improve lives.

Following an unusual spate of fatal incidents in the SA gold operations in the first half of 2018, we intensified our efforts on safe production across the Group (see —The journey towards zero harm). In addition to short-term measures to re-energise the focus on safety across the Group (within this section), we convened a series of multi-stakeholder safety summits during the year, which resulted in an agreement between Sibanye-Stillwater, organised labour and the Department of Mineral Resources, on a health and safety compact for the SA operations, signed on 29 June 2018. All three stakeholders have formally committed to working together, in this instance, to make workplaces safer, protect jobs and collaborate in all matters pertaining to health, safety and well-being.

We continue to implement a holistic, values-driven approach to safety and health management as we strive for zero harm and ultimately to create shared value. This embedding of our values, underpinning our corporate culture, driving decision-making throughout the organisation, is led by the CEO and senior leadership. This is essential to building trust and enabling safe production.

Our cultural transformation process is aimed at inculcating values-based decision-making throughout the organisation, and will be governed by external and internal performance monitoring measures including:

- Legislation
- Statutory bodies
- Formal joint management-worker health and safety committees
- Internal and external audits of safety and statistics reported

The initial outcomes of our safety interventions have been positive with a significant improvement in the safety performance across the Group in H2 2018. The Group operations have been fatality-free since mid-August 2018 (see Further Information—Additional information—Recent developments). We recorded a total of seven million fatality-free shifts by 1 March 2019 with the SA operations also achieving seven million fatality-free shifts on 6 March 2017. Group combined injury rates were essentially flat year-on-year with a slight deterioration in injury rates at the SA gold operations and the US PGM operations, offset by a significant improvement in injury rates at the SA PGM operations where the serious injury frequency rate (SIFR) and lost day injury frequency rate (LDIFR) improved by 15% and 0.2%, respectively.

With regard to the implementation of fit-for-purpose systems, while we have operated in accordance with recognised health and safety standards, we are preparing for formal certification in terms of ISO 45001. We have also declared our strategic intent to become a member of the International Council on Mining and Metals (ICMM). This will entail commitment to ICMM’s 10 principles, which promote responsible mining to ensure that the industry is safe, fair and sustainable globally.

In addition to performance monitoring and ensuring compliance with the relevant legislation in each jurisdiction, and inspections by relevant government departments and agencies, safety and health performance reports are submitted to executive management with ultimate oversight by the Safety and Health Committee and the Board.

See —Governance—Corporate governance and leadership—Board committees—Safety and health committee.

The safety and health management system used at our US PGM operations is known as GET (Guide, Educate and Train) Safe. In terms of this approach, site leadership and safety professionals conduct monthly meetings to focus on safety culture and monitor progress. This includes routine monitoring of site-specific and region-wide action plans aimed at improving safety performance as well as a series of workshops with site leadership to identify strategies for sustainable safety performance. Key focus areas include senior committee oversight, leadership development, incident reporting and investigation, and collaboration in best practices within the US.

THE JOURNEY TOWARDS ZERO HARM

Our all-inclusive process to make workplaces safer determines the strategic thrusts and specific actions necessary to reduce employees’ exposure to risk.

For us, in an enabled environment, risk exposure is reduced by consistent, constant attention to maintaining a safe workplace with the required equipment, tools and material that empower every person to deliver sustainable, safe production.

Empowered people, in our context, refers to the required number of trained people who apply the relevant standards and procedures, and execute the work safely. To enable this, we make fit-for-purpose systems available to our people. We subscribe to relevant international best practice principles and integrated systems with a view to ISO 45001 certification in the longer term.

Empowered people are also healthy and well. To this end, we also have systems and procedures that address occupational health, in particular, and well-being.

As part of our journey to zero harm, a Virtual Centre of Excellence in Innovative Mining Safe Production has also been created so that 19 tertiary institutions worldwide can share their specialist competencies, including but not limited to mining-related safety and health, human factors, risk management, training modernisation, mining-related seismicity and sustainability concepts.

Furthermore, the Global Safe Production Advisory Panel, composed of a group of leading academics, was formed in 2018 with a mandate to provide international insight, best practice and expertise towards continuous advancement of safe mining.
Global Safe Production Advisory Panel

The aims of the panel are to:

- Review and validate Sibanye-Stillwater’s safe production processes and procedures
- Provide forward-looking advice to the Board and management in their view through their university’s proprietary work in emerging safe production issues
- Contribute to the organisation’s strategic safe production, and health, safety and wellness direction and goals
- Contribute their expertise, insight, ideas and experiences in helping shape strategy for the Sibanye-Stillwater Centre of Excellence with focus on innovative mining and safe production to establish a safety resource website and oversee other related company initiatives

The panel, which will meet at least twice a year, comprises:

- Dr Kobus de Jager (Chairman of the panel and Senior Vice President at Sibanye-Stillwater)
- Prof Priscilla Nelson (Department Head: Mining Engineering, Colorado School of Mines, US)
- Prof Neville Plint (Director: Sustainable Minerals Institute, University of Queensland, Australia)
- Prof Ian Jandrell (Dean: Faculty of Engineering and Built Environment, University of the Witwatersrand, South Africa)
- Vic Pakalnis (President and CEO: MIRARCO Mining Innovation, Laurentian University, Canada)
- Prof Jürgen Kretschmann (President: TH Georg Agricola University of Applied Sciences, Germany)

Zero Harm Strategic Framework has been developed in collaboration with organised labour and the Department of Mineral Resources in South Africa through a series of multi-stakeholder safety summits convened during 2018.

The foundation of our model is the continued emphasis on our CARES values as the basis for decision making. Engaged leadership at all levels of the organisation drives a values-driven culture by living these values and making values-based decisions.
ENSURING SAFE PRODUCTION continued

PERFORMANCE

Our safety performance at our SA operations was markedly different from the first to the second half of 2018. The first six months of the year were scarred by an increase in fatalities. Regrettably, in 2018 we lost 24 (2017: 11) lives at the SA operations – 21 fatalities (2017: 9) at our SA gold operations and three (2017: 2) at our SA PGM operations.

The increase in fatalities at our SA gold operations in H1 2018 was mainly due to two anomalous incidents: a seismic event at Driefontein’s Masakhane shaft on 3 May 2018 during which seven employees were fatally injured, and the unauthorised entry of a crew into a barricaded area, which was also closed off by a ventilation door at Kloof’s Ikamva shaft, contrary to company policies, on 11 June 2018 where five employees succumbed to heat-related issues.

Another event that received media attention on 31 January 2018 was the loss of power to the Beatrix operations due to an unusually severe storm, which damaged the main and ancillary Eskom electricity supply to the operations. The situation was well-managed and there were no injuries resulting from the incident. Employees were brought to a safe environment underground at Beatrix 3 shaft where they were fed, hydrated and monitored until power was restored before they were hoisted to surface.

The competent and orderly response by our management emergency medical services, supported by emergency rescue teams throughout the industry, again proved their preparedness and disaster-management capabilities.

Remedial action: Immediately after any serious accident, an investigation is conducted in terms of the Mine Health and Safety Act (MHSA) and remedial action is implemented.

IN MEMORIAM

The Board and management of Sibanye-Stillwater extend their deepest condolences to the families, friends and colleagues of our employees and contractors who lost their lives in the line of duty during the year.

<table>
<thead>
<tr>
<th>Date</th>
<th>Operation</th>
<th>Name</th>
<th>Occupation</th>
<th>Incident</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 February</td>
<td>Kloof 4 (Ikamva)</td>
<td>Chico Elmon Dube</td>
<td>Winch Driver</td>
<td>Fall of ground</td>
</tr>
<tr>
<td></td>
<td>Driefontein 1 (Masakhane)</td>
<td>Solly Ngobeni</td>
<td>Team Leader</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Matela Mating</td>
<td>Traming Miner</td>
<td>Mud rush</td>
</tr>
<tr>
<td>17 February</td>
<td>Driefontein 10</td>
<td>Zanempi Mncwazi</td>
<td>Electrical Assistant</td>
<td>Electrocuton</td>
</tr>
<tr>
<td></td>
<td>(Thabalang)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28 February</td>
<td>Kroondal K6</td>
<td>Otshepeng Ernest Ramosito</td>
<td>Steel Fixer</td>
<td>Struck by conveyor</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>structure</td>
</tr>
<tr>
<td>24 March</td>
<td>Rustenburg Khuseleka 1</td>
<td>Ntokozo Elias Ntame</td>
<td>Winch Operator</td>
<td>Scraper winch-related</td>
</tr>
<tr>
<td>21 April</td>
<td>Driefontein Ya Rona</td>
<td>Mlungisi Vukuthi</td>
<td>Construction Assistant</td>
<td>Fall of ground</td>
</tr>
<tr>
<td>3 May</td>
<td>Driefontein 1 (Masakhane)</td>
<td>Luke Bongumusa Mngomezulu</td>
<td>Special Team Leader</td>
<td>Seismic event</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Baptista Paulino Cuambe</td>
<td>Winch Operator</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>X-Mas Madikizela</td>
<td>Rock Drill Operator</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mbuilelo Albert Songwaba</td>
<td>Rock Drill Operator</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Thabo Abram Ntsekhe</td>
<td>Rock Drill Operator</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nkosiphendule Dudlale</td>
<td>Rock Drill Operator</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Luis Ernesto Lumbe Gazala</td>
<td>Winch Operator</td>
<td></td>
</tr>
<tr>
<td>11 June</td>
<td>Kloof 4 (Ikamva)</td>
<td>Lingani Innocent Mngadi</td>
<td>Shift Boss</td>
<td>Heat-related</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lakhi Msada</td>
<td>Rock Drill Operator</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mthokozisi Mstutu</td>
<td>Winch Operator</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cedrick Nkuna</td>
<td>Winch Operator</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kholekile Phe lilie</td>
<td>Rock Drill Operator</td>
<td></td>
</tr>
<tr>
<td>15 June</td>
<td>Driefontein (Hlanganani)</td>
<td>Thokozani Tembe</td>
<td>Winch Operator</td>
<td>Fall of ground</td>
</tr>
<tr>
<td>26 June</td>
<td>Driefontein (Khomanane)</td>
<td>Bhekithemba Thembinkosi</td>
<td>Winch Operator</td>
<td>Scraper winch-related</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ndabeni</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 July</td>
<td>PGM Surface Operations</td>
<td>Grace Mlambo</td>
<td>Train Driver Assistant</td>
<td>Struck by locomotive on railway</td>
</tr>
<tr>
<td>5 August</td>
<td>Kloof (Hlalanathi)</td>
<td>Philemon Mngakana</td>
<td>Contractor</td>
<td>Heat-related</td>
</tr>
<tr>
<td>25 August</td>
<td>Beatrix North</td>
<td>Morapedi Patrick Kalane</td>
<td>Stope Team Labourer</td>
<td>Fall of ground</td>
</tr>
</tbody>
</table>

Lost time injury frequency rate (Group)

Fatal injury frequency rate (Group)
CARING FOR AFFECTED PEOPLE

In line with our values and our duty of care, financial and psychological assistance is provided to the families of our deceased colleagues, including counselling, funeral funds, education of children until tertiary level, employment of a family member and visits by Human Resources (HR), as well as health and safety stewards.

For more information on support of injured employees and families of deceased colleagues, see —Performance review—Superior value for the workforce—Caring for employees and their dependents

Safety performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group</td>
<td>US</td>
<td>SA</td>
<td>Group</td>
<td>SA</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>PGM</td>
<td>PGM</td>
<td>Gold</td>
<td>Total</td>
</tr>
<tr>
<td>Fatalities</td>
<td>24</td>
<td>0</td>
<td>3</td>
<td>21</td>
<td>11</td>
</tr>
<tr>
<td>Fatal injury frequency rate&lt;sup&gt;3&lt;/sup&gt;</td>
<td>0.16</td>
<td>0</td>
<td>0.05</td>
<td>0.24</td>
<td>0.07</td>
</tr>
<tr>
<td>Lost-time injury frequency rate&lt;sup&gt;3&lt;/sup&gt;</td>
<td>5.89</td>
<td>9.97</td>
<td>4.68</td>
<td>6.52</td>
<td>5.78</td>
</tr>
<tr>
<td>Serious injury frequency rate&lt;sup&gt;3&lt;/sup&gt;</td>
<td>3.70</td>
<td>7.12</td>
<td>2.20</td>
<td>4.53</td>
<td>3.57*</td>
</tr>
<tr>
<td>Medically treated injury frequency rate&lt;sup&gt;2,4&lt;/sup&gt;</td>
<td>2.69</td>
<td>23.94</td>
<td>1.95</td>
<td>2.32</td>
<td>2.60*</td>
</tr>
<tr>
<td>Number of Section 54/regulator work stoppages</td>
<td>263</td>
<td>NA</td>
<td>44</td>
<td>219</td>
<td>230</td>
</tr>
<tr>
<td>Production shifts lost owing to Section 54/regulator stoppages</td>
<td>545</td>
<td>NA</td>
<td>149</td>
<td>396</td>
<td>238</td>
</tr>
</tbody>
</table>

1 Restated due to rounding and re-application of Group safety definitions
2 May to December 2017
3 Per million hours worked
4 Also referred to as treat-and-return injury frequency rate (TRIFR), which includes certain minor injuries

Note: Group data for 2016 includes the gold and PGM operations from the relevant dates of acquisition during the year while that for 2017 includes the US PGM operations from May 2017

ACHIEVEMENTS IN 2018

During the second half of the year, safety performance improved significantly across the SA operations. By year end, we had achieved an historic record fatality-free period and several fatality-free shift milestones. At Stillwater in the US, operations also recorded a new record low incidence rate of 13.16 per million hours.

Our performance in perspective: SA peer comparison<sup>1</sup>

<table>
<thead>
<tr>
<th>Company</th>
<th>Serious injury frequency rate</th>
<th>Serious injury frequency rate ranking</th>
<th>Lost time injury frequency rate</th>
<th>Lost time injury frequency rate ranking</th>
<th>Fatal injury frequency rate</th>
<th>Fatal injury frequency rate ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sibanye-Stillwater SA PGM operations</td>
<td>2.20</td>
<td>2</td>
<td>4.68</td>
<td>3</td>
<td>0.050</td>
<td>4</td>
</tr>
<tr>
<td>Peer 1</td>
<td>4.25</td>
<td>4</td>
<td>5.93</td>
<td>4</td>
<td>0.022</td>
<td>1</td>
</tr>
<tr>
<td>Peer 2</td>
<td>2.83</td>
<td>3</td>
<td>4.07</td>
<td>2</td>
<td>0.026</td>
<td>2</td>
</tr>
<tr>
<td>Peer 3</td>
<td>1.29</td>
<td>1</td>
<td>2.10</td>
<td>1</td>
<td>0.027</td>
<td>3</td>
</tr>
<tr>
<td>Gold</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sibanye-Stillwater gold operations</td>
<td>4.53</td>
<td>2</td>
<td>6.52</td>
<td>2</td>
<td>0.24</td>
<td>3</td>
</tr>
<tr>
<td>Peer 1</td>
<td>4.98</td>
<td>3</td>
<td>8.21</td>
<td>3</td>
<td>0.07</td>
<td>1</td>
</tr>
<tr>
<td>Peer 2</td>
<td>4.01</td>
<td>1</td>
<td>6.22</td>
<td>1</td>
<td>0.11</td>
<td>2</td>
</tr>
</tbody>
</table>

<sup>1</sup> Rates are per million hours worked
ENSURING SAFE PRODUCTION continued

FATALITY-FREE SHIFTS (2018)

<table>
<thead>
<tr>
<th>+1 million</th>
<th>+2 million</th>
<th>+3 million</th>
<th>+4 million</th>
<th>+5 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khuseleka</td>
<td>Thembelani</td>
<td>PGM operations</td>
<td>Total PGM mining operations</td>
<td>Total Sibanye-Stillwater SA operations</td>
</tr>
<tr>
<td>Kroondal mining operations</td>
<td>Rustenburg mining operations</td>
<td>Kroof (Thutukhani)</td>
<td>PGM surface operations (12 million)</td>
<td></td>
</tr>
<tr>
<td>Kroondal operations</td>
<td>Kroondal East (Kopaneng, Simunye and Bambanani)</td>
<td>Kroof Upper and Cooke</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Kloof</td>
<td>Kroondal surface operations</td>
<td>Gold operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rustenburg operations</td>
<td>Kopaneng</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Driefontein</td>
<td>Gold operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bambanani (O6 shaft)</td>
<td>Beatrix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sibanye-Stillwater Gold</td>
<td>Driefontein (Ya Rona shaft)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beatrix North (3 shaft)</td>
<td>Total plants and concentrators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care and maintenance operations</td>
<td>Simunye</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simunye and Bambanani</td>
<td>US PGM operations</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2018 MINESAFE INDUSTRY AWARDS

Year-on-year safety improvements

For an improved year-on-year total injury frequency rate, our gold operations received MineSAFE awards:

- **1st** Kloof’s Thutukhani shaft
- **3rd** Driefontein’s Pitseng shaft
- **8th** Kloof’s Masithembe shaft

Best in Class Safety Award

With the total injuries of each participating unit converted into a total injury frequency rate, our SA PGM operations received a Best in Class Safety Award:

- **5th** Sibanye-Stillwater Chrome Tech (Michael Kungoane)

SHORT-TERM INITIATIVES

An intensive programme, initially implemented in November 2017, to promote responsible application of the provisions of Section 23 of the MHSA, and which affords employees the right to withdraw from unsafe working conditions, was relaunched in 2018.

To address the distressing spate of anomalous fatal incidents in 2018, specific short-term initiatives were implemented enhance safety performance.

One of these short-term initiatives was a review of our organisational culture and leadership methods to ensure that safety is top of mind in decision-making, at all levels, and to reinforce that all decisions are informed by our CARES values. In addition, at mid-year, the safety performance weightings in management’s remuneration packages were reviewed and adjusted (see —Governance—Remuneration report).

Specific initiatives included:

- Internal and Minerals Council safety day stoppages with signed team pledges
- Additional capacity building of safety representatives and shift bosses
- Introduction of a dedicated anonymous safety hotline
- Introduction of cardinal rules
- 90-day intensive care sessions including communication at all supervisory levels
- Industrial theatre
- Visible felt leadership and crush initiatives with face-to-face interactions when people are coming on shift (current safety message relayed or re-emphasised)
- Mass meetings with all shifts
- Cross audits between different sections (discipline leads from other shafts perform audits in other areas to share best practice)
- Close-out A hazards
- Focus on top five causes of accidents and review of critical controls
- Increased alcohol testing at all access points
- Appointment of psychological counsellors to support employees dealing with relevant matters
ENSURING SAFE PRODUCTION continued

- Fatigue management
- Review of bonus schemes for safety officers and supervisors to further promote safe behaviour

MULTI-STAKEHOLDER SAFETY AND HEALTH SUMMITS

Three multi-stakeholder safety and health summits – in May, June and August 2018 – were attended by representatives of organised labour, the Department of Mineral Resources and senior management. These summits addressed concerns raised at the inaugural summit, and other concerns raised by organised labour on safety days, at memorial services and on the shop floor. All stakeholders committed to working together to make workplaces safer, to protect jobs, and to collaborate in all matters related to safety, health and well-being.

The Department of Mineral Resources, the Association of Mineworkers and Construction Union (AMCU), the National Union of Mineworkers (NUM), United Association of South Africa (UASA) Solidarity and management signed a pledge:

“As organised labour, the Department of Mineral Resources and the management of Sibanye-Stillwater, we acknowledge the parties’ statutory obligation and workers’ right that our destiny is shared and commit ourselves, through constructive, transparent collaboration and compliance, to achieving zero harm”

The summits were convened to align stakeholder expectations with internal initiatives and were intended to embed an organisational culture that supports safe production. The recurring themes noted by the safety working group were people, systems and the environment. Implementation task teams were formed, comprising four representatives each from management and organised labour, who visit sites to monitor progress and provide feedback on the organisational culture transformation, values alignment, leadership development, effective communication, high impact training and safe production issues (as illustrated in the safety summit work streams below).

RISK MANAGEMENT

As integrated risk management is an essential component of the Sibanye-Stillwater safe production approach, we have increased the use of the bow-tie methodology to enhance critical risk controls.

SA gold operations

The number of safety-related stoppages at the SA gold operations increased from 204 Section 54s in 2017 to 219 in 2018. Of the 219 Section 54s, 108 were as a result of mass audits by the Department of Mineral Resources.

With low frequency of accidents when they do occur but with high consequences, the top risks in the SA gold operations include seismicity, rock mass failure, vertical transport, rail-bound transport and heat.

Tools, equipment and material were the main contributors to injuries at our gold operations in 2018, representing 25% (2017: 23%) of total injuries. Fall of ground-related injuries accounted for 19% (2017: 17%) of the total. It was encouraging to note an improvement of over 50% (102 to 46) in injuries related to rail-bound equipment as we continue to focus on the following:

- Engagement with stakeholders through safety and health roadshows and awareness campaigns
- Upholding compliance through training
- Converting rail-bound equipment safety devices and no-repeat solutions by engineering out the risk with effective coupling pins, re-railing devices and speed indicators
- Rail inspection and maintenance management system strategy (maintenance programme/schedule for rails and switches)
- Critical learning and close-outs (improving the quality and speed of close-outs and lessons learnt through the safety system)

SA PGM operations

At our PGM operations, LTIFR performance improved from 4.69 per million hours worked in 2017 to 4.68 in 2018 and the SIFR performance improved from 2.59 in 2017 to 2.20 in 2018.

Low energy incidents remain the main contributors to injuries on duty and contributed 70% towards the total amount of incidents recorded. Interventions are implemented continuously to raise awareness and prevention of these types of incidents through engineering solutions with the implementation of fit-for-purpose tools and equipment, which is enhanced with correct and adequate types and use of personal protective equipment.
ENSURING SAFE PRODUCTION continued

Management continues to focus on the top risks of SA PGM operations, which are conveyors, trackless mining equipment, falls of ground, explosives, rail bound equipment, winches and rigging, electricity and material handling, by promoting a health and safety culture through a risk-based approach. In addition to focus on the top risks, a major drive was initiated to analyse all controls to ensure their effectiveness. During the process, critical controls are identified and required resources allocated for less effective controls in order to improve control effectiveness.

Through the introduction of improved industry technology governing the interaction and retardation between machines and pedestrians, the risk exposure is reduced on trackless mobile machinery.

Management remains committed to safe mining by continuously ensuring remedial actions are implemented across all operations. Weekly visible felt leadership interventions are conducted, and learnings are shared and adopted across all operations. The zero harm task team is used to verify actions implemented as well as proactively measuring other safety improvement initiatives highlighted through investigations, statistical analysis and leading indicators.

This integrated approach, adopted and driven by management, assures the improvement of the lives of all our employees, stakeholders and affected parties.

US PGM operations

We remain committed to maintaining a strong relationship with the union and regulators to continuously improve safety performance in the US PGM operations. The SIFR and total medically treated injury frequency rate (MTIFR) increased to 7.12 (2017: 6.28) and 23.94 (2017: 24.65) per million hours worked, respectively in line with an increase in injuries associated with slips, trips and falls – accounting for 27% (2017: 10%) of total reportable injuries, compared to 10% to 17% in the past five years.

The LTIFR of 9.97 (2017: 7.80) for the US operations includes all reportable/recordable injuries that resulted in either restricted duty or days lost (number of lost time injuries per million hours worked).

While injuries from slips, trips and falls are common across all US industries, our US operations are raising employees’ awareness of these injuries, improving tidiness, and improving working and walking surfaces to reverse the trend. No specific cause or condition could be identified to explain the increase in slip, trip and fall injuries during 2018. It is encouraging that only 8% of the reportable injuries sustained up to March 2019 related to slips, trips and falls, following revitalised awareness to these types of injuries throughout the operations.

Historically, 30% of reportable injuries in the US operations involved pneumatic jack leg drills. A total of three reportable injuries (6% of all reportable injuries) associated with the use of a jackleg drill were reported in 2018. Implementation of the drill handling system, which affords lower risk of injury than a jackleg, continues to reduce dependence on jackleg machines and is being embraced by more employers.

In the interests of safety, management continues to focus on key areas of mobile equipment inspection and maintenance, quality training and retraining, workplace audits, ventilation and equipment emissions, and housekeeping. In addition to all employees completing inspections at each shift, an audit team randomly inspects and scores work areas every day. The audit team includes hourly and salaried employees, at each site, solely responsible for evaluating the workplace.

Technology provides timely communication in the event of an emergency and systems installed on mobile equipment warn operators when employees are in close proximity. Implementation of technology at the operations is ongoing with phases planned for implementation every year.

US PGM operations: Injuries by category

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockfall</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Struck by objects (tools, equipment and others)</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Caught in/between</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Strains</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Operating equipment</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Operating jackleg</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Eye injuries</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Chemical burns/other</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Slips/trips/falls</td>
<td>13</td>
<td>2</td>
</tr>
</tbody>
</table>

May to December 2017

FUTURE FOCUS

We will continue the current safe production strategy as well as the enhancement of Sibanye-Stillwater’s culture, based on and driven by our CARES values, while ensuring that our leadership is ready and engaged, and that desired behaviours and practices (critical attributes, competencies and capabilities) are defined.

A holistic Sibanye-Stillwater safety training strategy, focusing on critical skills as well as training content, methodology, infrastructure and outcomes, is being developed to bolster current training offerings.

Concurrently, we focus on technology as an enabler to improve training competency across the entire organisation and develop partnerships in collaboration with the mining industry to achieve effective skills and knowledge transfer as a long-term initiative.

We are working towards certification in terms of the ISO 45001 health and safety management system, and the roll-out of the bow-tie risk assessment methodology and critical controls.
OCCUPATIONAL HEALTH AND WELL-BEING

APPROACH

As we strive towards zero harm in our workplaces and to deliver our stated purpose – our mining improves lives – we need to safeguard the health and well-being of our employees, their families and communities in order to ensure that they are appropriately positioned to undertake their daily responsibilities safely and efficiently. Our Group health and wellness strategy is aligned with the United Nations (UN) Sustainable Development Goals (SDGs), and is reviewed and enhanced continuously with the adoption of global strategies to overcome complex health challenges.

Guided by our CARES values, our health and wellness model in South Africa has been designed to address the risks presented by the internal and external environments facing employees and has been implemented with favourable clinical and financial outcomes thus far. To this end, the individualised care we provide includes:

- Access to occupational health resources that assess health risks, determine fitness to work, and manage disease and rehabilitation
- Shaft clinics close to the workplace with qualified primary healthcare staff providing health risk assessments and disease treatment for communicable diseases – tuberculosis (TB) and HIV – and chronic ailments (diabetes and heart disease, among others)
- Satellite primary healthcare clinics with qualified nurses operating during office hours
- Primary healthcare centres with qualified doctors and nurses managing cases 24/7
- Emergency medical services equipped with advanced paramedical teams and 24/7 rescue capability
- Wider hospital networks offering specialised care for trauma as well as occupational injuries and diseases
- Medical aid schemes that protect our employees from the financial risk of high medical costs

Although the occupational risks and wellness challenges at the US operations are significantly different (and less) than those present in the SA operations, industrial hygiene staff are on site to continuously monitor occupational health and wellness.

IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS

We continue to make progress in aligning our health strategy with that of the UN SDGs 2015 to 2030, focusing particularly on goal three, which refers to health and well-being. The SDGs call for inter-sectoral action to achieve policy reforms in respect of universal healthcare coverage and health system strengthening. Universal healthcare refers to the alignment of policies, strategies and plans to ensure that all people have access to promotional, preventative, curative and rehabilitative healthcare services of sufficient quality to be effective while providing financial risk protection. This requires improving access to healthcare as well as broadening the scope of services, quality of care and financial protection. (Goal 3)
Provision for affordable healthcare presents a challenge that is managed in terms of data analytics, which provide:

- Insight and transparency of aggregate claims, costs and utilisation
- Information on patient clinical needs to assist in identifying gaps in care
- Competition between local providers on cost and quality of care to maximise value

The US operations’ health and welfare benefit plans provide access to primary care and specialty care for our employees. A contracted national network partner, Cigna, enables our employees and their families to seek medical and mental health treatment services throughout the US. The structure of our health plan provides incentives for members to seek care locally or within the state of Montana. Incentives include lower costs in the form of discounted services and lower contributions from their wages. Employees and their families also receive co-ordinated and more personalised care from physicians and practitioners who are familiar with the patient’s medical history and overall health. South-central Montana has two reputable and competing hospital systems, which each have a presence in many of the outlying rural communities.

Our US operations have a health insurance funded model that allows all US-based employees to consult insurance-approved healthcare providers.

**PERFORMANCE**

In most cases, employee health is closely related to employee safety. Our safety value encompasses occupational health and well-being, which can affect safety performance. In South Africa, in line with employees’ rights and responsibilities in terms of declaring a workplace safe, employees must ensure they are ready for work daily by declaring “I am fit, healthy and competent to perform my tasks”, which is part of our safety campaign. Sibanye-Stillwater also conducts annual medical examinations of all employees engaged in risky work to ensure that they are fit and healthy enough to meet the inherent requirements of the work assigned to them.

For more information on the two significant safety events in South Africa in the first half of the year, as well as subsequent safety milestones achieved, see — *Performance review—Ensuring safe production*.

**COMPREHENSIVE HEALTHCARE IN SOUTH AFRICA**

Our quarterly health forum, including representatives of organised labour, focused on a 12-year outlook for health and repositioning of healthcare funding as well as the provision of healthcare to all operations.

In addition, on a global platform, through the Chief Medical Officers Network, we committed to addressing workplace health concerns, such as antimicrobial resistance, obesity, mobility and mental health. Experiences were shared, including a review of our mental health offering and insights into workplace disaster management. We have also invested in training social workers as employee counsellors.

At Beatrix, the pilot project on the social determinants of health highlighted the fact that a number of lifestyle habits, such as smoking, alcohol consumption and lack of exercise, contribute significantly to the disease burden. Other behaviours, such as the sharing of medication and non-adherence to prescribed medication, are additional contributing factors.

Of particular significance is the stress and anxiety reported by participants due to unhealthy relationships and financial hardships, which lead to excessive drinking, smoking and multiple partners. The drug and alcohol awareness programme at our SA operations has reached more than 13,395 employees to date and aims to promote responsible alcohol consumption.
HIV self-testing, which began on World Aids Day in December 2017, continued throughout 2018 in collaboration with Re-Action, a social purpose enterprise delivering, among others, health and sustainability programmes and services. A total of 3,202 employees and partners received HIV self-testing kits at two sites and participated in the initiative. This provided a convenient and alternative testing option. The pilot implementation was informed by consultation with key stakeholders, including employees, senior management and health providers. We found that 7% of these people had never tested for HIV and 35% had not tested in the past 12 months. This presents an opportunity to find undiagnosed HIV-positive employees and to strengthen our HIV screening programme. The findings have been presented to the World Health Organisation and UNAIDS for use in formulating international guidelines on HIV self-testing.

**MEDICAL SCHEME STRATEGY**

The healthcare strategy adopted by the SA operations advocates a preventative approach, which funds and manages the continuum of healthcare in preference to providing healthcare services. This is exemplified by the growth in medical scheme membership from 8% in 2013 to 51% in 2018, and the support for universal healthcare coverage. The long-term strategic objective is to invest in a single multi-commodity medical scheme, which can provide a customised solution for all employees and their dependants by 2020 while also leveraging economies of scale. The fundamental principle in providing healthcare coverage to people in need and equitable benefits to all employees have been included in the product design for 2019.

During the 2018 gold wage negotiations, three of the representative unions at the SA gold operations reached consensus on the inclusion of transitioning employees from company-provided healthcare to a medical scheme model as part of the formal wage agreement. A task team will expedite the process in 2019.

For the SA PGM operations, the task team convened in 2018 to oversee the transition from multiple medical schemes to a basket of five medical schemes. This resulted in the successful transitioning of 12,500 employees, their dependants and 843 pensioners from Platinum Health Medical Scheme to Sisonke Medical Scheme, Sibanye-Stillwater’s in-house restricted medical scheme, which has become the scheme of choice for over 65% of employees.

In an effort to represent the interests of employees and the organisation in a transparent manner, we have formalised employer-participation agreements with all participating schemes in order to enhance the relationship between the funders, providers, the Department of Health and Sibanye-Stillwater.

**SA operations: Healthcare funding (R million)**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical schemes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company-funded</td>
<td>725</td>
<td>421</td>
<td>304</td>
<td></td>
</tr>
<tr>
<td>Compensation for occupational injuries and diseases 1 (Rand Mutual Assurance)</td>
<td>282</td>
<td>12</td>
<td>270</td>
<td>305</td>
</tr>
<tr>
<td>Total</td>
<td>1,213</td>
<td>77</td>
<td>136</td>
<td></td>
</tr>
</tbody>
</table>

1 Healthcare funding costs exclude Occupational Diseases in Mines and Works Act dust levies for gold (R392 million from 2013 to 2018) and PGM operations (R4.8 million from acquisition to 2018)

**SA operations: Funding employee healthcare (Number of employees)**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal medical scheme members</td>
<td>26,212</td>
<td>18,696</td>
<td>7,516</td>
<td></td>
</tr>
<tr>
<td>Company-funded employees</td>
<td>24,736</td>
<td>0</td>
<td>24,736</td>
<td></td>
</tr>
<tr>
<td>Total employees</td>
<td>50,948</td>
<td>18,696</td>
<td>32,252</td>
<td></td>
</tr>
<tr>
<td>Employees on medical schemes (%)</td>
<td>51</td>
<td>100</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

**SA operations: Medical conditions under management**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronic medical conditions (schemes)</td>
<td>10,862</td>
<td>6,871</td>
<td>3,992</td>
<td></td>
</tr>
<tr>
<td>Chronic medical conditions (company)</td>
<td>8,364</td>
<td>0</td>
<td>8,365</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>19,227</td>
<td>6,871</td>
<td>12,357</td>
<td></td>
</tr>
</tbody>
</table>

**SA operations: Occupational diseases (Number of cases reported)**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silicosis 1</td>
<td>165</td>
<td>106</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>Chronic obstructive airways disease 1</td>
<td>70</td>
<td>41</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Noise-induced hearing loss 1</td>
<td>243</td>
<td>167</td>
<td>76</td>
<td></td>
</tr>
</tbody>
</table>

1 Number of cases reported includes new and resubmission cases
HEAT-RELATED ILLNESS

Following a multiple fatality heat-related safety incident at Kloof’s Ikamva shaft on 11 June 2018, the SA gold and PGM operations reiterated, for all employees, standards and procedures regarding thermal stress, including safe declaration and withdrawal temperature limits to all employees (in terms of sections 22 and 23 of the Mine Health and Safety Act). Action undertaken includes continuing to promote awareness of heat-related disorders and retraining of all safety representatives, team leaders, artisans, miners, foremen and shift bosses about monitoring workplace temperatures. The on-site visitors’ procedure, overtime standard and thermal stress threshold have also been reviewed. In addition, the underground working environment is monitored through statutory audits. By assessing risks and implementing control measures, we strive to ensure acceptable environmental conditions to enable safe production.

RADIATION EXPOSURE

Radiation levels are monitored so that employees are not exposed to this health risk, particularly at operations with high levels of radiation, such as Cooke 4, which is on care and maintenance.

At our SA operations we comply with the conditions in our certificate of registration with the National Nuclear Regulator by maintaining employee exposure to ionising radiation at less than 20 millisieverts (mSv) per annum.

As a proactive measure in our US operations, a radiation safety officer was employed in 2018. The processing facilities use nuclear gauges to measure density and monitor vessel levels. The source is then regulated by the Nuclear Regulatory Commission and a radiation safety programme.

UNDERGROUND VENTILATION AND REFRIGERATION

Our underground ventilation and refrigeration systems are reviewed annually against planned production targets to enable safe and productive work. Environmental controls are designed to ensure that underground temperatures remain below 31°C wet bulb. The annual review includes:

- Macro-ventilation distribution per shaft and ventilation districts to ensure availability of the required volume of air in each workplace at an acceptable intake temperature
- Refrigeration availability and distribution per shaft in order to optimise the effectiveness and positional efficiency of available cooling

NOISE-INDUCED HEARING LOSS

Better detection systems and improved accountability have led to reporting of more cases of noise-induced hearing loss (NIHL) despite greater efforts to address this occupational health issue (see the table above for number of cases reported to date). The diagnosis of NIHL is made on assessment of the percentage hearing loss from baseline audiograms with NIHL defined as a shift in excess of 10% that has developed over a prolonged period after repeated exposure to noise levels exceeding 85dB(A).

At our SA operations, employees’ exposure to noise is monitored in terms of the Mandatory Code of Practice on Noise, issued by the Department of Mineral Resources. The Minerals Council South Africa, as a representative of the South African mining industry, also supports this process by sourcing leading practices through the Mining Industry Occupational Safety and Health (MOSH) initiatives.

Investigations are underway to mitigate personal noise exposure for employees, including engineered solutions (such as silencers on rock drills and visible warning signs in relevant areas) in tandem with personalised hearing protection devices, such as earplugs.

The Mine Health and Safety Council (MHSC) milestone for noise reduction, ensuring all process noise (including machinery) is below 107dB(A) by 2024, can be achieved by ensuring 100% availability and effectiveness of installed noise control equipment (such as inline fan silencers) and practices (such as demarcating noise zones for hearing protection). We also implement the MOSH Buy Quiet Policy, which commits us to procure only equipment and machinery that complies with specific noise-emission requirements.

Personal noise exposures are also routinely monitored within the US operations in terms of a dedicated hearing conservation programme, which provides training on the effects of noise as well as personal protective equipment (PPE) and annual audiograms to detect NIHL. No elevated exposures were recorded in 2018.

DUST MANAGEMENT

In South Africa, where exposure to silica dust has historically been a significant factor causing occupational health issues, specifically at the SA gold operations, plans are in place to achieve the MHSC milestone for silica dust exposure to be below 0.05mg/m3 for 95% of all silica dust measurements by 2024. A step-down approach has been implemented since 2014 to achieve an annual improvement of 20% every year.
This is achieved by ensuring 100% availability and effectiveness of respirable installed dust control equipment (such as tip filters) and practices (such as watering down).

At our SA operations, employees’ exposure to airborne pollutants (including silica dust) is monitored in line with the Mandatory Code of Practice for an Occupational Health Programme (Occupational Hygiene and Medical Surveillance) on Personal Exposure to Airborne Pollutants of the Department of Mineral Resources.

The Minerals Council supports this process by continuously monitoring leading practices through MOSH initiatives.

To mitigate the negative health impacts of dust, particularly disease-causing silica dust on gold mines, a new leading practice for dust control was introduced at all shafts in the SA gold operations during 2018: continuous real-time dust monitoring of airborne pollutants. Dust monitors have been installed to identify activities that generate dust. Control measures are then implemented, including employee education, protection at main ore pass systems (tip covers and filtration systems) and winch covers.

The dust load indicates the volume of silica-bearing dust created by our SA gold operations, which can be controlled through a variety of measures. It has reduced over time with the installation of certain devices such as footwall treatment, tip filters and tip covers, stope atomisers and handheld sprays. The real-time dust monitors, introduced to locate sources of dust and as an additional control measure, further reduced overall dust load and silica exposure levels in 2018.

At our SA PGM operations, dust exposure is relatively low but reducing dust on surface, particularly blown off tailings facilities is an ongoing focus area. One personal exposure sample taken at a tailings facility exceeded the occupational exposure limit of 3mg/m³ during the year.

See — Performance review—Minimising the environmental impact for mitigation measures.

Sibanye-Stillwater met formally with the Medical Bureau for Occupational Diseases (MBOD) about outstanding dust levies prior to the Group’s acquisition of the Rustenburg operations. The MBOD has requested additional time for an official response.

In our US operations, to uphold compliance, potential airborne hazards are monitored and pulmonary function is tested annually at all three properties. Industrial hygiene monitoring results indicate the effectiveness of workplace engineering and administrative controls. Where controls are not effective in reducing exposure, specific action plans are implemented. In addition to routine monitoring by employees and the State of Montana, independent industrial hygiene consultants evaluate exposures at the Metallurgical Complex. All results were under exposure limits in 2018. Third-party sampling will continue in 2019.

The analytical laboratory in our US operations does not fall within the Occupational Safety and Health Administration’s regulation for lead exposure but has voluntarily implemented controls and monitoring to ensure employees are not exposed to lead.
OCCUPATIONAL HEALTH AND WELL-BEING

OCCUPATIONAL LUNG DISEASE

In November 2014, Sibanye-Stillwater, Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony and African Rainbow Minerals formed an occupational lung disease (OLD) industry working group to address issues relating to compensation for OLD in the gold mining industry of South Africa.

The working group’s aim was to develop, in conjunction with key stakeholders, a comprehensive and sustainable solution to address concerns about compensation for OLD. Sibanye-Stillwater has been involved in tracking and tracing employees to settle claims relating to silicosis. We have also collaborated with financial institutions and the Mineworkers Provident Fund in distributing unclaimed pension funds.

On 3 May 2018, the working group as well as attorneys – Richard Spoor, Abrahams Kiewitz and the Legal Resources Centre – announced that they had reached a settlement in the silicosis and TB class action litigation. The settlement awaits approval by the South Gauteng High Court.

SA operations: New and resubmitted cases of occupational lung diseases

<table>
<thead>
<tr>
<th>Disease</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silicosis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>59</td>
<td>193</td>
<td>151</td>
<td>186</td>
</tr>
<tr>
<td>PGM</td>
<td>106</td>
<td>68</td>
<td>89</td>
<td></td>
</tr>
<tr>
<td>Chronic obstructive airways</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>disease</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>29</td>
<td>37</td>
<td>30</td>
<td>57</td>
</tr>
<tr>
<td>PGM</td>
<td>41</td>
<td>13</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Cardiorespiratory tuberculosis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>325</td>
<td>422</td>
<td>545</td>
<td>679</td>
</tr>
<tr>
<td>PGM</td>
<td>155</td>
<td>148</td>
<td>73</td>
<td></td>
</tr>
</tbody>
</table>

Cases and claims: Medical Bureau for Occupational Diseases and Compensation Commissioner for Occupational Diseases

<table>
<thead>
<tr>
<th>Case type</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases assessed by Medical Bureau for Occupational Diseases</td>
<td>9,854</td>
<td>14,732</td>
<td>18,251</td>
<td>6,575</td>
</tr>
<tr>
<td>Claims processed by Compensation Commissioner for Occupational Diseases</td>
<td>10,575</td>
<td>8,727</td>
<td>4,356</td>
<td>1,177</td>
</tr>
<tr>
<td>Total paid to beneficiaries (R million)</td>
<td>212</td>
<td>250</td>
<td>171</td>
<td>56</td>
</tr>
</tbody>
</table>

DIESEL PARTICULATE MATTER CONTROL

Among the airborne pollutants that may compromise the health of employees is diesel particulate matter (DPM), which can lead to chronic obstructive airways disease (characterised by chronically poor airflow, resulting in shortness of breath, coughing and sputum production) due to long-term exposure. Diesel exhaust emissions (including DPM) have been declared human carcinogens (cancer-causing agents).

Across the Group, mitigation measures include increasing dilution ventilation and equipment maintenance to reduce employees’ exposure. PPE is also provided to further reduce personal exposure.

Routine sampling continues at the US operations. In 2018, the East Boulder underground operation did not have sample results exceeding 0.176 milligrams per cubic metre for elemental carbon. At Stillwater, respirators were required at two isolated areas underground. All elevated results were followed with corrective actions and the areas were resampled to verify that these actions had been effective. In addition to internal monitoring, mine operations periodically work with the Federal Department of Labor Mine Safety and Health Administration Technical Support to evaluate ventilation controls.

In the SA operations, there is currently no legislated occupational exposure limit (OEL) but our internal control limit for exposure to DPM is to maintain employee exposure at less than 0.2mg/m³ (measured as total carbon). In 2018, a total of 1,361 DPM personal exposure samples were taken at the gold operations – 108 samples (7.9%) were above the Sibanye-Stillwater target of 0.2mg/m³. Investigations into exposures above limit are conducted regularly to establish the root cause and to prevent recurrence. Of the 123 DPM personal exposure samples taken at the SA PGM operations in 2018, 65 samples (52.9%) exceeded the Sibanye-Stillwater target.

The Sibanye-Stillwater target was advised by the Minerals Council while the industry awaits the legislated OEL for South Africa.

SA gold operations: Tuberculosis rates per 1,000 employees

<table>
<thead>
<tr>
<th>Tuberculosis type</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total tuberculosis</td>
<td>9.16</td>
<td>10.05</td>
<td>13.42</td>
<td>15.79</td>
<td>18.69</td>
</tr>
<tr>
<td>Pulmonary tuberculosis</td>
<td>7.38</td>
<td>8.72</td>
<td>10.86</td>
<td>11.42</td>
<td>12.12</td>
</tr>
<tr>
<td>Extra pulmonary tuberculosis</td>
<td>1.86</td>
<td>1.93</td>
<td>2.56</td>
<td>3.99</td>
<td>1.68</td>
</tr>
<tr>
<td>Cardiorespiratory tuberculosis</td>
<td>8.30</td>
<td>9.46</td>
<td>11.53</td>
<td>14.41</td>
<td>14.34</td>
</tr>
<tr>
<td>Multi-drug-resistant tuberculosis</td>
<td>0.10</td>
<td>0.38</td>
<td>0.34</td>
<td>0.30</td>
<td>0.68</td>
</tr>
</tbody>
</table>
OCCUPATIONAL HEALTH AND WELL-BEING continued

SA operations: Number of new and retreatment cases of tuberculosis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>PGM</td>
<td>Gold</td>
<td>Total</td>
<td>PGM</td>
</tr>
<tr>
<td>Tuberculosis</td>
<td>539</td>
<td>197</td>
<td>342</td>
<td>523</td>
<td>148</td>
</tr>
<tr>
<td>Cardiorespiratory tuberculosis</td>
<td>480</td>
<td>155</td>
<td>325</td>
<td>570</td>
<td>148</td>
</tr>
<tr>
<td>New cases of drug-resistant tuberculosis</td>
<td>13 Unknown</td>
<td>13 28</td>
<td>0 28</td>
<td>24 Unknown</td>
<td>24 29</td>
</tr>
<tr>
<td>New cases of multi-drug-resistant tuberculosis</td>
<td>4 Unknown</td>
<td>4 17</td>
<td>0 17</td>
<td>16 Unknown</td>
<td>16 14</td>
</tr>
</tbody>
</table>

1 Health data for the PGM operations (Kroondal and Rustenburg operations) for 12 months of 2016

SA operations: Number of new op SA operations: HIV, VCT1 and Haart2

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>PGM</td>
<td>Gold</td>
<td>Total</td>
<td>PGM</td>
</tr>
<tr>
<td>VCT offered</td>
<td>59,900</td>
<td>23,153</td>
<td>31,747</td>
<td>51,122</td>
<td>26,008</td>
</tr>
<tr>
<td>VCT conducted</td>
<td>20,544</td>
<td>11,681</td>
<td>8,863</td>
<td>20,326</td>
<td>9,932</td>
</tr>
<tr>
<td>HIV-positive</td>
<td>887</td>
<td>170</td>
<td>717</td>
<td>1,168</td>
<td>113</td>
</tr>
<tr>
<td>Proportion of workforce tested2</td>
<td>33.4%</td>
<td>50%</td>
<td>24%</td>
<td>29%</td>
<td>40%</td>
</tr>
<tr>
<td>New recipients of HAART3</td>
<td>563</td>
<td>0 563</td>
<td>843 Unknown</td>
<td>843</td>
<td>928 Unknown</td>
</tr>
<tr>
<td>Category 3-8 employees on HAART</td>
<td>5,638</td>
<td>0 5,638</td>
<td>5,688 0 5,688</td>
<td>5,561 Unknown</td>
<td>5,561</td>
</tr>
<tr>
<td>Patients on HAART4</td>
<td>9,745 3,090</td>
<td>6,655</td>
<td>9,761 3,133</td>
<td>6,628 9,295</td>
<td>5,455 6,380</td>
</tr>
<tr>
<td>Patients who have left HAART programme5</td>
<td>8 0</td>
<td>8 46</td>
<td>0 46</td>
<td>86 Unknown</td>
<td>86</td>
</tr>
<tr>
<td>HIV prevalence6</td>
<td>4%</td>
<td>1%</td>
<td>8%</td>
<td>6%</td>
<td>1%</td>
</tr>
</tbody>
</table>

1 Voluntary counselling and testing
2 Highly active antiretroviral therapy
3 Entry-level mining employees (Category 3-8)
4 HAART patients alive and on treatment, total employees including category 3-8 employees
5 Employees who left HAART programme within 12 months of starting antiretroviral therapy (including retrenched employees with ill health and any other labour-related terminations)
6 The prevalence rate reported is based on the number of employees testing positive as a percentage of the total number of employees tested in a given period
7 VCT conducted as a percentage of total workforce (employees and contractors)

COMMUNICABLE DISEASE MANAGEMENT

We are collaborating successfully with the Department of Health in South Africa and local communities to control the spread of TB across all operations.

In June 2018, we actively participated in an international HIV and TB conference, sharing experiences of challenges in dealing with the social determinants of health from a corporate perspective. We also articulated our contribution to reducing the TB burden.

We have been acknowledged by the Global TB Caucus partnership for our ongoing efforts in helping to end TB and leading the private sector in reducing the rates of TB and HIV in South Africa. Sibanye-Stillwater and the Minerals Council represented the private sector and the mining industry leading up to and at the first high-level meeting of the UN General Assembly on the fight against TB (“United to end tuberculosis: an urgent global response to a global epidemic”) in New York on 26 September 2018. The meeting was attended by heads of state and health ministers from 192 countries who agreed to intensify efforts to eliminate TB and accelerate efforts to reach all affected people with prevention and care.

Our success in reducing the TB burden at our gold operations, from 832 cases in 2014 to 382 cases in 2018, can be attributed to improved healthcare workers are trained and focus remains on reaching the National Strategic Plan 2017-2022 targets.

In the Lejweleputswa district of the Free State, we worked in partnership with the MHSC and the Department of Health on the 2018 World Aids Day event. We believe that this partnership will realise the WHO End TB Strategy by 2035.

In the West Rand district of Gauteng, we work on community TB contact tracing through the Masoyise iTB initiative, which ensures that healthcare workers are trained and focus remains on reaching the National Strategic Plan 2017-2022 targets.
SOCIO-ECONOMIC FACTORS AFFECTING HEALTH

A study of the social determinants of health and well-being within the workforce and communities around Beatrix – a district with the highest incidence of TB in South Africa – was concluded in 2018.

As it found that financial debt has a negative impact on employees’ health and well-being, our policy on the living out allowance, particularly in terms of its impact on informal settlements, is being reviewed.

In the SA operations, our employee indebtedness programme, CARE for iMali, designed to address some of these issues has been well received.

In the US operations, our wellness programme, managed by a specialist service provider, pays attention to employee wellness at home and in the workplace, including the Financial Finesse programme in which certified financial planners provide solutions to employees, without any bias, in one-on-one or classroom-based settings.

FUTURE FOCUS

US PGM operations

The US PGM operations are not entirely different from other US employer-sponsored health plans in that high-dollar claimants are the primary drivers of our cost trend. Statistics demonstrate that the majority of our healthcare costs are incurred by a small fraction of our members. In 2019, we embarked on a three-year commitment with two robust and competing hospital systems in south-central Montana and created exclusive provider organisations through which we contract directly with the hospitals and their doctors. The hospitals have agreed to compete for our business, recognising that our financial contribution to the local healthcare community is a significant portion of their revenue stream.

We have introduced a unique benefit plan design that encourages patient and provider accountability. Managing the quality of care is an important new focus. The hospital systems have agreed to share financial risk for unsuccessful treatments. This is an exciting opportunity for an integrated approach to healthcare using primary care physicians to co-ordinate care, integrating delivery systems that optimise primary and specialty care, providing concierge-style nurse navigators to help members receive the most from their benefit plans, to answer healthcare questions, and to manage chronic conditions.

A team of US operations’ employees, consultants and healthcare professionals is dedicated to monitoring and evaluating the performance of these networks, and will recommend actions to leaders accordingly, based on the performance of hospitals and the new plans, and thus empower decisions that will have a positive impact on the health of our employees and their families.

SA operations

With a view to 2020, our SA operations are working to ensure that all employees have health insurance, that the scope of services is equitable, that healthcare is accessible and that employees are protected financially. Long-term relationships with funders and communities will form the basis of business dealings aimed at measurable healthcare outcomes.

Over the next five years, we will endeavour to extend universal healthcare coverage to the families and dependants of employees. We believe that we can achieve this by leveraging cost efficiencies and effective healthcare within the existing system.

Focus group discussions with our human resources and health departments, as well as organised labour, will continue to empower leaders and inform healthcare and safety decisions.
SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT

APPROACH

Sibanye-Stillwater’s purpose – “our mining improves lives” – encompasses all stakeholders directly impacted by our mining activities as well as other stakeholders who may benefit indirectly from our mining activities (health and environmental benefits are derived from the use of PGMs to improve air quality, for instance). We engage meaningfully, as much as possible with our stakeholders, to ensure that we are in a better position to understand their perceptions of value and deliver accordingly for mutual benefit.

Our vision is to share the benefits derived from our mining operations with our communities not only to uphold our social licence to operate but also to spread our CARES values beyond the mine gate. Our aim is to tangibly and holistically improve the lives of those living in our host communities.

We share these benefits through partnership and collaboration, engaging transparently with communities, while integrating sustainable development into our decision-making processes.

In South Africa, there is a specific regulatory requirement for all mining companies to contribute to local and labour-sending area upliftment and development in order to secure a social licence to operate. Sibanye-Stillwater is committed to meeting and going beyond these targets in line with our vision.

In South Africa, governed by our policies on sustainable development, and on community and indigenous peoples, our socio-economic development programmes and corporate social investment (CSI) initiatives are overseen by the management-led Social Licence to Operate Committee, which monitors the impact of Sibanye-Stillwater’s socio-economic activities at the SA operations. The Social and Ethics Committee oversees and monitors, among others, the social impacts of Sibanye-Stillwater’s business activities on communities in SA and in the US, particularly given our role as an ethical, responsible corporate citizen.

For further information on the governance of our activities in relation to communities, see —Governance—Corporate governance and leadership—Report of the Social and Ethics Committee.

IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS

We continue to make progress in aligning our socio-economic community development strategy with the aims of the United Nations (UN) Sustainable Development Goals (SDGs), focusing particularly on: Goals 1, 2, 3, 4, 8, 10, 11, 16 and 17

PERFORMANCE

SA operations

Our community engagement goes beyond maintaining our licence to operate – our social licence to operate in terms of earning the goodwill and trust of our host communities, and our regulatory licence by complying with regulations and the spirit of the law in terms of socio-economic development project implementation.

We contribute to our host communities and labour-sending areas, the society and the economy at large, by investing in socio-economic development initiatives, employing people who reside in the vicinity of our operations and through preferential local procurement.
SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT continued

In line with our approach to creating and sharing value, a stakeholder perception index has been developed to measure and monitor stakeholder perceptions. Initial testing of the index was conducted among selected stakeholder groupings, including communities in the vicinity of our gold operations on the West Rand and in the Free State in 2018. The index highlighted the following challenges, which we have reviewed and are responding to accordingly:

- **Employment** — All job applicants have to undergo medical fitness tests, and criminal and credit record checks, before they are employed by Sibanye-Stillwater. This process has been misinterpreted by the communities as an attempt to limit local employment.

- **Legacy issues and transparency** — an unintended consequence of the growth and changes Sibanye-Stillwater has undergone since it was established in 2013. Where legacy issues exist, due to unresolved historic issues with companies that owned the assets prior to us taking ownership, they are not ignored. Sibanye-Stillwater engages with communities in seeking resolutions.

- **Lack of local procurement opportunities** — a major concern across communities in South Africa. To address this concern, the following activities will be undertaken in 2019, which are part of the implementation of the Enterprise and Sustainable Development Strategy:
  - **Small, medium and micro enterprise (SMME) workshops** to help capacitate local SMMEs and co-operatives, and to provide information on procurement opportunities at Sibanye-Stillwater in collaboration with the Local Economic Development Department of Rand West City Municipality, Gauteng Enterprise Propeller, Small Enterprise Finance Agency and Phakamani Impact Capital
  - **Local procurement open days** provide information to SMMEs who will also benefit directly from the services of the enterprise and supplier development (ESD) centres, which will be established in all our operating areas in 2019

For further detail, see — View from the top — Stakeholder engagement.

**STAKEHOLDER ENGAGEMENT CONTEXT**

- **Unstable community relationships**: impact of historically poor relationship with the mining industry
- **Lack of accountability by local government**: service delivery issues
- **Legacy issues**: unfulfilled and unrealistic expectations, greater discontent and impatience
- **High rate of unemployment** — highly literate but unemployed youth

**STAKEHOLDER PERCEPTIONS**

In our engagement with communities around our gold operations on the West Rand and in the Free State, specifically to test our new Stakeholder Perception Index engagement tool, we found historic misperceptions of a culture of non-engagement. Specifically, there were misperceptions of malicious intent, particularly relating to procurement, environmental issues, care and maintenance, and socio-economic development programmes. The study also highlighted gaps in the municipality-led Integrated Development Plan (IDP) process, which is meant to determine and prioritise the needs of communities that ultimately inform our social and labour plans (SLPs). There is also an apparent misunderstanding of SLP funding and related responsibilities.

Communities are frustrated, believing that the mines do not respond to their grievances, particularly in relation to CSI, procurement and employment.

Regular communication is critical but structured communication platforms have not yet been established for Sibanye-Stillwater to proactively reach aggrieved communities. Existing engagement forums have formal memoranda of understanding but delivery is inconsistent and ineffective. Communities are reluctant to accept a single engagement platform as organised labour does not have to engage in this manner.

**Solutions**

Management has reviewed the outcome of the study and conducted feedback sessions with the communities. It has been recommended that we:

- Focus on educating communities about our business and their rights
- Increase consultation, internally and externally, on SLPs and related responsibilities
- Assist communities to organise themselves so that engagement is constructive
- Close historical gaps in procurement and socio-economic development
- Support CSI and environmental programmes identified by local communities
- Create consistent and open channels of communication
- Implement effective conflict resolution/complaints mechanisms
- Refocus all social interventions on the social closure strategy (life after mining/avoiding the creation of ghost towns)

We have improved governance of our internal processes to monitor and audit stakeholder engagement, including the development of a heat map to track the quality of relationships. A new issues resolution framework has been developed, aimed at ensuring community and stakeholder concerns are resolved speedily. This framework includes establishing grievance/complaints procedure so that communities and other stakeholders are more easily able to contact Sibanye-Stillwater and report their concerns. The latter was in response to criticism that we were not accessible. A hotline has been set up to facilitate contact with Sibanye-Stillwater, and community roadshows have been undertaken to explain procedures and processes implemented.
COMMUNITY COMPLAINTS PROCEDURE
A new community complaints procedure has been instituted. Its objective is to ensure that every issue or complaint is captured in a register, resolved and feedback provided to stakeholders within a stipulated turnaround time. In this way, issues will all be resolved before they develop into disputes.

An issues register has also been established to track grievances, monitor related engagement, prioritise issues raised and monitor time taken to resolve. A timeline for responses is also included to track regular, ongoing feedback. To maintain relationships based on trust, it is important that we deliver on our promises, and this framework will help to ensure that we do so.

There is also greater co-operation internally to address and resolve issues raised, such as employment and procurement opportunities.

A community immersion programme involving the executive and senior management of Sibanye-Stillwater aimed to promote understanding of the state of the communities around our mining operations and accompanying alternative economic activities in the Rand West City Local Municipality. Senior management visited communities residing in Glenharvie (mainly our employees), Venterspost, Simunye, Bekkersdal and Mohlakeng, guided by people who are familiar with the areas. The visit included engagement with key community leaders and interaction with project beneficiaries of the social development projects.

Subsequent to the immersion, some senior managers and departments pledged the following donations:
- Food and vegetable seedlings for an orphanage in Simunye
- Prefabricated recreational/office structures at a centre for elderly people in Simunye and a community-based organisation in Bekkersdal
- Vegetable seedlings and perimeter fencing at the youth agricultural project in Simunye
- Waste recycling bins for a woman-led project in Simunye
- Possible procurement opportunities for community business structures and for the SLP projects supplying garments and fresh produce
- Community leadership development training for community leaders at the Gordon Institute of Business Science
- CCTV surveillance system troubleshooting at a shelter for abused women

SOCIAL CLOSURE PLANNING
Our social closure framework and plans, in relation to our socio-economic programmes, have been finalised. Planning for the related stakeholder engagement has begun. This framework and its accompanying plans go beyond mining and are more extensive than our SLPs, which are based on compliance.

In developing these plans, we are collaborating and strategising with municipalities, district and local, to identify economic activities that will endure post-mining. The plans, which will align with regional IDPs, will be driven and owned by the municipalities.

SOCIAL COMPACT PROGRAMME IN RUSTENBURG
As an initial step, we have engaged with the Rustenburg Local Municipality. An understanding of their vision for the future will feed into our regional social closure plans and into projects to be included in our SLPs. A specialist service provider was contracted to implement Phase 1 of a social compact programme in Rustenburg where we particularly need to earn the trust of our stakeholders. The programme included engagement with various stakeholder groupings to address their concerns and to work towards a common vision for mutual benefit.

BOKAMOSO BA RONA AGRICULTURAL-INDUSTRIAL INITIATIVE
The Bokamoso Ba Rona initiative is a unique, collaborative, multi-stakeholder approach to promoting sustainable economic activity through the development of a large-scale agriculture and bio-energy hub in areas of the greater West Rand District Municipality. Currently, the local economy depends predominantly on mining and there is a need to diversify economic activity. To this end, Sibanye-Stillwater has contributed 30,000ha of land, which is a substantial contribution to the sustainability of the local economy beyond mining, and an initiative that has been embraced and adopted by government.

This extensive regional project is part of the West Rand District Municipality’s Accelerator Programme aimed at promoting economic activity and ensuring the district’s economic viability.

The aims of the Bokamoso Ba Rona initiative are to:
- facilitate creation of a sustainable post-mining economy
- promote employment by emphasising labour-intensive opportunities with focus on agriculture
- accelerate transformation by creating opportunities and providing ongoing development and training for local communities
- facilitate comprehensive, sustainable local socio-economic development

On 12 October 2018, we participated in a workshop to determine the level of interest in establishing the Bokamoso Ba Rona agricultural-industrial activities in areas of the West Rand district surrounding Sibanye-Stillwater mining operations, and to learn about the potential value propositions, capabilities and modalities of involvement that interested stakeholders envisaged.

Responses indicated keen interest in pursuing agricultural ventures and, considering prior experiences with agricultural-industrial initiatives, the need to pursue a structured approach was identified.
SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT continued

It was therefore decided to establish a strategically planned and enabling framework for a sustainable programme that would serve the socio-economic development requirements of the district. It is particularly important to establish an effective agricultural-industrial value chain with planned related activities to ensure availability of critical resources and support structures, and to facilitate finance and access to markets.

A suitably qualified and experienced programme manager will provide strategic leadership, with oversight by the principals responsible for leading structured processes, to secure participation by the wide range of role players required to give effect to the programme’s strategic scope. Support will also be provided to SMMEs on delivering in line with the broader strategy, and on producing to the required quality and quantity. Existing smaller agricultural projects will feed into this larger project.

This initiative is in the planning stages with implementation still some way off. Given the complexity and scope of this ground-breaking initiative, there will be significant challenges to overcome. As the debates on land reform have highlighted, successful commercial agricultural-industrial ventures depend on far more than just access to land. The commitment and co-operation and alignment of the partners – business, local and national government, and the investment community – are vital.

A memorandum of understanding has been entered into with the partners, which include the West Rand Development Agency, the Gauteng Infrastructure Financing Agency and the Far West Rand Dolomitic Water Association. Other stakeholders include the Public Investment Corporation, the Department of Planning, Monitoring and Evaluation, the Merafong City Local Municipality and the Rand West City Local Municipality.

MINING CHARTER AND SOCIAL AND LABOUR PLANS

The latest amendment of the Mining Charter was released in September 2018 and the accompanying implementation guidelines on 19 December 2018.

Before work begins on its implementation on 1 March 2019, there will be a series of internal workshops to promote a better understanding of the requirements and to identify gaps.

The following salient points apply to our operations:

- Existing mining right holders, licence and permit holders must implement the Mining Charter 2018 from 1 March 2019
- Before 1 March 2019, existing right holders, licence and permit holders must maintain compliance with the requirements of the Mining Charter 2010
- The first annual report on the Mining Charter 2018 must be submitted to the Department of Mineral Resources on or before 31 March 2020
- Although our socio-economic development focus has moved beyond SLPs, they are nevertheless important, especially in terms of regulatory compliance.

The project backlog reported to the Department of Mineral Resources for the Cooke and Kroondal SLPs is expected to be completed by the end of 2019.

We plan to implement a data system to better manage and monitor our performance. This will enhance reporting on our performance and compliance, which is important as our mining rights depend on this. Internally, there is a gap in our understanding of obligations and responsibilities in terms of our SLPs. Training workshops, which began in January 2019, will be conducted across the SA operations to align understanding of the regulatory environment and internal reporting, to build capacity and to ensure that we deliver and comply in terms of our commitments and regulations. Organised labour will participate in these workshops.

Mining for non-miners training was conducted for Rand West City Local Municipality LED officials as well as members of the mayoral council responsible for economic development and planning, and corporate support services in 2018. Sibanye-Stillwater also conducted this course for portfolio heads and officials of the Rand West City and Merafong City local municipalities.

SLP STATUS

- Driefontein and Kloof: Following submission of the SLPs for the five-year period 2017-2021 to the Department of Mineral Resources, requested changes were made and plans were resubmitted. We await final approval.
- Beatrix: The SLP for 2017-2021 has been approved and implementation is underway.
- Burnstone: The SLP for 2017-2021 has been submitted to the Department of Mineral Resources and we await approval. To align the SLP’s local economic development (LED) programme with the Dipaleseng Local Municipality’s IDP, agriculture was prioritised to address food security.
- Cooke: Under care and maintenance, expenditure for SLPs has been stopped.
- Rustenburg operations: The SLP for 2016-2020 has been approved and implementation is underway.
- Kroondal: In terms of the current SLP (2016-2020), the LED project backlog is being addressed and implemented by Anglo American Platinum as per the pooling and sharing agreement with Sibanye-Stillwater.

GOVERNANCE

Internal governance of SLPs is undertaken through forums designed to monitor and evaluate implementation and Mining Charter obligations although this is not required by law. Meetings are convened quarterly with management and organised labour. In 2018, the gold operations held three official SLP forum meetings. At Kloof, a number of additional engagements were aimed at resolving disagreements about SLP targets. At the Rustenburg and Kroondal operations, SLP forum structures were set up in 2018.
Training workshops will be conducted in early 2019 to build capacity across the Group with focus on recruitment and skills development.

Sibanye-Stillwater has also initiated community forums to encourage constructive dialogue and to keep abreast of the impacts of the business and communities. In the Merafong area, close to the gold operations, three community forums were held in 2018.

In addition to community training provided on agriculture, leadership and enterprise development, Sibanye-Stillwater has extended CARE for iMali to communities. Community training on alternative economic skills also covers paraplegic rehabilitation, offered to former and current employees, and portable skills training (such as welding, plumbing, bricklaying, sewing and carpentry) by the Sibanye-Stillwater Academy in line with SLP targets.

SA operations: Socio-economic development expenditure (R million)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017²</th>
<th>2016²</th>
<th>2015²</th>
<th>2014²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Gold</td>
<td>PGM</td>
<td>Total</td>
<td>Gold</td>
</tr>
<tr>
<td>Local economic development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resource development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communities</td>
<td>66.6</td>
<td>51.4</td>
<td>17.2</td>
<td>532</td>
<td>340</td>
</tr>
<tr>
<td>Employees</td>
<td>489.5</td>
<td>305</td>
<td>184</td>
<td>586</td>
<td>425</td>
</tr>
<tr>
<td>Employee housing and nutrition¹</td>
<td>772</td>
<td>594</td>
<td>178</td>
<td>181</td>
<td>181</td>
</tr>
<tr>
<td>Health</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Education</td>
<td>13.7</td>
<td>13.7</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Sport, conservation and environment</td>
<td>0.345</td>
<td>0.345</td>
<td>0.345</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Donations, community development and charitable gifts</td>
<td>2.7</td>
<td>2.3</td>
<td>0.4</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>1,374</td>
<td>979</td>
<td>395</td>
<td>1,158</td>
<td>791.5</td>
</tr>
</tbody>
</table>

¹ Expenditure is reported inclusive of value-added tax (VAT) as no VAT is claimed in terms of the relevant Act
² Previously reported human resource development figures included community and employees

SA operations: Enterprise development (R million)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th>2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Gold</td>
<td>PGM</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>7</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

COMMUNITY TRUSTS

Several trusts are in place at present. Some are community trusts and others are empowerment trusts. We are endeavouring to ensure that these trusts work while we attempt to combine and consolidate them.

We plan to establish a Group trust early in 2019 into which some of the trusts with similar objectives will be consolidated as a single trust that will implement the company’s CSI programmes.

It is envisaged that a foundation will be established to focus on all the social closure programmes designed to transcend the end of life of mine.

CORPORATE SOCIAL INVESTMENT

Management of CSI activities at our SA operations is being streamlined to ensure that it is focused and optimises benefits for beneficiaries.

Our policy on donations and CSI was amended in 2018, informed by financial constraints and the need to make an impact in focus areas. Instead of an ad hoc approach, CSI interventions will be funded over a fixed period, from two to three years, depending on the specific focus area.

In the West Wits region, we are supporting three homes for elderly and disabled people with an investment of R1.2 million in monthly food parcels over two and half years while providing the same people with skills to cultivate self-sustainable food gardens for their own consumption and to generate an income.

Our focus in Rustenburg is on supporting early learning development centres in partnership with other role players. To date, we have conducted training for caregivers and managers of the selected centres. Focus in 2019 will be infrastructure upgrades and the provision of learning material.

We are engaging with stakeholders to determine focus areas in the Free State.

SA operations: Corporate social investment in 2018 (R)¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Gold</th>
<th>PGM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>26,498,336</td>
<td>26,459,175</td>
<td>39,161</td>
</tr>
<tr>
<td>2017</td>
<td>15,764,552</td>
<td>13,789,367</td>
<td>1,975,185</td>
</tr>
</tbody>
</table>

¹ Corporate social investment already included in socio-economic development table above

HUMAN RIGHTS

Sibanye-Stillwater conducts its business in line with national legislation, including the Constitution and the Labour Relations Act, as well as the International Labour Organization.
SOCIAL UPLIFTFMENT AND COMMUNITY DEVELOPMENT

PROCUREMENT AND ENTERPRISE DEVELOPMENT

Participation by local community businesses in our organisation is one way of contributing to the economic development of communities around our mining operations. Local procurement was a major cause of strained relationships between Sibanye-Stillwater and local communities in 2018. A trust-building workshop with local businesses in Rustenburg addressed this by aiming to repair relationships through the transparent sharing of information about what we buy, opportunities available, our processes, and funding assistance as well as enterprise and supplier development programmes for local communities.

An intensified programme to unlock opportunities for local suppliers is being rolled out with focus on ring-fenced commodities and unbundling of opportunities on contracts with large suppliers.

Procuring services from local suppliers remains a challenge. Some of the issues are lack of relevant mining skills, pricing and contract deliveries. We have employed Phakamani, an enterprise development service provider to assist us in coaching and developing the skills required to support sustainable local suppliers. Participation by local suppliers therefore remains relatively low and legislated targets have been set to triple current spend.

Our enterprise and supplier development strategy includes support from financial services provider Phakamani Capital, as well as proactively identifying SMMEs and potential joint ventures, and establishing business centres across our operations. In 2018, 80 loans were approved to the value of R12.9 million for the benefit of 44 SMMEs, including 42 youth and 25 female entrepreneurs, and 593 jobs sustained for the duration of project and/or contract. As part of the interaction with Phakamani, 54 companies were mentored and trained.

A new procurement system called “Coupa” will be rolled out to the SA operations in 2019. This tool will enable effective interactions with our suppliers and make our procurement process more accessible and visible to our communities, and thus encourage involvement.

<table>
<thead>
<tr>
<th>Gold</th>
<th>Capital goods target (40%)</th>
<th>Consumables target (50%)</th>
<th>Services target (70%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrix</td>
<td>78%</td>
<td>84%</td>
<td>61%</td>
</tr>
<tr>
<td>Cooke 1, 2 and 3</td>
<td>49%</td>
<td>30%</td>
<td>80%</td>
</tr>
<tr>
<td>Cooke 4</td>
<td>0%</td>
<td>66%</td>
<td>44%</td>
</tr>
<tr>
<td>Driefontein</td>
<td>73%</td>
<td>81%</td>
<td>77%</td>
</tr>
<tr>
<td>Kloof</td>
<td>83%</td>
<td>84%</td>
<td>70%</td>
</tr>
<tr>
<td>PGM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kroondal</td>
<td>83%</td>
<td>87%</td>
<td>81%</td>
</tr>
<tr>
<td>Rustenburg</td>
<td>86%</td>
<td>81%</td>
<td>84%</td>
</tr>
<tr>
<td>Total</td>
<td>82%</td>
<td>81%</td>
<td>76%</td>
</tr>
</tbody>
</table>

1 The Mining Charter’s procurement targets apply to procurement that “excludes non-discretionary procurement expenditure” – this excludes expenditure that cannot be influenced, such as procurement from the public sector and state enterprises. Procurement targets therefore apply to discretionary expenditure over which Sibanye-Stillwater has influence.

SA operations: Discretionary BEE procurement

SA operations: Total empowerment spend (2018)

US operations

Throughout the course of 2018, the executive team at our US operations met with Montana’s federal delegation, including senators Jon Tester and Steve Daines, and representative Greg Gianforte, as well as Montana’s Governor Steve Bullock and key senior personnel at the Montana Department of Environmental Quality and Region 8 of the US Environmental Protection Agency. The meetings introduced our leadership team and informed these important stakeholders about the organisation, providing insight on a number of environmental issues, including the delegation’s views on I-186. For further information on I-186, see —Performance review—Minimising the environmental impact—US operations: Stop I-186 campaign.

We created a Community Giving Team in line with our charitable policy, which highlights our aim to support communities directly adjacent to our mines and processing facilities. The policy prioritises initiatives that support rural emergency and healthcare services, education (especially science, technology, engineering and mathematics), local community improvement activities and environmental stewardship. In 2018, the Community Giving Team supported over 100 organisations, including a US$25,000 donation to the Forests in Focus initiative, which addresses forest health and wildland fire risk across Montana. Since its inception, Forests in Focus has supported the treatment of more than 300,000 acres of forest, the production of nearly 190 million feet of board timber and the retention of 3,000 jobs in the forest products sector.

Through this initiative, the Montana Department of Natural Resources and Conservation also increased Montana’s stake in Forest Plan revisions and federal projects through the National Environmental Policy Act process, and supported local governments and collaborative groups in their efforts to effectively engage with the US Forest Service on projects important to their constituents and communities. This “all-lands, all-hands” collaborative approach developed in Montana informed Governor Bullock’s National Forest and Rangeland Management Initiative of the Western Governors Association, culminating in the release of bipartisan administrative and legislative recommendations to advance shared learning and best practices for forest restoration and management across the western US.
In addition, the Community Giving Team supported a number of local community organisations in 2018, including Montana Shakespeare in the Parks, which presents live theatre in rural communities, as well as Eagle Mount, a local programme that provides skiing and horseback riding opportunities to disabled children and adults, and the Yellowstone Big Horn Research Association, a local field research site dedicated to training area educators in geology.

GOOD NEIGHBOR AGREEMENT
More than 15 years ago, the then Stillwater Mining Company signed the Good Neighbor Agreement (GNA), together with three local stakeholder organisations: the Northern Plains Resource Council, the Stillwater Protective Association and the Cottonwood Resource Council. Unique within the mining industry, the GNA provides an innovative framework for the protection of the natural environment while encouraging responsible economic development. It legally binds us to certain commitments and holds us to a higher standard than that required by federal and state regulatory processes.

Our commitments include transparent and productive interaction with all affected stakeholders, using the GNA as a vehicle for dispute resolution and positive stakeholder engagement.

US PGM operations: Philanthropic/social activities and related expenditure (US$)

<table>
<thead>
<tr>
<th></th>
<th>May - December 2018</th>
<th>May - December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community projects (42%)</td>
<td>162,600</td>
<td>60,050</td>
</tr>
<tr>
<td>Youth activities (13%)</td>
<td>50,900</td>
<td>53,125</td>
</tr>
<tr>
<td>Education (24%)</td>
<td>94,130</td>
<td>37,760</td>
</tr>
<tr>
<td>Emergency services (12%)</td>
<td>44,700</td>
<td>28,750</td>
</tr>
<tr>
<td>Cultural activities (9%)</td>
<td>35,500</td>
<td>15,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>387,830</td>
<td>194,785</td>
</tr>
</tbody>
</table>

FUTURE FOCUS

SA operations
We will focus on education infrastructure, economic diversification through agriculture, and CSI in 2019 to facilitate and catalyse alternative economic activities aimed at skills development, job creation and food security – and thus ensure meaningful social closure beyond mining.

US operations
In 2019, our US operations will continue to focus on meaningful contributions that will enhance the well-being of local communities, assist local first-responders, and provide education opportunities to local students.
MINIMISING THE ENVIRONMENTAL IMPACT

APPROACH

Our environmental management team, guided by internationally recognised principles, including ISO 14001:2015, the International Council on Mining and Metals (ICMM) and the United Nations Global Compact, focuses on the execution of environmental initiatives aligned with Sibanye-Stillwater’s strategic objectives, vision and purpose. Mechanisms to give effect to these principles are embedded in our systems and approaches to the environmental challenges we face. Environmental challenges are considered in our core business and compliance risk management plans. We proactively address compliance while simultaneously promoting greater environmental responsibility leveraging technologies.

We have integrated and aligned environmental functions across our SA operations in terms of our vision 2020 environmental management strategy illustrated below. In-depth alignment with the US PGM operations, although initiated, will conclude in 2019. The five pillars and focus areas of our vision 2020 create value for all stakeholders. The strategy and structure of our environmental department, and the setting of strategic goals and objectives, and associated performance measures for 2018 and beyond, are premised on our vision 2020.

The environmental management system (EMS) adopted by Sibanye-Stillwater is broadly aligned with the principles of the international environmental management standard, ISO 14001:2015.

In line with the strategic goal to strengthen Sibanye-Stillwater’s position as a leading international precious metals mining company, we have begun working towards renewing and enhancing our ISO 14001-compliance across the group. ISO 14001 certification is expected by 2022 and a comprehensive gap analysis at all operations is planned for 2019.
MINIMISING THE ENVIRONMENTAL IMPACT

**US AND SA OPERATIONS: SYSTEMS SUPPORTING ENVIRONMENTAL MANAGEMENT**

We use technologies for proactive environmental management to make informed decisions for the benefit of all stakeholders:

- **Pivot:** system to capture and manage environmental incidents and complaints
- **Syncromine:** an audit system for the management of environmental non-conformances – the environmental module has been customised to schedule audits at planned work places based on these standard environmental checklists
- **Qlikview:** a data analysis tool for water flow and air quality compliance to enable trend analysis and decision-making
- **Continuous emissions monitoring system (CEMS):** online hourly monitoring of SO2 emissions
- **Arc GIS:** platform where environmental water and air quality data is stored in the system, tools to determine compliance
- **Zednet:** automated system to monitor water flow, consumption, quality and critical reservoir levels with a view to integrating all SA operations to identify anomalies and critical trigger parameters, thereby minimising water losses and risks against regulatory licences as well as provides tools to do trend analysis

**IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS**

We continue to make progress in aligning our environmental management strategy with that of the United Nations (UN) Sustainable Development Goals (SDGs), focusing particularly on: Goals 6, 7, 9, 12, 13, 15 and 17

**TARGETS**

**SA operations**

**To reduce/achieve by year-end 2018**

- Scope 1 and 2 carbon emissions by 27.3% by 2025, equivalent to an average annual decrease of 2.1%
- Level 3 incidents by 20% year-on-year
- Zero level 4 and higher incidents
- Overall purchased water consumption by 15% year-on-year

**Achieved by year-end 2018:**

- 3.9% average annual reduction in Scope 1 and 2 carbon emissions (on track to meet and exceed target)
- 58% reduction in level 3 environmental incidents
- Zero level 4 and above environmental incidents
- 3% decrease in the consumption of purchased water

**In addition, the following was achieved:**

- At the SA operations, an energy intensity of 0.52 GJ per tonne of ore processed (2017: 0.60)
- Overall improvement of 3% in discharge water quality compliance year-on-year with overall average of 73.7%

*Note: The energy intensity factor takes into consideration purchased electricity and direct fuels used, which includes petrol, diesel, liquid petroleum gas, acetylene, coal and paraffin.*

**US PGM operations**

**Achieved in 2018**

- Completed written long-term environmental management strategies for all three US sites
- Secured air permit modifications to enable expansion efforts at the East Boulder mine and Columbus Metallurgical Complex
- Received various permit approvals for Stillwater expansion efforts
- Implemented traffic management procedures at the Stillwater mine to ensure traffic counts remain in accordance with the Good Neighbor Agreement of 110 vehicles per day (currently 90-100 vehicles per day)
- Began closure efforts for original tailings storage facility at the Stillwater mine

In addition to monitoring performance and ensuring compliance with the relevant legislation in each jurisdiction, and inspections by relevant government departments and agencies, environmental performance reports are submitted to executive management, with ultimate oversight by the Social and Ethics Committee and the Board. See —Governance—Corporate governance and leadership—Report of the Social and Ethics Committee.
MINIMISING THE ENVIRONMENTAL IMPACT

PERFORMANCE

CDP SCORE

The CDP, formerly the Carbon Disclosure Project, which runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts, has rated Sibanye-Stillwater as A- for the second consecutive year. This is within the leadership band and higher than the global metals and mining sector average of C, and higher than the Africa regional average of B.

A significant change in 2018 was the inclusion of Stillwater in our submission and the incorporation by the CDP of recommendations made by the Task Force on Climate-Related Financial Disclosures in their questionnaire, which included multi-disciplinary categories, governance, targets, energy, risks and opportunities.

COST SAVINGS

Sibanye-Stillwater’s environmental function has firmly embraced the challenge set by the Board and Executive Committee to effectively reduce costs through proactive management of environmental incidents, water conservation, carbon footprint management and reducing our reliance on Rand Water at the SA operations. Several cost-savings initiatives have been identified while others remain work-in-progress. Those identified and implemented do not compromise on legal compliance or our ability to deliver an efficient service to internal and external stakeholders.

SA gold and PGM operations

Our cost-savings initiatives include:

- Improved efficiencies in contract management including checking and verification of invoicing for goods and services delivered
- Reducing reliance on Rand Water through the treatment of water in compliance with the water use licence
- Roll-out of water conservation and water demand management initiatives including leak detection and repairs
- Engagement with the Department of Water and Sanitation to correct water resource management strategy charges

In 2018, the closure liability for the SA operations was reduced through concurrent rehabilitation and transfer of assets following the DRD GOLD transaction.

We have encouraged the South African government to extend the implementation date for the proposed Financial Provisioning (FP) Regulations to 20 February 2020, which, among other proposals, includes the potentially mandatory inclusion of 15% value-added tax (VAT) in all closure provisions.

A preliminary costing model has been developed to determine the potential impact of the proposed legislation, and all its aspects on our operations and Sibanye-Stillwater at large, and for only the 15% VAT component of the new FP Regulations. Our total closure provisions could increase by as much as just over R1 billion. The impact of, among others, the inclusion of latent and residual liabilities are still to be determined, as the proposed FP Regulations are not clear on this aspect. See —Rehabilitation and closure.

US PGM operations

Cost savings and efficiency initiatives include:

- Maximising tailings backfill volumes to extend the operating life of our surface tailings storage facilities
- Minimising underground water inflows to reduce the volume of water treated and managed
- Concurrent reclamation to reduce long-term closure liability
- Initiated closure of the original tailings storage facility at the Stillwater mine to reduce long-term closure liability
- Ongoing water-treatment optimisation to improve treatment efficiency
- LED lighting changes to improve lighting efficiency and reduce costs
- New product reviews to reduce hazardous waste generation and related costs

WATER MANAGEMENT

Sibanye-Stillwater acknowledges that water is a critical resource, and considers an integrated approach to the management of its water footprint and its water systems infrastructure as a key component of its business strategy. Efficient water management is vital in terms of preservation, consumption and cost. We are therefore committed to the responsible use of water in a manner that is sustainable for production and host communities. We respect the environment, our host communities and employees with whom we share water, and strive to improve and ensure the safety and security of this precious resource.

Our water conservation and water demand strategy consists of various components:

- using alternative available underground water sources to replace purchased water in line with the conditions of our water use licences
- identifying and reducing wastage of water through the implementation of improved metering, water balance management, leak detection and repair initiatives
MINIMISING THE ENVIRONMENTAL IMPACT

Water use

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group US</td>
<td>Group SA</td>
<td>Group US</td>
</tr>
<tr>
<td>Total water withdrawn2 (ML)</td>
<td>125,844</td>
<td>4,073</td>
<td>121,771</td>
</tr>
<tr>
<td>Water discharged2 (ML)</td>
<td>70,791</td>
<td>3,580</td>
<td>67,211</td>
</tr>
<tr>
<td>Water used4 (ML)</td>
<td>55,773</td>
<td>1,213</td>
<td>54,560</td>
</tr>
<tr>
<td>Total water purchased5 (ML)</td>
<td>20,278</td>
<td>120.66</td>
<td>20,157</td>
</tr>
<tr>
<td>Water purchased from water services authorities (%)</td>
<td>38</td>
<td>10</td>
<td>37</td>
</tr>
<tr>
<td>Volumes treated6 (Mt)</td>
<td>41.37</td>
<td>3.5</td>
<td>37.87</td>
</tr>
<tr>
<td>Intensity7 (kL/tonne treated)</td>
<td>1.35</td>
<td>0.35</td>
<td>1.44</td>
</tr>
</tbody>
</table>

1 For eight months from May to December 2017
2 Total water withdrawn: water abstracted from groundwater sources and total purchased
3 Water discharged into environment at licensed discharge points
4 Water used: Total withdrawn minus water discharged
5 Total water purchased: potable water purchased and waste water purchased at Rustenburg operations
6 Volumes treated: Dry tonnes processed in Sibanye-Stillwater metallurgical plants and concentrators
7 Intensity: Water used/tonne treated

WATER USE MONITORING

At our SA operations, the Zednet automated water monitoring system was successfully extended to include all SA operations. More than 300 potable water meters are now being used to monitor water consumption continuously and to identify the location of water leaks. The monitoring system is also used to monitor water quality and critical reservoir levels.

The strategy to monitor and manage our water footprint is aligned with our strategy to be more independent of municipal water in order to improve our water security and reduce our dependence on external suppliers of potable water.

While Sibanye-Stillwater advances its critical water independence strategy, water cost saving initiatives continue.

WATER COST-SAVING INITIATIVES

In 2018, R245 million (2017: R231 million) was spent on the purchase of potable water, which was 4% less than it was in 2017. The cost of purchased water increased by 6.2% due to an average 10.3% annual tariff increase.

POTABLE WATER CONSERVATION AND WATER DEMAND MANAGEMENT

A key success factor to achieve independence from external water suppliers, is to reduce water demand by minimising leakage and losses. The table that follows compares 2018 potable water consumption with that of previous years and indicates the savings achieved.

### Potable water purchased (ML)

<table>
<thead>
<tr>
<th></th>
<th>Gold operations</th>
<th>PGM operations</th>
<th>PGM – Total</th>
<th>SA operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Beatrix</td>
<td>2,863</td>
<td>2,881</td>
<td>2,758</td>
<td>3,201</td>
</tr>
<tr>
<td>Cooke</td>
<td>1,790</td>
<td>2,123</td>
<td>2,692</td>
<td>4,112</td>
</tr>
<tr>
<td>Driefontein</td>
<td>1,603</td>
<td>2,210</td>
<td>1,657</td>
<td>1,726</td>
</tr>
<tr>
<td>Kloof</td>
<td>4,872</td>
<td>4,688</td>
<td>5,247</td>
<td>5,755</td>
</tr>
<tr>
<td>Gold – Total</td>
<td>11,128</td>
<td>11,902</td>
<td>12,353</td>
<td>14,794</td>
</tr>
<tr>
<td>Kroondal</td>
<td>1,917</td>
<td>1,744</td>
<td>2,333</td>
<td>–</td>
</tr>
<tr>
<td>Rustenburg</td>
<td>4,557</td>
<td>4,637</td>
<td>4,977</td>
<td>–</td>
</tr>
<tr>
<td>PGM – Total</td>
<td>6,474</td>
<td>6,382</td>
<td>7,309</td>
<td>–</td>
</tr>
<tr>
<td>SA operations</td>
<td>17,602</td>
<td>18,284</td>
<td>19,663</td>
<td>14,794</td>
</tr>
</tbody>
</table>

1 Includes Kroondal and Rustenburg operations for the full year
2 SA PGM figures include purchased water at compressors, sewage works, villages and a portion of groundwater abstraction, previously under-estimated

The SA gold operations reduced water purchased by 774ML (7%) despite the increase in the volume of water purchased for Kloof – 3% more as a result of several pressure surges at the Libanon supply point, causing increased leakage. This increase was offset by substantial decreases in water volumes purchased at Cooke and Driefontein. At Cooke, the decrease (333ML or 16% year-on-year) reflects the success of initiatives to reduce water leakages and losses. At Driefontein, a decrease of 607ML or 27% year on year reflects stable production of potable water from the Driefontein water-treatment facility and, to a lesser extent, the operational disruptions.

Consumption at the PGM operations increased by 1%, largely attributed to the water purchased at the Kroondal operation (173ML or 10% year on year) as a result of extremely dry conditions in the final quarter of 2018, necessitating an increase in the volume of potable water required to sustain production.
SA OPERATIONS: STRATEGIC WATER PROJECTS

We operate in complex surface water catchment areas, which have numerous water users, including the communities, farmers, other industrial users and mining houses. Although water resources are monitored extensively, limited information is available in terms of quantification of residual and latent liabilities.

Project to quantify residual and latent liabilities

The aims and objectives of the project to quantify residual and latent liabilities are to:

- Quantify the potential liabilities associated with our mining activities
- Provide recommendations for mitigation
- Align remediation approach (mitigation measures) with regulators and other water stakeholders

The project will consider all catchments in which we operate. Our SA gold operations, specifically the Wonderfonteinspruit and Loopspruit catchments have been prioritised as part of the study.

To date, findings of the assessed catchments have indicated the following:

- The Upper Wonderfonteinspruit is seriously impacted by numerous water users in the catchment area. Management of discharge qualities, through strict control of discharge water treatment, remains a priority.
- The mid- and lower-Wonderfonteinspruit show significant improvement in terms of water quality despite upstream inputs from the affected upper Wonderfonteinspruit. Discharge qualities from Driefontein and Kloof have shown excellent compliance and in-stream monitoring indicates that water quality requirements have largely been met. Management measures are expected to focus on habitat improvement, which will be explored further in the next phases of the project.
- The Loopspruit, which receives input from Kloof, is in a good state in terms of water quality with excellent overall discharge compliance. Wetland areas and certain parameters will be considered during the course of subsequent phases of the study.

Cooke 4 shaft closure

Ezulwini Mining Company (EMC) appealed to the Minister of Environmental Affairs (appeal authority) against the Regional Manager: Mineral Regulation for the Gauteng regional office of the Department of Mineral Resources' negative environmental authorisation decision dated 30 April 2018. EMC’s application to the Department of Mineral Resources was for the decommissioning of the underground mine workings and associated cessation of pumping operations at Ezulwini mine, Gauteng, under reference GP 30/5/1/2/2 (38) MR.

The appeal authority issued a decision on the appeal on 6 March 2019, which upholds EMC’s appeal and sets the Department of Mineral Resources’ negative decision aside and refers the matter back to the Department of Mineral Resources for reconsideration.

West Rand Trans-Caledon Tunnel Authority mine drainage treatment facility

Successful operation of the dewatering and acid mine drainage (AMD) treatment plant led to a drop in the level of the Western Basin water table from 7.7m to 11.68m below the 18 winze decant point in 2018. In total, 11 670ML of impacted AMD mine water was treated, achieving 96.5% compliance to the directive limits, and discharged into the Tweelopieisspruit.

Driefontein North Shaft potable water treatment plant

In 2018, this plant achieved the following:

- Cost savings of R42.6 million
- Produced 3,493.5ML blended softened water
- Complied fully with SANS 241 water quality

Cooke 4 potable water treatment plant

The Ezulwini potable water treatment plant’s stable operation enabled lower municipal potable water consumption. The plant tested Crystalactor® technology for the treatment of mine service water in the past year, showing greater metal removal potential for application at other sites.

In 2018, this plant achieved the following:

- Cost savings of R7.2 million
- Produced 1,068ML of softened water
- Complied fully with SANS 241 water quality

Cooke underground closure planning

Alternative regional socio-economic solutions for the long-term sustainable closure of Cooke’s underground mining operations have been completed.
MINIMISING THE ENVIRONMENTAL IMPACT continued

The most environmentally responsible and cost-effective, sustainable closure solution for these operations includes installation of four concrete plugs between Harmony’s Doornkop mine and Cooke 1, followed by natural rewatering of the mine workings. A closure plan, with specialist studies in support of the closure strategy, has been completed.

**West Rand tailings retreatment potable water pilot plant**

A water treatment pilot plant is to be established at Kloof 4 to reduce high salt load in service water, thereby extending the life of the existing infrastructure and facilitating maintenance savings of about R3 million.

**Wastewater treatment works optimisation**

All our wastewater treatment works at the SA operations were reviewed to identify opportunities to improve water discharge compliance and to reduce operating costs. The review highlighted optimisation opportunities across the SA operations, including the conversation of the Kroondal wastewater treatment works to a transfer station, leveraging the under-utilised Waterval wastewater treatment works, which is running below capacity.

**US PGM operations**

Efficient and proper management of US PGM operations’ water resources continues to be a critical and focused operational effort. Due to the nature of our rock associated with the J-M Reef, neither acid-rock drainage nor metal mobility is a concern. Our primary constituent of concern is nitrogen that is introduced by blasting agents and dissolved in the water flowing through the mines. Given the pristine environment where our mines are located, we focus on proper management of the water following treatment.

First, we employ all reasonable efforts to limit the volume of water encountered underground. Mine water grouting programmes are instrumental in limiting water inflows in our footwall laterals. While driving a footwall lateral, the area in front of the drive is constantly probed with drills to evaluate rock conditions and major water sources. Should a major water source be identified, the drill hole is then used to grout and seal off the water source and allow mining through that zone with limited inflow.

Water encountered in the stoping (mining) blocks must be managed through water treatment and management systems. Limited grouting occurs in these areas, because they are actively mined in multiple cuts. This water generally contains elevated nitrogen from the blasting process. From the stopes, this water is brought to surface to manage. Initially this water is recycled and reused as make-up water in the mill and tailings storage facilities, underground for drill water, in equipment washbays; and for dust control, among other uses. As a result of these water recycling efforts, very little fresh water is necessary for operations. Generally fresh water use is associated with potable water needs, including drinking and showering.

The balance of the mine water not recycled is treated through our mixed-bed bioreactors where the nitrogen contained in the water is converted to nitrogen gas in a biological process and released to the atmosphere. These treatment plants remove upwards of 90% of the nitrogen contained in the water stream. As a result, the discharge of remaining nitrogen in the water is consistently 15% to 30% of regulatory limits or lower. Following treatment, the mine water is either returned to groundwater through a combination of percolation ponds or a groundwater injection well or land-applied using agricultural pivots for beneficial use.

**US OPERATIONS: WATER MANAGEMENT PROJECTS**

During the year, the following specific water management projects were advanced at the US PGM operations:

**Hertzler percolation ponds**

As a result of the need for increased water disposal capacity at the Stillwater mine, the Hertzler percolation ponds were permitted and constructed. These new percolation ponds increase water disposal capacity by a minimum of 1,000 gallons per minute (gpm). This treated water exceeds drinking water standards and is percolated into the groundwater system near the Hertzler tailings storage facility to improve the hydrologic balance.

**Water treatment plant expansion**

With ongoing expansion activities associated with the Blitz Project, the water treatment capacity at the Stillwater mine was increased from approximately 1,250gpm to 3,000gpm. This treatment plant expansion continues to focus on biological denitrification.

**Benbow injection well optimisation**

The injection capacity of the existing Benbow injection well was increased from 500gpm to 900gpm with the addition of new pipelines and a booster pump. Prior to the upgrades, an extensive hydrologic and engineering evaluation was completed to ensure increasing injection pressures would not compromise the integrity of the well construction or the injection formation. A study was also completed to evaluate the possibility of converting the Benbow potable well to an injection well, if needed.

**Clarifier thickener upgrades**

At the East Boulder mine, we began installing a new thickener tank in advance of the water clarifier. With increasing mine water flows and solids loading, the new thickener, in combination with the clarifier, will allow the mine to continue to meet targeted water quality and discharge solids loading in the mine water percolation.
MINIMISING THE ENVIRONMENTAL IMPACT continued

GENERAL RISKS
Through a robust risk management process at our SA operations, we have identified the following general environmental risks for which action plans and mitigation strategies have been developed and are being implemented:
- Changes in legislation due to FP Regulations
- Preserving water in North West for sustained and continued operations
- Slow responses from regulators in respect of approving licences and amendments
- Regional water closure strategy and alignment of industry, community, local and national government among others
- Closure of Ezulwini and the ongoing legal battle to obtain regulatory approvals for this process
- Residual and latent liabilities
- Climate change and global warming

COMPLIANCE

SA gold and SA PGM operations
At our SA PGM operations, new water use licences were issued for our Rustenburg and Kroondal operations. The Rustenburg water use licence has been reviewed. We are engaging with the regulator to align conditions where clarity is required.

Although no new water use licences were issued for the SA gold operations, we have had successful interactions with the Department of Water and Sanitation about the water use licence amendment applications submitted. While we continue to engage with the regulator, we expect the amended water use licences to be issued during the first half of 2019.

General authorisation for the reclamation and rehabilitation of historically impacted wetlands at all Cooke operations has been approved.

The third phase of the integrated water use licence application for Burnstone is underway, including public participation and submission of final specialist assessment reports. The Department of Water and Sanitation visited the site and did not find any serious concerns.

Average underground and effluent discharge compliance improved by 3% across all operations with plans to address compliance challenges.

South African legislation, primarily through the National Water Act and supported by the National Environmental Management Act, requires the management and protection of the water resource, for all users. Legislation takes into account all watercourses – rivers, drainage lines or wetlands. Requirements for the licensing of activities occurring within the legislated buffer areas of these watercourses requires not only the registration of the water use but also specialist assessments, monitoring, management and mitigation measures to be implemented.

Within the SA operations, we influence the three major catchment areas in which we operate – Crocodile West/Limpopo (gold and PGM operations), Olifants (PGM operations) and Vaal (gold operations) – in terms of direct and indirect water quality and quantity contributions and abstractions, changes in habitat and flow patterns as well as associated changes in biological components.

<table>
<thead>
<tr>
<th>Operation</th>
<th>Compliance (%)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrix Treated effluent</td>
<td>97</td>
<td>Largely consistent results with a slight improvement due to management interventions</td>
</tr>
<tr>
<td>Burnstone Underground water</td>
<td>97</td>
<td>Decrease in in-stream compliance due to non-mining contributions in the catchment following temporary stoppages in the discharge</td>
</tr>
<tr>
<td>Driefontein Underground water</td>
<td>97</td>
<td>Stricter operational control focusing on contractor management and reporting has resulted in improved reaction to areas of concern</td>
</tr>
<tr>
<td>Driefontein Treated effluent</td>
<td>91</td>
<td>Stricter control in operational aspects</td>
</tr>
<tr>
<td>Ezulwini Underground water</td>
<td>62</td>
<td>Outcome of partial closure application as well as the proposed amendments to unrealistic water use licence discharge limits are awaited</td>
</tr>
<tr>
<td>Kloof Combined underground and treated effluent</td>
<td>86</td>
<td>Overall compliance has remained consistent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amendments of unrealistic licence conditions are being processed by the Department of Water and Sanitation</td>
</tr>
<tr>
<td>Cooke Underground water</td>
<td>56</td>
<td>Medium-term strategies for the removal of mud from surface and underground dams has resulted in improved compliance which will be evident in 2019</td>
</tr>
</tbody>
</table>

These influences are monitored using the following techniques:
- Routine sampling and analyses of water quality, including tracking of issues and management measures to ensure compliance with licences and the protection of other water users
- Monitoring biological indicators to determine spatial and temporal trends in terms of the influences exerted by mining-related activities
- Water quantity monitoring and analyses using water and salt balances to determine improvements in terms of efficiencies and cost-saving initiatives to achieve water conservation and water demand management targets

Over and above the river systems for which the monitoring and management initiatives described above are performed, numerous smaller systems, such as drainage lines and wetlands are also managed by:
- Specialist wetland assessments to determine wetland boundaries, health and management measures, and monitor management measures
MINIMISING THE ENVIRONMENTAL IMPACT continued

- Floodline delineations to determine watercourse floodline boundaries, including drainage lines

SA OPERATIONS: WETLANDS IN REHABILITATION

In natural water systems, wetlands act as purifiers in freshwater systems. The wetland's natural ability to attenuate flows and reduce the concentration of potentially harmful constituents can be enhanced in constructed wetland systems to assist in water treatment.

Careful design is critical and, while wetlands are less intensive in terms of resource and maintenance, as opposed to conventional chemical and mechanical treatment technologies, they require maintenance.

The ability to replicate the benefits of wetlands through the artificially constructed wetlands has resulted in the implementation of several wetland initiatives. The aims of which are to re-establish the once functional wetland systems that have been historically impacted.

Increasingly applications of these passive treatment solutions are becoming more popular in respect of water quality management due to the comparatively low maintenance and operational costs associated with these systems. They also continue to perform beyond the life of an operation.

SA operations: Biodiversity assessments

Biodiversity assessments have been conducted at Driefontein, Kloof and Burnstone. Similar assessments are being conducted at Beatrix, Rand Uranium and Ezulwini, as well as an update at Burnstone. The following species of interest, as per the International Union for Conservation of Nature (IUCN) and South African National Biodiversity Institute (SANBI) Red List data, have been found, although this is not a comprehensive list of all species in the respective areas.

<table>
<thead>
<tr>
<th>IUCN/SANBI Red List status</th>
<th>No. of species observed</th>
<th>Species observed</th>
</tr>
</thead>
</table>
| Near threatened             | 12                     | • Eupodotis caerulescens (Blue Korhaan)<sup>1,3</sup>  
• Mirafra cheniana (Melodius Lark)<sup>2</sup>  
• Adromischus umbraticola subsp umbraticola (Cliff Andromischus)<sup>2</sup>  
• Panthera pardus (Leopard)<sup>2</sup>  
• Miniopterus schreibersii (Natal Clinging Bat)<sup>2</sup>  
• Rhinolophus olivous (Geoffroy’s Horseshoe Bat)<sup>2</sup>  
• Rhinolophus darlinsi (Darling’s Horseshoe Bat)<sup>2</sup>  
• Myotis tricolor (Temminck’s Hairy Bat)<sup>2</sup>  
• Vulpes chama (Cape Fox)<sup>3</sup>  
• Leptailurus serval (Serval)<sup>2</sup>  
• Atelerix frontalis (Southern African Hedgehog)<sup>3</sup>  
• Adromischus umbraticula<sup>2</sup>  |
| Declining                  | 2                      | • Boophane disticha (Gifbol)<sup>2,3</sup>  
• Hypoxis hemerocallidea (African Potato)<sup>2,3</sup>  |
| Vulnerable                 | 2                      | • Rhinolophus blasii (Blasius’s Horseshoe Bat)<sup>2</sup>  
• Tyto capensis (African Grass Owl)<sup>3</sup>  |
| Protected                  | 1                      | • Opistophthalmus pugnax (Burrowing Scorpion)<sup>2</sup>  |
| Endangered                 | 1                      | • Circus ranivorus (African Marsh Harrier)<sup>3</sup>  |

<sup>1</sup> Burnstone  
<sup>2</sup> Driefontein  
<sup>3</sup> Kloof
SA OPERATIONS: IDENTIFYING A NEW SPECIES

A potentially new distinct fish species was found for the first time within the Leeuspruit (Upper Vaal Catchment), downstream of Kloof, during the biomonitoring low-flow assessment in 2018.

The fish has been classified as *Enteromius pallidus* (Goldie Barb) although recent literature indicates that, due to the location of this species, it is likely to represent a completely unique species.

Further monitoring and specific sampling will be performed to establish another data set with a view to confirming that this is a new species and to assist in the formulation of a management programme to protect the fish.

US PGM operations

A number of significant environmental management, compliance, sustainability, and stakeholder engagement achievements and milestones were achieved during 2018. These efforts cross multiple management media types from air, waste, and water and focus on stakeholder engagement, minimising our environmental footprint, and strategic planning. As an industry leader in environmental stewardship we believe in continuous improvement through collaboration, innovation and balancing our activities with the natural environment.

Examples in the past year include:

- **Compliance** – During the year, the US PGM operations operated significantly below permitted discharge limits for SO2 air emissions, and nitrogen discharge. SO2 emissions were under 5% of permitted limits and nitrogen discharge was continually less than 30% of permitted limits.

- **Water treatment expansion** – At the Stillwater mine, water treatment facilities were expanded from a treatment capacity of 1,250gpm to 3,000gpm. This will ensure adequate water treatment capacity with ongoing expansion of the Blitz project.

- **Adaptive management planning** – Through the Good Neighbor Agreement, Sibanye-Stillwater has been working with the Stillwater Protective Association and Cottonwood Resource Council to develop a stakeholder-driven, independent water monitoring and assurance plan aligning with the goals and objectives of the Good Neighbor Agreement. This adaptive management plan has been developed to adjust as conditions change, knowledge improves, regulatory criteria is modified or as targets change.

- **Defining tailings management best available technology** – In collaboration with our stakeholders, including the Montana Department of Environmental Quality, the US Forest Service, and the Good Neighbors, and with support of an internationally recognised independent review panel, we have been defining site-specific best available technology for future storage of our tailings materials. This includes a comparison of filtered tailings, thickened tailings, paste tailings, co-mingled tailings, and conventional tailings slurry.

- **Closure of the Stillwater mine tailings storage facility** – During 2018, we initiated closure of the original tailing storage facility at Stillwater. These activities included design level cone-penetration testing and initial placement of geosynthetics and a waste rock cap placement in the southwest corner of the facility. Closing and dewatering the facility is estimated to take about four years.

- **Recycling** – Sibanye-Stillwater continues to operate the world’s largest autocatalysts recycling programme. In 2018, over 686,592 3E PGM ounces were fed at the recycling operations in the US. For comparison, 592,608 2E ounces were mined in the US in 2018.

- **Strategic planning** – During the year, the US PGM operations developed long-term strategic plans related to future tailings and waste rock management, characterisation and permitting; long-term water management; and air permitting. These plans are iterative and designed to complement the existing mines and business plans.

- **Stillwater Protective Association community barbecue** – In association with the Stillwater Protective Association, Sibanye-Stillwater hosted a community Good Neighbor barbecue at its Beartooth Ranch. This barbecue included an evening of presentations, and a question-and-answer session for community members and interested visitors on the operation of and activities at Stillwater, including interaction with Sibanye-Stillwater’s CEO, Neal Froneman, and other executive team members.

US OPERATIONS: STOP I-186 CAMPAIGN

Our leadership in the industry coalition Stop I-186 campaign, which would have stifled mining development in the state of Montana, contributed to a resounding “No” vote.

Initiative 186 (I-186) would have required the Department of Environmental Quality to deny a permit for any new hardrock mine in Montana unless the mine’s reclamation plan provided clear and convincing evidence that the mine would not require perpetual treatment of water polluted by acid mine drainage or other contaminants. The supporters of I-186 stated that the terms “perpetual treatment,” “perpetual leaching” and “contaminants” had not been fully defined and would require further definition by the Montana Legislature or through Department of Environmental Quality rulemaking.

Opposition to I-186 represented a diverse cross-section of organisations and groups in Montana, including Sibanye-Stillwater. All agreed that it would have a negative impact on mining and the state of Montana – upsetting the balance that provides for thousands of families while protecting the environment.

Sibanye-Stillwater maintains that “our mining improves lives.” We are the largest industrial employer in Montana with more than 1,600 employees. Conducting our business among the world’s most pristine landscapes is a unique privilege, and we are stewards of the environment not only because of our regulatory and social obligations but also because we live and recreate there. We believe in our unique balance between environmental stewardship and responsible rural economic development, which I-186 jeopardised.
MINIMISING THE ENVIRONMENTAL IMPACT

INCIDENT MANAGEMENT
As per Sibanye-Stillwater’s procedures require that, all incidents are reported, investigated, classified and managed according to their potential risk and impact on the environment. Root-cause analyses are conducted to inform appropriate action plans that will mitigate potential impacts and also prevent a recurrence of the incident. All incidents are classified, evaluated and reported internally on a monthly basis and externally to the regulators when required.

While we consider all environmental incidents serious, we disclose all level 3 (short-term impact), level 4 (medium-term impact) and level 5 (long-term impact) environmental incidents to the relevant competent environmental authority/regulator.

SA gold and SA PGM operations
In 2018, no level 4 or 5 incidents were reported with a 58% decrease in the number of level 3 incidents. The total number of level 3 incidents decreased to five (2017:12) with all of the incidents closed out. Two level 3 incidents were reported at our gold operations and three at the SA PGM operations. Four of the incidents related to mine dam overflows and one to the discharge of mine water following theft of a pipeline. The impact of these incidents can be classified as negligible or low with a short duration.

The decline in incidents reported followed as a result of the below average rainfall recorded in 2018 as well as the thorough management root cause analysis and controls in place.

Major non-conformances increased to 94 in 2018 (2017: 22) following a more stringent management review and control process and implementation of a new procedure classifying water discharge quality compliance and dust fall exceedances as non-compliances.

The procedure uses several water quality limits and criteria, frequency of exceedance, as well as toxic and chronic effect limits to determine the severity of the non-conformance.

54% of the non-conformance reported at the gold operations (29 from 54) resulted from exceedances of the licensed discharges limits.

93% of the non-conformance reported at the SA PGM operations (37 from 40) resulted from dust exceedances resulting from the transportation of surface material for reprocessing. An air quality assessment was conducted to determine high-risk areas and effective abatement measures have been implemented.

US PGM operations
The US PGM operations experienced one level 3 incident and 30 internally reportable events during the year. All releases were immediately cleaned up and remediated.

We continue to leverage technology to reduce air emissions to levels well below state and federal limits. Air quality at our US operations are mainly affected by sulphur dioxide (SO2) at our processing facilities. Gases released from smelting operations are routed through a state-of-the-art, dual alkaline, gas/liquid scrubbing system, which removes approximately 99.8% of SO2. During the year, 2.6 tonnes of SO2 was released, amounting to 3.3% of our permitted limit. Monthly discharge rates have been routinely less than 5% of annual permitted levels.

In March 2018, we submitted air quality permit modifications for the Columbus Metallurgical Complex and the East Boulder mine to accommodate increasing processing and production rates. The 13800 Blitz vent raise minor revision was submitted to the Forest Service and State of Montana to permit the necessary ventilation breakout needed to support ventilation demands together with 50E portal in-take at the Stillwater mine. The Montana Department of Environmental Quality has also approved an amendment to the East Boulder mine site’s air quality permit to allow average annual ore production of up to 3,000t per day.

CARBON MANAGEMENT
Sibanye-Stillwater considers climate change to be one of the most pressing global environmental challenges of our time, and we recognise the importance of proactively managing our carbon footprint in the global context. We are also committed to contributing to a global solution by deploying responsible strategies and actions.

We have been voluntarily monitoring and reporting on our carbon emissions in our annual and investor reports, including those compiled for the CDP, using the World Resources Institute’s Greenhouse Gas Protocol to determine our carbon inventory.

In 2017, the South African Department of Environmental Affairs promulgated regulations for mandatory annual reporting of carbon emissions, primarily to inform the national inventory. Sibanye-Stillwater’s first annual report in this regard was submitted to the Department of Environmental Affairs in March 2018.

The South African government has set the trajectory for the country’s nationally determined carbon emissions as follows: greenhouse gas emissions are planned to peak between 2020 and 2025, to plateau for 10 years from 2025 to 2035, and to decline from 2036 onwards.

Notwithstanding government’s intention, we strive to reduce our carbon emissions year-on-year. During 2018, our 2010 base-year emissions were reviewed and recalculated in accordance with the Greenhouse Gas Protocol to incorporate the US-domiciled Stillwater operations acquired in 2017 as well as the DRDGold transaction concluded in July 2018.

The Intergovernmental Panel on Climate Change requires, by 2050, carbon emissions to decrease by 49% to 72%, relative to 2010 levels, and thereby to limit the increase in global average temperatures to below 2°C. We have aligned our carbon-emission reduction objectives accordingly and aim to reduce emissions annually by an average of 2.1%.

Our base-year (2010) Scope 1 and 2 emissions, incorporating Stillwater and the DRDGold transaction, amounted to 7,808,692 tonnes carbon dioxide equivalent (CO2e).
MINIMISING THE ENVIRONMENTAL IMPACT

Group Scope 1 and 2 carbon emissions declined by 14% from 2017 to 2018. Our carbon management activities (secondary sealing) at Beatrix reduced carbon emission levels by 198,522 tonnes (described below).

GROUP: CARBON EMISSIONS TARGET

The proposed carbon emissions target for the Group was sent to the Science Based Targets Initiative (SBTi) for review against their assessment criteria.

SBTi, a collaboration between CDP, the United Nations Global Compact, World Resource institute and the World Wide Fund for Nature, is aiming for science based target setting to become standard business practice by 2020 so that corporations will play a major role in driving down global greenhouse gas emissions.

The Group target, to reduce absolute scope 1 and 2 GHG emissions by 27% by 2025 from a 2010 base year. On 26 March 2019, the SBTi approved the Group target demonstrating that our emissions reduction targets conform to the required science-based calculation methodology and are aligned to contribute to the global climate change challenge.

SA operations

Annual total CO2e emissions, Scope 1 and Scope 2, declined by 3.9% (2017: 2.0%) in 2018 to 5,525,134t CO2e, exceeding our year-end target of 2.1%. On 5 February 2019, the Standing Committee on Finance adopted the Carbon Tax Bill. A carbon levy on petrol and diesel comes into effect from 5 June 2019. The financial impact of the carbon levy on petrol and diesel is estimated to be R2 million per annum (on the basis of the 2018 fuel consumption levels). Should the carbon tax levy be fully enforced, we would be liable for approximately R4 million per annum, based on current emission levels and where a carbon tax is levied on Scope 1 emissions (Phase 1 of carbon tax implementation). Phase 2 of carbon tax implementation is expected to begin in 2023 and it could be extended to include a tax on electricity. During Phase 2, the carbon tax on electricity purchased from Eskom could be passed on to consumers. We submitted our comments on the proposed Carbon Tax Bill to National Treasury on 9 March 2018, rejecting it on the basis of the financial impact on marginal operations.

Scope 1 emissions (direct fuels) decreased by 28% year on year due primarily to reduction of fugitive mine methane as a result of the secondary sealing at Beatrix. Scope 2 emissions (purchased electricity) decreased by 12% primarily due to the implementation of energy efficiency projects.

The implementation of energy efficiency projects has been instrumental in the continuous reduction of our carbon footprint and therefore the potential carbon tax payable.

Operational changes, such as the cessation of underground mining at Cooke 1, 2 and 3 (reduction of 94,804MWh and 91,960t CO2e in carbon emissions) as well as disruptions following safety related incidents at Kloof and Driefontein, power disruption earlier in the year at Beatrix, and damage to footwall infrastructure providing access to the western side of the Masakhane shaft contributed to the decreased consumption and emissions.

To maintain alignment with the long-term national emissions reduction trajectory, switching to low-carbon fuel sources where feasible is desirable. The first 50MW unit of the planned solar photovoltaic plant, to be constructed in the West Rand near the gold operations, is expected to be completed by late 2020, subject to final government approvals, and will reduce carbon emissions by 129,858t CO2e per annum.

SA OPERATIONS: AIR QUALITY MANAGEMENT

A standardised procedure for air quality management monitoring and reporting was finalised in April 2018. This procedure standardises the dust management approach across SA operations.

Key developments during 2018 included active participation in the Highveld Priority Area Implementation Task Team to minimise emissions as well as the completion of an air impact assessment at the Burnstone operation. Burnstone is located in a declared air priority area.

While emissions from Burnstone are largely within legislated limits, air quality in the area is poor due to the cumulative effects of emissions from numerous non-mining related facilities. Burnstone has an approved dust management plan to minimise emissions.

A similar dust risk study was conducted at our SA PGM operations in 2018. The study provided a dust risk profile and quantified particulate matter emissions from major sources so that dust sources could be prioritised.

Quantification of emissions will also be used for annual emissions reporting to the Department of Environmental Affairs South African Atmospheric Emission Licensing and Inventory Portal in March 2019.

Communities are considered as sensitive receptors during air impact assessments. Dustfall regulations require areas to be classified as residential or non-residential in accordance with the local town-planning scheme. Dustfall monitoring networks comprise representative sampling at monitoring points on residential and non-residential sites, and may also include off-site communities. Monitoring results are compared with the limits stipulated in the dustfall regulations, and together with exceedances, reported to the authorities (district municipalities as legislated competent authorities on local air-quality matters).

Atmospheric emissions licences or provisional atmospheric emissions licences are in place at all operations where they are required: Beatrix, Burnstone, Cooke, Driefontein and Kloof.

All operations submitted annual reports for licensed activities on the Department of Environmental Affairs National Atmospheric Emissions Inventory System online portal in March 2018. The next submission is scheduled for March 2019.
US PGM operations

Annual average Scope 1 and Scope 2 carbon emission levels declined by 5.0% (2017: -0.2%) in 2018 to 141,237 tCO2e.

Scope 1 emissions (direct fuel use) increased by 44% due to higher consumption of diesel for transportation and explosives usage related to the Blitz expansion project. Scope 2 emissions (purchased electricity) decreased by 48% primarily due to a change from a thermal to hydro source of electricity at the Stillwater mine and Columbus Metallurgical Complex.

The Stillwater mine is currently testing a battery powered load haul dumps off-shaft. Depending on testing, this may reduce Scope 1 emissions while correspondingly increasing Scope 2 emissions with battery charging. The US operations also continue to replace existing lighting fixtures with LED bulbs.

ENERGY EFFICIENCY

SA operations

To counter the prospects of rising electricity costs in South Africa, management continues to pursue energy efficiency opportunities at our SA gold and PGM operations in order to limit or reduce the impact on our cost base.

In 2018, the SA gold operations consumed a total of 3.79TWh of electricity – an 8.9% reduction from 2017 consumption of 4.16TWh, largely as a result of energy efficiency improvements, mine incidents, the strike and Eskom interruptions. Successfully implemented energy-efficiency projects enabled 4.5% of the 8.9% reduction in consumption and saved R179 million in electricity expenditure. The SA PGM operations achieved a reduction in electricity consumption largely through footprint optimisation and mill reconfigurations.

In parallel, management continues to actively participate in several forums aimed at resolving the operational and financial woes faced by Eskom, and the mapping of its medium- to long term path through the energy transition. These forums have included engagement with stakeholders such as Eskom, directly, government, the National Energy Regulator of South Africa, the Energy Intensive User Group and the Minerals Council South Africa. Sibanye-Stillwater also presented at the public hearings for Eskom’s Regulatory Clearing Account applications for Multi-Year Price Determination (MYPD) 3 (years two to four and, separately, year five) and MYPD4, advocating affordable electricity to ensure the sustainability of our operations and global competitiveness.

In terms of NRS048-9, in the event that Eskom cannot supply national electricity demand and institutes load shedding, the operations are issued a “load curtailment” instruction several hours in advance, calling for a managed electricity consumption reduction of 10% (Stages 1 to 2), 15% (Stage 3) or 20% (stage 4), depending on the severity of the event. In response to the load curtailment events experienced in Q4 2018 and Q1 2019 thus far, operations management has managed to minimise production losses and have put in place plans to limit any impact and risks associated with potential future load curtailment events.

Looking forward, the 2019 energy management strategy has been improved to focus on holistic energy efficiency using digital applications, such as digital twinning. The strategy will also continue to focus on ongoing improvements in the use of compressed air, pumping, ventilation and refrigeration, as well as the elimination of waste consumption, application of new technologies and footprint optimisation. This will ultimately reduce electricity consumption and expenditure. The new approach is expected to achieve a net electricity consumption reduction of approximately 2% in 2019.

As part of the medium- to long term energy management strategy, Sibanye-Stillwater is still pursuing the first 50MW phase of its solar photovoltaic project to be built on a site strategically placed between the Driefontein and Kloof mining complexes on the West Rand. The project, originally envisioned in 2014, represents a partial solution to securing alternative electricity supply and enables the power generated to be injected directly into the mine’s electrical reticulation while reducing our overall electricity expenditure and carbon footprint. Sibanye-Stillwater elected to run a competitive tender process to appoint a developer who will build, own and operate the project, and sell power back to Sibanye-Stillwater through a power purchase agreement (PPA). This approach has a minimal upfront capital requirement for Sibanye-Stillwater and allows capital to be prioritised for core mining projects. The tender was successfully concluded in 2017, enabling a significant forecasted return to Sibanye-Stillwater over the course of the agreement. Although several regulatory delays were experienced in 2018, resolutions are expected to be reached in 2019. The PPA will then be executed and construction will begin.

US PGM operations

Electricity procurement at the US PGM operations follows two distinct schemes due to nuances in Montana’s electricity regulation laws. The Stillwater mine and Columbus Metallurgical Complex can purchase power on the wholesale market as a “choice” customer. The East Boulder mine is required to procure power from a local rural electricity co-operative. In July 2018, the Stillwater mine and Columbus Metallurgical Complex signed a new contract to purchase power from a hydro-electric dam in north central Montana owned and operated by a local Native American tribe. This contract replaced another that sourced power from thermal resources.

In addition to electricity sourcing, the US operations have been actively engaged in LED lighting changes, implementing as needed, secondary ventilation, testing battery-powered equipment, identifying and repairing air and water leaks, employing variable-frequency drives to control pump motors, reducing peak-energy demand, and using soft-starts on all large stationary equipment.
Electricity consumption (TWh)

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<td>5.82</td>
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</table>

1 Includes Burnstone’s consumption of 0.02TWh
2 May to December 2017
3 Includes the Columbus Metallurgical Complex
4 Includes Marikana
5 Restated due to totalling errors

Energy intensity (GJ/tonne milled)

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<td>0.68</td>
<td>1.02</td>
<td>0.98</td>
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1 May to December 2017
2 Includes the Columbus Metallurgical Complex

SA operations: energy efficiency project savings

<table>
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<tr>
<th>Project Description</th>
<th>MWh</th>
<th>t CO2e</th>
<th>Potential carbon tax savings (R)</th>
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<td>Air and water circuits optimisation</td>
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<td>Variable speed drive controls on drive motors</td>
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<td>Three-chamber pump system deployment</td>
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<td>Total</td>
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1 Potential carbon tax savings premised on the tax on electricity coming into effect
MINIMISING THE ENVIRONMENTAL IMPACT

Total CO₂e emissions: Scope 1, 2 and 3 (000t CO₂e)

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<tr>
<th>Year</th>
<th>Group</th>
<th>US</th>
<th>SA</th>
<th>Total</th>
<th>PGM</th>
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<td>544</td>
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<tr>
<td>2013</td>
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</table>

1 January to December 2017 in accordance with World Resources Institute Greenhouse Gas Protocol

For scope 3 emissions from the US operations during 2017 and 2018, in the absence of a site-specific or US country-specific emission factor, the South African-specific emission factor is used for the Stillwater operations as the bulk of Sibanye-Stillwater’s emissions emanate from the SA operations. The US operations continue to refine the processes for the reporting of information for the Scope 3 categories.

Scope 3 categories (as per the World Resources Institute supplementary document “Corporate value chain (Scope 3) accounting and reporting standard”) not included:
- Business travel at the US operations is not tracked and not yet reported
- Upstream leased assets: no significant upstream leased assets have been identified
- Use of sold products: emissions associated with use of products sold are deemed insignificant as only processing and end-of-life treatment of products sold are expected to have significant associated emissions
- Franchises: Sibanye-Stillwater does not have franchises

Scope 3 categories included:
- Purchased goods and services: CO₂e emissions associated with extraction and production
- Capital goods: CO₂e emissions associated with production of purchased company-owned vehicles
- Fuel- and energy-related emissions not included in Scope 1 or Scope 2: emissions associated with extraction, production and transportation of diesel, petrol, liquid petroleum gas, coal, blasting agents, oxyacetylene and grid electricity
- Upstream transportation and distribution: CO₂e emissions associated with transportation and distribution of purchased commodities
- Waste generated in operations: CO₂e emissions associated with disposal and treatment of Sibanye-Stillwater’s solid waste and wastewater in facilities owned or operated by third parties (such as municipal landfills and wastewater treatment facilities)
- Business travel: CO₂e emissions associated with employees work-related travel for the SA operations
- Employee commuting: CO₂e emissions associated with transportation of Sibanye-Stillwater’s employees between homes and work sites
- Downstream transportation and distribution: CO₂e emissions associated transportation of products from Sibanye-Stillwater sites
- Processing of sold products: CO₂e emissions associated with smelting to repurpose products
- End-of-life treatment of sold products: CO₂e emissions associated with smelting to repurpose products
- Downstream leased assets: CO₂e emissions associated with the leasing of houses where emissions are generated from electricity use at the SA operations
- Investments: CO₂e emissions from investments

Nitrogen oxide and sulphur dioxide emissions² (tonnes)

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<thead>
<tr>
<th></th>
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<td></td>
<td>1,119</td>
<td>1,126</td>
<td>887</td>
<td>618</td>
<td>19,901</td>
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<td>US operations</td>
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<td>Group</td>
<td></td>
<td>1,231</td>
<td>1,231</td>
<td>887</td>
<td>618</td>
<td>19,901</td>
<td>14,618</td>
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</thead>
<tbody>
<tr>
<td>SA operations</td>
<td></td>
<td>656</td>
<td>605</td>
<td>667</td>
<td>499</td>
<td>632</td>
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<td>6</td>
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<td>–</td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td>660</td>
<td>611</td>
<td>667</td>
<td>499</td>
<td>632</td>
<td>464</td>
</tr>
</tbody>
</table>

1 January to December 2017
² Nitrogen oxide and sulphur dioxide emissions for the SA and US operations are derived by the multiplication of fuels (diesel, petrol, liquid petroleum gas, coal, helicopter fuel and paraffin) by the corresponding emission factors. The US operations also include SO₂ emissions from the Columbus Metallurgical Complex

WASTE MANAGEMENT

Sibanye-Stillwater aims to act responsibly in terms of waste management through the implementation of existing waste management procedures based on the current environmental policy statement: “efficient use of resources and responsible management of all waste streams”. 
MINIMISING THE ENVIRONMENTAL IMPACT

Waste management (Mt)

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<tr>
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<tbody>
<tr>
<td></td>
<td>Group US</td>
<td>SA</td>
<td>Group US</td>
<td>SA</td>
<td>SA</td>
<td>SA</td>
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<tr>
<td></td>
<td>PGM PGM Gold</td>
<td>PGM PGM Gold</td>
<td>PGM PGM Gold</td>
<td>PGM PGM Gold</td>
<td>PGM PGM Gold</td>
<td></td>
</tr>
<tr>
<td>Tailings deposited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tailings storage facilities</td>
<td>18.94 0.67 4.86</td>
<td>13.41</td>
<td>32.70 0.39 17.05</td>
<td>15.26</td>
<td>26.16 10.7</td>
<td>15.46</td>
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<tr>
<td>Tailings into pits</td>
<td>3.89 NA 0 3.89</td>
<td></td>
<td>3.27 0 0 3.27</td>
<td>4.02 0 4.02</td>
<td>4.20 3.79</td>
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<tr>
<td>Waste rock</td>
<td>6.44 1.3 5.14</td>
<td></td>
<td>3.39 0.87 12.52</td>
<td>0</td>
<td>2.40 2.22 0.18</td>
<td>7.14 0.60 0.76</td>
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<tr>
<td>Recycled waste</td>
<td>12.18 0.69 0</td>
<td>11.49</td>
<td></td>
<td>11.45 0 0</td>
<td>11.45 12.09 0</td>
<td>11.34 11.96 13.29</td>
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<tr>
<td>Total mining waste</td>
<td>29.27 1.97 10.00 17.30</td>
<td></td>
<td>29.27 1.97 10.00 17.30</td>
<td>3.98 1.26 9.57</td>
<td>18.53</td>
<td>32.81 12.92 19.69</td>
</tr>
</tbody>
</table>

1 May to December 2017
2 Nine months for Kroondal and two months for Rustenburg operations
3 Gold-bearing material such as waste rock dumps retreated at plant

Materials consumed

<table>
<thead>
<tr>
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<tbody>
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<td>SA</td>
<td>Group US</td>
<td>SA</td>
<td>SA</td>
<td>SA</td>
</tr>
<tr>
<td></td>
<td>PGM PGM Gold</td>
<td>PGM PGM Gold</td>
<td>PGM PGM Gold</td>
<td>PGM PGM Gold</td>
<td>PGM PGM Gold</td>
<td></td>
</tr>
<tr>
<td>Timber (t)</td>
<td>85,564 146 14,193</td>
<td>71,225</td>
<td>117,706 263</td>
<td>16,041 101,402</td>
<td>110,606 82</td>
<td>110,524 163,722</td>
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<tr>
<td>Cyanide (t)</td>
<td>3,450 NA NA 3,450</td>
<td>7,552</td>
<td>NA NA</td>
<td>7,552</td>
<td>11,967</td>
<td>11,967</td>
</tr>
<tr>
<td>Explosives (t)</td>
<td>30,437 4,331 21,920</td>
<td>4,186</td>
<td>31,942 3,893 22,140</td>
<td>5,902</td>
<td>13,814 7,046 6,788</td>
<td>7,854 4,175 6,768</td>
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<tr>
<td>Hydrochloric acid (t)</td>
<td>5,148 1</td>
<td>5,147</td>
<td>4,469 0.4</td>
<td>4,469</td>
<td>4,144</td>
<td>3,773 3,579 4,414</td>
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<tr>
<td>Caustic soda (t)</td>
<td>2,632 0 0</td>
<td>2,384</td>
<td>3,378 204</td>
<td>NA 3,174</td>
<td>2,674</td>
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<tr>
<td>Lime (t)</td>
<td>50,278 0 0</td>
<td>50,278</td>
<td>72,378</td>
<td>NA NA</td>
<td>72,378</td>
<td>76,556</td>
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<tr>
<td>Cement (t)</td>
<td>19,809 3,454 8,294</td>
<td>8,062</td>
<td>60,706 16,459</td>
<td>3,459</td>
<td>40,788</td>
<td>44,378 1,513 42,865</td>
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<tr>
<td>Diesel (kL)</td>
<td>26,903 8,766 12,635</td>
<td>5,502</td>
<td>26,059 7,344 12,772</td>
<td>5,943</td>
<td>10,422 3,325 7,097</td>
<td>6,410 6,274 7,097</td>
</tr>
<tr>
<td>Lubricating and hydraulic oil (kL)</td>
<td>8,730 447 6,817</td>
<td>1,466</td>
<td>7,170 565 5,194</td>
<td>1,411</td>
<td>7,777 7,777</td>
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<tr>
<td>Grease (kg ’000)</td>
<td>154 15 17 122</td>
<td></td>
<td>224 11 26 187</td>
<td>19 19</td>
<td>– – – –</td>
<td></td>
</tr>
</tbody>
</table>

Represents January to December 2017 figures while Sibanye-Stillwater consumption is only from May to December 2017
Includes operations under management: Kroondal (50%) from April to December 2016 and Rustenburg from November to December 2016

At the gold operations, changes such as the cessation of underground mining at Cooke 1, 2 and 3 as well as disruptions following safety related incidents at Kloof and Driefontein, power disruption earlier in the year at Beatrix and the transfer of transfer of Driefontein 2 and 3 gold plants to DRDGold from August 2018 has contributed to a general decrease in the volume of materials consumed in 2018 as compared to 2017. During 2018, the volume of surface material processed at the gold plant increased to compensate for the lower tonnage from underground. The mineralogy of surface material required a higher strength of hydrochloric acid for effective processing and which resulted in increased quantities of hydrochloric acid in 2018.

In reference to materials consumed by the US PGM operations, a comparison of year-on-year use showed a reduction in timber use, cement and hydraulic oils while increasing use of greases. All other parameters remained essentially unchanged. While explosives and diesel show increased use, the values reflected in the table above compare eight months of use in 2017 versus 12 months in 2018. As a result, for explosives and diesel (year-on-year), these values are essentially the same when reconciled for a full 12-month period.

Timber is used at the mines for ground support and backfill activities. Annual use is dependent on the type of rock encountered underground, mining method, backfill type and the need for additional ground support. Less timber was needed for these activities in 2018 as a result of better ground conditions during the year and the type and location of backfill activities. Similarly, cement use decreased significantly during 2018 as a result of less paste backfill and improved ground conditions resulting in lower shotcrete requirements. Lower hydraulic oil use was observed as a result of improved equipment operation and maintenance activities including more frequent “greasing” of equipment which resulted in higher grease use.

SA gold and PGM operations

Our gold operations focused on improving waste record keeping and licensing management in 2018 to ensure compliance with legislation at national and regional levels, specifically in terms of the National Environmental Management: Waste Management Act, and its associated standards and regulations.

A focused sewage sludge initiative began in 2018 and progress will be reported in 2019. The project aims to investigate the beneficial use of sewage sludge waste that is typically sent to landfill and classified as hazardous. In-vessel composting technology was purchased for two of the gold operations as a pilot with the following benefits:

- Sewage sludge waste treated to acceptable standard for beneficial use as compost or fertiliser for rehabilitation and/or agricultural applications
- Decrease in resource requirements for disposal and management of sewage sludge
- Reduced greenhouse gas emissions
- Opportunities created for community and municipal involvement as well as expansion of the composter at other operations or in applications such as food waste processing
A waste minimisation plan is being developed for the SA PGM operations in line with our aim to have zero waste to landfill by 2030.

The National Environmental Management: Waste Management Act: National Information Regulations requires that certain waste generators are registered with the national and regional waste information systems. The need to report on waste information is defined according to the type and quantity of waste produced by a waste generator. The Driefontein gold operation was the only operation that required registration in 2018 while the SA PGM operations were already registered. The regulations highlight the importance of accurate waste record-keeping.

Progress was made with the planned donation of a portion of mine land (119 hectares) on which the Waterval landfill is located, to the Rustenburg Local Municipality. Through the donation process, Sibanye-Stillwater will relinquish the liability for closure and will only be responsible for the latent or residual liabilities or impacts, pollution and ecological degradation emanating from the previous use of the site for mining-related activities.

US PGM operations

Hazardous and non-hazardous waste generation rates at the US operations remained essentially unchanged during the year. The Stillwater and East Boulder mines are identified as conditionally exempt small-quantity generators by the EPA while the Columbus Metallurgical Complex is a large-quantity generator as a result of lead waste generation from the fire-assay process in the laboratory. Both mines continue to generate small quantities of hazardous waste associated with asbestos disposal and the occasional need to dispose of waste chemicals.

For many years, the US PGM operations have implemented a new product review process: any products proposed for use on site must first undergo an extensive chemical review by the environmental and safety departments. If the proposed product contains any chemicals that present a safety or environmental risk, they are rejected and not allowed on site. This process has enabled our waste generation rate to remain low.

During 2018, the Stage 2, Phase 1 section of the East Side waste dump at the Stillwater mine was lined to collect all meteorological water passing through the dump and leaching residue nitrogen from the waste rock. There are four proposed lining stages for the waste dump with Stage 1 complete and Stage 2, Phase 1 complete. All “new” waste rock generated at the Stillwater mine is placed on a liner. The lining also serves to cap existing, historic waste rock not placed on the liner. The Stage 2, Phase 2 liner is scheduled for installation in the spring of 2019 while Stage 3 and Stage 4 are scheduled for later years depending on waste rock production rates. Similarly, at the East Boulder mine, the waste rock lining system was completed in 2016 and all waste rock is now stored on liners for water collection. At both mines, the water collected from the waste rock lining systems is transferred to the water treatment plants for denitrification and water management.

Both mines continue with extensive future waste rock and tailings design and permitting efforts, including identification of best available technologies, site investigations, alternatives assessments, failure modes effects analysis, and multiple accounts analysis for the various waste rock and tailings storage alternatives. These activities and efforts were all completed in collaboration with stakeholders including the Good Neighbors, regulatory agencies, independent review panel experts, and local communities. During the year, the Stage 6 expansion of the East Boulder tailings storage facility was submitted to the agencies for permitting while efforts continue for preparation of the plan of operations Amendment for the future Lewis Gulch tailings storage facility and the Dry Fork waste rock storage dump at East Boulder. At Stillwater, similar activities are underway for a Plan of operations amendment for the Hertzler Stage 4/5 tailings storage facility expansion and an expansion of the east side waste rock storage dump. In both cases, the plan of operations amendment is targeted for submission in Q4 2019, which will initiate a multi-year environmental review and assessment by the permitting agencies.

At the Columbus Metallurgical Complex, efforts for the year focused on routine maintenance and cleanout of the SO₂ regeneration circuit and ongoing management of the gypsum by-product. During the year, approximately 450t of calcified scale was cleaned from the regeneration circuit and properly managed. This maintenance activity will ensure the ongoing successful operation of the SO₂ removal circuit for future years at the smelter. Additionally, the US operations continue to pursue a long-term gypsum management strategy. During the year, a long-term management contract was established with a local landfill, investigations were conducted for a company-managed long-term gypsum storage repository, relationships were established with area farmers for ongoing gypsum agriculture use, and testing was initiated for possible use of the synthetic gypsum in a cement plant in Montana.

REHABILITATION AND CLOSURE

Our concurrent rehabilitation and closure strategy considers the protection of land and biodiversity to ensure post-mining land uses acceptable to stakeholders. Rehabilitation plans promote indigenous vegetation growth and aim to return land to a pre-mining state, weighed against socio-economic development requirements as well as the views of impacted mining communities insofar as end land use is concerned. See Annual Financial Report—Consolidated financial statements—Notes to the consolidated financial statements—Note 25: Environmental rehabilitation obligation and other provisions.

Our management processes contribute to the conservation of biodiversity and integrated approaches to land use planning, as guided by the ICMM.

SA operations

At our SA operations, new mine developments undergo a detailed environmental impact assessment process in which all protected areas and the potential impacts from development are identified in line with the national environmental legislation. Mitigation actions and plans are included in environmental management programmes for which approval is sought from the regulatory authorities. Where development needs to occur in ridges and wetlands, we apply for licensing, and specific mitigation measures are proposed and signed off by the relevant regulatory authority before implementation. Scientific information on mine closure and rehabilitation as well as biodiversity aspects are continuously generated by professional scientists and other experts, and disseminated to the mining industry through the Minerals Council’s Environmental Policy Committee, the South African Mining Biodiversity Forum, relevant catchment management forums, the Land Rehabilitation Society of Southern Africa as well as conferences and research projects.
Total closure liability for the SA operations as at 31 December 2018 (including our portion of environmental liability in joint ventures and projects) was R7.1 billion. Of this, R2.8 billion was for the PGM operations and R4.3 billion for the gold operations. The inclusion of 15% VAT, as currently proposed in draft legislation, would add approximately R1.1 billion to the cost. We await the anticipated issuance of the draft financial provisioning regulations for public review and comment.

The closure plans have focused specifically on redundant buildings and infrastructure as well as infrastructure on prolonged care and maintenance. At our PGM operations, R1.15 billion (43%) of the total provision of R2.8 billion was identified for potential permanent closure. Care and maintenance opportunities at our gold operations include the Libanon 9 and Beatrix 2 shafts with a closure provision of R26.4 million. Execution of the closure liability reduction projects and initiatives identified is subject to, among others, finalisation of the mine plans for 2019 and beyond.

US PGM operations

In addition to responsible closure and reclamation, the US operations have conservation easements on nearly 40% of its owned land. These legal mechanisms protect scenic vistas, enhance wildlife habitat, and preserve wildlife migration corridors, while maintaining Montana’s rural character and fostering biodiversity and healthy forests.

Reclamation and closure bonds are required at both mines in the US to ensure adequate resources are available to fund reclamation activities at closure. The amounts are adjusted at least every five years or as required by expansion and disturbance requirements following a collaborative review by the US and its regulatory agencies. Based on the five-year review, the East Boulder mine is scheduled for review in 2019 while the Stillwater mine is scheduled for 2020. State and federal regulatory authorities initiate and complete these reviews. The US operations assist in these reviews, provides information and data as requested, and ultimately sign off in agreement with the agency review and calculation.

During the year, US$1 million of additional bond was included for the Stillwater mine to address ongoing expansion activities associated with Blitz. This included the addition of the rail-dump expansion, the 50E north portal addition, the 13.8 surface ventilation breakouts, and water treatment expansions. The reclamation and closure bond is currently US$25.3 million at the Stillwater mine, including the Benbow Portal, and US$18.0 million at the East Boulder mine. An additional US$0.3 million is held for exploration activities not directly tied to either mining operation, for a total of US$42.6 million.

Of the 643 hectares permitted for disturbance, 71% has been disturbed for a total of 457 hectares. Of that total, 236 hectares have been reclaimed for a total of 52% of all disturbance. To date, the US operations have not requested any bond release associated with those 236 hectares.

The US operations have also initiated closure of the original tailings storage facility at the Stillwater mine.

SA OPERATIONS: HERITAGE ASSESSMENTS

All environmental impact assessments include heritage assessments – as indicated below for our gold operations:

- **Beatrix** – No sensitive heritage resources identified
- **Burnstone** – Cemetery dating back to 1933
- **Driefontein** – Sites of archaeological importance found (houses, ruins, workshops, headgear, hostels, graves and graveyards, Iron Age sites, kraals, huts, Anglo-Boer War stone-packed structures, religious sites and dilapidated buildings)
- **Ezulwini** – Sites of cultural significance identified (cemeteries, historic structures, cultural practice areas and Late Iron Age archaeological sites)
- **Kloof** – Sites of archaeological importance identified (Iron Age settlements, kraals, historic buildings, cemeteries, historic shops and farms, and Pullinger shaft)
- **Rand Uranium** – Graves identified

### US PGM operations: Land under management and rehabilitated in 2018 (hectares)

<table>
<thead>
<tr>
<th></th>
<th>Total and/or permitted</th>
<th>Disturbed</th>
<th>Undisturbed</th>
<th>Rehabilitated/rec claimed</th>
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<tbody>
<tr>
<td>East Boulder</td>
<td>132.9</td>
<td>88.3</td>
<td>46.6</td>
<td>20.8</td>
</tr>
<tr>
<td>Stillwater</td>
<td>427.9</td>
<td>357.7</td>
<td>70.2</td>
<td>215.0</td>
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<tr>
<td>Columbus Metallurgical Complex</td>
<td>82.6</td>
<td>13.0</td>
<td>69.6</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>643.4</strong></td>
<td><strong>457.0</strong></td>
<td><strong>186.4</strong></td>
<td><strong>235.8</strong></td>
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</table>

FUTURE FOCUS

**SA operations**

- Broad alignment of the US PGM and SA operations Environmental Vision, values and practices to the key principles and philosophies that underscore the ESG criteria
- ISO 14001 implementation planned by 2022 with a comprehensive gap analysis across all the operations planned for 2019
- Challenging the complex legislative environment such as the financial provision legislation and carbon tax to develop greater clarity and certainty
MINIMISING THE ENVIRONMENTAL IMPACT continued

- Proactive participation to drive a regional water closure strategy with closer alignment and co-operation between industry, community, local and national government
- Comprehensive carbon footprint disclosure and reduce our carbon footprint through implementation of emission reduction measures
- Improving verifiable compliance to conditions in water use licences, environmental management programmes, atmospheric emissions licences and other regulatory, legal and generally accepted standards
- Reduce overall closure liability, through a focused and cost-effective concurrent rehabilitation programme

US PGM operations

- Good Neighbor Agreement and other stakeholder collaboration
- Environmental management system gap analysis and programme definition
- Streamlining toxic inventory reporting
- Implementation and testing of the GNA adaptive management plans
- Technology enhancement
- Integrated waste management permitting
  (long-term) for tailings and waste rock
- Long-term gypsum management strategy
- Strategic land acquisitions
- Completion of an independent bond review
- Automation of tailings operation, maintenance and surveillance programs
- Reduction in petroleum releases and spills
Sibanye-Stillwater is committed to ethical and fair business dealings and promotes a corporate culture which is non-sectarian, non-political, socially and environmentally responsible and thus subscribes to the core values of the organisation and the following principles:

- fairness and integrity in all business dealings, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- respect for the human rights and dignity of others
- acceptance of diverse cultures, religions, race, disability, gender and sexual orientation
- embarking on business activities in a manner that is free of bribery and corruption
- honesty and accountability
- adherence to sound standards of corporate governance, applicable laws and commitment to working with relevant stakeholders to achieve appropriate public policy, laws, regulations and procedures that facilitate a contribution to sustainable development.

In addition, Sibanye-Stillwater is committed to ensuring that all public communications and any documents which the organisation files or submits to any regulatory body or public communication system, has disclosure which is full, fair, accurate, timely and understandable. The principles above are implicit in our CARES values, and are applied in the management of our business, decision-making and in all reporting to and interaction with shareholders and other stakeholders. Our corporate governance framework is underpinned by our policy statements on ethics, corporate governance and human rights.

ETHICAL AND RESPONSIBLE LEADERSHIP

ETHICS IN ACTION

Our Code of Ethics was reviewed and updated in 2018 to take account of the US operations, suppliers and contractors as well as social media. The revised Code of Ethics requires that all Board members, employees, contractors and suppliers conduct themselves ethically, honestly and fairly. The code, together with supporting policies, is based on our core CARES values and is the foundation on which the integrity of our organisational culture is built. Our code and policies are dynamic and evolving as we strive for even higher standards.

The code addresses among others, general conflicts of interests, monitoring of procurement-related conflicts of interest, confidentiality, bribery, political contributions, accountability and insider trading. Regular ethics training is provided for all employees, including those returning from leave, our business partners and Board members.

In building and sustaining an ethical corporate culture, the Board is assisted by the Audit Committee which is accountable for ensuring Group-wide compliance with the Code of Ethics, and by the Social and Ethics Committee which seeks to ensure that Sibanye-Stillwater complies with best practice in the ethical management of its social and environmental responsibilities.

Our Code of Ethics requires the reporting of contraventions and non-compliance with relevant legislation and regulations and includes procedures to address corruption and bribery such as a toll-free line, managed by an independent third party (Deloitte;) that guarantees anonymity. The toll-free numbers are: South Africa 0800 001 987 and United States 1-800-317-0287. This enables employees, suppliers and customers to report any irregularities and misconduct without fear of victimisation. The toll-free number is used to report any concerns, including non-compliance.

CORRUPTION IN 2018

A total of 353 incidents (2017: 638) relating to dishonesty were reported at Sibanye-Stillwater’s gold operations leading to 313 (2017: 537) employees, including contractors, being charged and disciplined in terms of our Code of Ethics in 2018.

Unlike in 2017, reporting in 2018 excluded policy breaches that did not amount to dishonesty or corruption, which accounts for the perceived reduction in incidents year on year. Furthermore, the lower number of incidents and arrests reported for 2018 may be attributable to a sharp decrease in incidents related to illegal mining as a result of the rolling out of various initiatives to combat this phenomenon.

At Sibanye-Stillwater’s PGM operations in South Africa, 130 (2017: 71) of these incidents were reported with 122 (2017: 44) employees implicated being charged and disciplined in terms of our Code of Ethics.

The following anonymous calls were received during 2018 at the SA operations:

<table>
<thead>
<tr>
<th>Area</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud</td>
<td>1</td>
<td>13</td>
<td>1</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>Breach of company policy</td>
<td>5</td>
<td>11</td>
<td>6</td>
<td>10</td>
<td>32</td>
</tr>
<tr>
<td>Procurement fraud</td>
<td>4</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>26</td>
</tr>
<tr>
<td>Corruption</td>
<td>2</td>
<td>6</td>
<td>7</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>Illegal mining</td>
<td>1</td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Theft of mine property</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Time and attendance fraud</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19</td>
<td>51</td>
<td>35</td>
<td>45</td>
<td>150</td>
</tr>
</tbody>
</table>

Many of the calls provided valuable leads which were investigated.

The US operations were incorporated onto the anonymous tip-off service hosted by Deloitte on 1 May 2018. Three calls and one email were received during the year, the three phone calls were test calls to check that the telephone line was operational, and the email was a test report requested to check that the correct reporting lines were followed. No actual complaints or tip-offs, other than the test calls and email detailed above, were received during the year.
CORPORATE GOVERNANCE AND LEADERSHIP continued

Given the numerous transactions undertaken by Sibanye-Stillwater in recent years, every effort was made to ensure that no director, management official or other employee of Sibanye-Stillwater was able to benefit directly or indirectly based on unpublished price-sensitive information. A strict procedure which included provision of trading pre-clearance by the Board Chairman and JSE regulatory announcements of any dealings by executive directors was followed. In addition, in certain instances and when required, self-imposed prohibited trading periods were implemented when management believed price-sensitive information was available. We also adhered to strict communication and compliance with blackout/closed periods.

In terms of the Code of Ethics, Sibanye-Stillwater does not, as a general rule, make political donations, either in cash or in kind. No political donations were made in 2018.

RESPONSIBLE CORPORATE CITIZENSHIP

The Board ensures that the company is and is seen to be a responsible corporate citizen. We ensure this by incorporating the principles of responsible corporate citizenship into our strategy, and by considering the full range of issues that potentially influence the sustainability of the business and our ability to create value over the long term. These principles take into account the social, economic, and natural environments in which Sibanye-Stillwater operates. In particular, the Social and Ethics Committee has oversight of the Group’s activities relating to responsible corporate citizenship while the Board, when making decisions, considers the impact of Sibanye-Stillwater’s operations on society and the environment, as well as its financial impact on the communities and employees.

Given the importance of the mining industry to the South African economy and to the state of Montana in the United States, and to host and labour-sending communities in particular, our corporate citizenship responsibilities are significant. These responsibilities – which include: the workplace, society, the economy and the environment – underpin our corporate strategy as well as our reputation and relationships with our workforce and communities. Our performance in these areas is detailed in the relevant sections of this report as follows:

**Workplace**
- Employee safety, health and well-being is a priority
- Focus on addressing financial indebtedness
- Improving diversity
- Employee development and training

For further detail see —Performance review—Superior value for the workforce, —Performance review—Ensuring safe production, —Performance review—Occupational health and well-being

**Economy**
- Profitable, safe production of precious metals that are sold to generate revenue
- Job creation
- Sharing value created with key stakeholder groups:
  - Salaries and wages paid to employees
  - Taxes and royalties paid to governments
  - Investment in socio-economic initiatives and local procurement
  - Returns to investors through payment of dividends and capital appreciation

For further detail see —Introduction—How we create value, —View from the top—CFO’s report, —Performance review—Superior value for the workforce

**Society**
- Investment in community development and contributing to alternative economic activities
- Implementation of social impact management plans as well as having in place a social closure strategy
- Local procurement

For further detail see —Performance review—Social upliftment and community development

**Environment**
- Managing our environmental impacts and risks and complying with relevant legislation, including:
  - Land management, rehabilitation and closure
  - Water and waste management
  - Air quality – dust and energy and emissions management

For further detail see —Performance review—Minimising our environmental impact

As scrutiny on the integrity of minerals supply chains intensifies globally, the imperative of demonstrating the responsibility of our mining operations is becoming an increasingly critical priority for all our stakeholders. In addition to local stakeholders who have direct interest in our environmental, social and governance (ESG) performance and with whom we sustain our licence to operate, investors, lenders and off takers are progressively insisting on more exacting standards being honoured.

Sibanye-Stillwater’s operations have subscribed to the World Gold Council’s Conflict Free Gold Standard since its introduction in 2012 to ensure that our mining does not cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law. Our Conflict Free Gold Report will be published on our website as soon as formal independent assurance of our conformance has been obtained from KPMG in line with the requirements of the standard during 2018.
During the course of 2018, we worked closely with the World Gold Council in developing the Responsible Gold Mining Principles (RGMPs) that cover the full spectrum of ESG issues. The RGMPs are expected to complement the London Bullion Market Association’s (LBMA’s) Responsible Gold Guidance, which will start to embrace the ESG credentials of primary producers from January 2019 as part of the mandatory requirements to supply into LBMA-accredited refineries. Parallel work is being undertaken on the development of a responsible PGM mining code in collaboration with the PGM fabrication and beneficiation supply chain through the International Platinum Association.

We continue to sustain and intensify our focus on ESG performance, with gap analysis conducted to identify areas where improvement will enable attainment of enhanced assurance. A need has been identified for the adoption of more formalised Group-wide management systems geared to the requirements of a mine operator spanning commodities and jurisdictions. This will be supported by progressively acquiring certification of management systems relevant to the most critical dimensions of our ESG performance.

Allied to our role as a responsible corporate citizen, is our commitment to the 10 principles advocated by the International Council of Metals and Minerals (ICMM) as well as our adherence to the principles of the United Nations Global Compact. We also take cognisance of the United Nations Sustainable Development Goals (SDGs) which are addressed throughout the various sections, see —Performance review.

**STRATEGY AND PERFORMANCE**

King IV recommends that the governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. The Board contributes to and approves the mission, vision and strategy of the company. The Board satisfies itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management and considers sustainability as a business opportunity that guides strategy formulation.

The Group’s strategy is consistent with integrated thinking, which links different capitals and ensures sustainable outcomes. The Board participates in an annual strategy session, in which the Board deliberates on the Group’s strategy, assesses risks and opportunities, considers progress of implementation of the strategy and ensures that it is in line with Group values and ensures long term success and sustainability of the Group.

**RELATIONSHIPS AND STAKEHOLDER ENGAGEMENT**

Effective and ongoing stakeholder engagement is essential in identifying potentially material issues and risks and to manage stakeholder expectations. Constructive, meaningful, transparent relationships with stakeholders are vital to retaining our social and legal license to operate. The Board, assisted by the Audit, Social and Ethics, Safety and Health, and the Risk committees, has oversight of stakeholder engagement and its role in the management and mitigation of material issues and risks. Stakeholder engagement is guided by our Code of Ethics.

A comprehensive communications strategy, together with a stakeholder engagement policy, is in place to oversee stakeholder engagement and manage expectations. As a responsible corporate citizen, Sibanye-Stillwater fosters and maintains constructive engagement with all stakeholders in order to fulfill our vision to improve lives and to deliver on our strategy and to create value by maintaining our social licence to operate, for our long-term success and sustainability.

Effectiveness of stakeholder engagements is monitored by the Social and Ethics Committee.

See —View from the top—Stakeholder engagement, —View from the top—Managing risks and opportunities, —Performance review—Social upliftment and community development, —Performance review—Superior value for our workforce, —Performance review—Ensuring safe production, —Performance review—Occupational health and well-being and —Performance review—Minimising the environmental impact for further detail

**TAX GOVERNANCE**

In line with commitments to responsible corporate citizenship and ethical value creation, Sibanye-Stillwater strives to arrange its tax affairs effectively and efficiently and to act in good faith, by complying with current laws in the jurisdictions in which it operates. We have adopted a conservative approach to tax risk management, understanding our responsibility to pay our tax.

The Group recognises the importance of an effective and efficient tax risk management framework to promote governance, address tax risk and create superior value. Our tax strategy provides a Board-approved tax governance framework through which our tax obligations and associated risk are managed, reported and monitored. The framework is based on good corporate tax citizenship and is aligned with the principles of King IV. The Group uses a decentralised model to ensure compliance with the current laws in the jurisdictions in which we operate. Our tax strategy is supported by a tax policy which is an operational document detailing processes and policies to ensure the effective implementation and compliance.

Ultimately, the Board is accountable for tax governance and must provide oversight of how tax is managed within the organisation by managing key stakeholders’ concerns, overall tax risk and delegating authority for the management of tax. In this, the Board is supported by the Audit Committee, Risk Committee and the Executive Committee.

Sibanye-Stillwater currently has no subsidiaries operating in tax havens. It is also not Sibanye-Stillwater’s intention to start operating in tax havens.

**Overview of the tax landscape**

Sibanye-Stillwater contributes directly to tax authorities and other regulators by way of taxes borne and taxes paid in the jurisdictions in which it operates, enabling governments to provide social infrastructure and services.

To deal effectively with uncertainty in the tax landscape in these jurisdictions and to meet objectives and stakeholder expectations, the Group follows a continuous, proactive and dynamic process to monitor both local and international tax developments and to identify, understand, manage and communicate tax risks that may impact the Group’s objectives as set out in the Enterprise Risk Management Framework (ERMF).
In monitoring all tax positions, the Group further monitors developments in the international tax landscape, and with specific reference to the Base Erosion and Profit Shifting (BEPS) programme. The Group, in response and in adherence to the BEPS programme, and the South African Revenue Service (SARS) Country-by-Country (CbC) Reporting requirement, submitted its CbC report for the 31 December 2017 year of assessment on 28 December 2018.

The Group acknowledges that the continued focus on the extractive industry, influenced by political changes and the complexity of the operating environment, may give rise to a challenging fiscal environment.

VALUE CREATION AND REPORTING

The Board is committed to good governance while directing and guiding the Group to deliver on its strategic objectives and to create value. We actively integrate our stakeholder engagement, material risk and opportunity evaluation, strategy, business model and performance to create value for our shareholders and stakeholders. We commit to transparent reporting that focuses on:

• our strategy and value creation process in compliance with the requirements of the exchanges on which we are listed and best practice;
• providing stakeholders and the financial investment community with clear, concise, accurate and timely information on Sibanye-Stillwater’s operations and results; and
• reporting integrated information to shareholders on Sibanye-Stillwater’s financial and sustainability performance.

OUR BOARD, GOVERNANCE STRUCTURES AND PROCESSES

Leadership by our Board is vital to achieving our strategic objectives.

Our Board has a unitary structure and is led by an independent Chairman with the roles of the CEO and the Chairman being separate. Collectively, the directors have the breadth and depth of skills, knowledge and experience required to effectively discharge their duties and responsibilities. This enables the making of informed, objective decisions, providing effective governance and making a positive contribution to value creation.

CHAIRMAN

SELLO MOLOKO (53)

BSc (Hons) and Postgraduate Certificate in Education, Advanced Management Programme

Appointed non-executive chairman of the Board on 1 January 2013.

Chairman: Nomination and Governance Committee

Member:
• Remuneration Committee
• Safety and Health Committee
• Social and Ethics Committee

EXECUTIVE DIRECTORS

NEAL FRONEMAN (59)
Chief Executive Officer

BSc Mech Eng (Ind Opt), BCompt, Pr Eng

Appointed an executive director and CEO on 1 January 2013.

Chairman: Executive Committee

Member:
• Risk Committee
• Safety and Health Committee

CHARL KEYTER (45)
Chief Financial Officer

BCom, MBA, ACMA and CGMA

Appointed a director on 9 November 2012, and executive director and CFO on 1 January 2013.

Member: Executive Committee
INDEPENDENT NON-EXECUTIVE DIRECTORS

TIMOTHY CUMMING (61)
BSc (Hons) (Engineering), BA (PPE), MA
Appointed as a non-executive director on 21 February 2013.
Chairman: Remuneration Committee
Member:
- Audit Committee
- Risk Committee
- Social and Ethics Committee

SAVANNAH DANSON (50)
BA (Hons) Communication Science and Finance, MBA, Strategic Planning and Finance
Appointed as a non-executive director on 23 May 2017.
Member:
- Audit Committee
- Remuneration Committee
- Safety and Health Committee

BARRY DAVISON (73)
BA (Law and Economics), Graduate Commerce Diploma, CIS Diploma in Advanced Financial Management and Advanced Executive Programme
Appointed as a non-executive director on 21 February 2013.
Chairman: Safety and Health Committee
Member:
- Nominating and Governance Committee
- Remuneration Committee
- Risk Committee
- Social and Ethics Committee

HARRY KENYON-SLANEY (58)
BSc (Hons) (Geology), International Executive Programme

RICHARD MENELL (63)
MA (Natural Sciences, Geology), MSc (Mineral Exploration and Management)
Appointed as a non-executive director on 1 January 2013.
Chairman: Risk Committee
Member:
- Audit Committee
- Nominating and Governance Committee
- Safety and Health Committee
- Social and Ethics Committee

NKOSEMNTU NIKA (60)
BCom, BCompt (Hons), Advanced Management Programme, CA (SA)
Appointed as a non-executive director on 21 February 2013.
Member:
- Audit Committee
- Nominating and Governance Committee
- Remuneration Committee
- Social and Ethics Committee
**KEITH RAYNER (62)**  
BCom, CTA, CA (SA)  
Appointed as a non-executive director on 1 January 2013.  
**Chairman:** Audit Committee  
**Member:**  
- Remuneration Committee  
- Risk Committee  
- Social and Ethics Committee

**SUSAN VAN DER MERWE (64)**  
BA  
Appointed as a non-executive director on 21 February 2013.  
**Member:**  
- Audit Committee  
- Nominating and Governance Committee  
- Risk Committee  
- Safety and Health Committee

**JERRY VILAKAZI (58)**  
BA, MA, MBA  
Appointed as a non-executive director on 1 January 2013.  
**Chairman:** Social and Ethics Committee  
**Member:** Nominating and Governance Committee

For detailed curriculum vitae of Board members, see Further Information—Directors and executive management

**BOARD CHARTER**

Sibanye-Stillwater’s ability to deliver on its purpose, mission and strategic objectives is underpinned by the quality and expertise of its leadership. The Board provides sound, effective, ethical leadership and strategic guidance, ensuring that the principles of good governance are the foundation of all that we do and ensuring appropriate business and financial risk management is in place.

The Board charter sets out the Board’s responsibilities, authority and mandate. The Board charter is reviewed annually and is aligned with the Companies Act 71 of 2008, as amended, King IV, JSE Listings Requirements and the NYSE Listed Company Manual.

**Key areas of Board deliberation in 2018**

- Safety  
- Deleveraging of balance sheet  
- Proposed Lonmin acquisition  
- Strike at SA gold operations

**Planned areas of focus for 2019**

- Completion of proposed Lonmin acquisition and integration  
- Ethics and value-driven performance  
- Continue current safe production strategy
OUR BOARD AND ITS COMMITTEES

Board

Chairman: Sello Moloko
Has ultimate responsibility for providing solid ethical leadership and strategic guidance, ensuring that the principles of good corporate governance underpin all that we do and all decisions made in delivering on our strategic objectives

Members: 10 non-executive directors and two executive directors
No. of meetings annually: four and one strategy session
No. of meetings in 2018: seven and one strategy session
All Board members attended all meetings in 2018

AUDIT COMMITTEE
Chairman: Keith Rayner
Ensures financial sustainability of the Group by monitoring and reviewing financial controls and procedures, as well as the effectiveness and integrity of internal audit and control systems. Appoints independent, external auditor. Oversees regulatory and legislative compliance
Members: Tim Cumming, Savannah Danson, Rick Menell, Nkosemuntu Nika and Susan van der Merwe
No. of meetings annually: six
No. of meetings in 2018: eight

RISK COMMITTEE
Chairman: Rick Menell
Ensures sustainability of the Group by evaluating and overseeing implementation of efficient risk management processes and controls to identify, monitor and mitigate risks and to act on opportunities identified
Members: Barry Davison, Tim Cumming, Neal Froneman, Keith Rayner and Susan van der Merwe
No. of meetings annually: two
No. of meetings in 2018: two

REMUNERATION COMMITTEE
Chairman: Tim Cumming
Ensures payment of fair rewards to attract, retain and motivate executive management with the skills and experience necessary to support and sustain the company and its strategy, and evaluates performance in relation to reward
Members: Savannah Danson, Barry Davison, Sello Moloko, Nkosemuntu Nika and Keith Rayner
No. of meetings annually: four
No. of meetings in 2018: five

NOMINATING AND GOVERNANCE COMMITTEE
Chairman: Sello Moloko
Develops our approach to matters relating to corporate governance and makes recommendations to the Board on all such matters, while keeping abreast of best practice. Monitors and evaluates effectiveness and composition of the Board and its committees while planning for director and senior executive succession planning
Members: Barry Davison, Rick Menell, Nkosemuntu Nika, Jerry Vilakazi and Susan van der Merwe
No. of meetings annually: four
No. of meetings in 2018: four

SAFETY AND HEALTH COMMITTEE
Chairman: Barry Davison
Ensures adherence to occupational health and safety laws, regulations and external standards, reviews relevant policy and monitors performance of related key indicators so as to minimise mining-related accidents and their impacts.
Members: Savannah Danson, Neal Froneman, Rick Menell, Sello Moloko and Susan van der Merwe
No. of meetings annually: four
No. of meetings in 2018: four

SOCIAL AND ETHICS COMMITTEE
Chairman: Jerry Vilakazi
Supports and assists the Board in ensuring compliance with best practice recommendations relating to the ethical conduct of our stakeholder engagement. Oversees and monitors anti-corruption policy and performance, the company’s standing as a responsible corporate citizen particularly in relation to the Code of Ethics. Monitors compliance in terms of UNGC
Members: Tim Cumming, Barry Davison, Rick Menell, Sello Moloko, Nkosemuntu Nika and Keith Rayner
No. of meetings annually: four
No. of meetings in 2018: four
GENDER AND RACE DIVERSITY POLICY

Independence and size

12 DIRECTORS
10 independent, non-executive directors
Unitary Board

Expertise and experience

Target: A Board with an appropriate balance of knowledge, experience and skills in areas pertinent to Sibanye-Stillwater
Achieved: Relevant expertise and experience

Gender diversity*

Target: Adopted the Mining Charter 2018 gender target of 20% female representation at Board level as the organisation’s gender policy

By gender

Racial diversity*

Target: Adopting the Mining Charter 2018 diversity target of 50% at Board level as the organisation’s race policy

Age

Succession and rotation

Target: Currently, the approved retirement age for non-executive directors is 72 years of age. The Board has reserved the right to extend this to 75, provided the member is available and fit to carry out duties

By age

By tenure

Rotation: Barry Davison will retire at the AGM and is not available for re-election, Neale Froneman, Nikosemuntu Nika and Susan van der Merwe retire by rotation and are up for re-election at the May 2019 AGM. New director Harry Kenyon-Slaney will also be elected.
CORPORATE GOVERNANCE AND LEADERSHIP

GENDER AND RACE DIVERSITY POLICY

The Board has adopted the Mining Charter 2018 gender and race targets at Board level as the Company’s gender and race diversity policy. These are only effective from the 1 March 2019. The Social and Ethics Committee together with the Nominating and Governance Committee will be monitoring and reporting on the progress made in this regard.

Within five years, the Board will comprise a minimum of 50% historically disadvantaged persons – 20% will be women.

During 2018, the Nominating and Governance Committee actively sought female directors to join the Board. These efforts were, however, unsuccessful. The Board, together with Social and Ethics Committee and the Nominating and Governance Committee, will continue pursuing gender diversity at all levels of the organisation. One of the focus areas for the Social and Ethics Committee during 2018 was women in mining, women in management and assisted by the Remuneration Committee, gender pay parity.

BOARD EFFECTIVENESS AND PERFORMANCE EVALUATIONS

At the beginning of 2017, an external consultant was appointed to independently review the Board’s effectiveness. The exercise reviewed the composition of the Board, its attributes and succession planning following the expansion and diversification of the company and concluded that there was a need for an additional director with international, US and PGM experience. Accordingly, the Board mandated the CEO to search for a suitable candidate. This resulted in Mr Harry Kenyon-Slaney being appointed an independent non-executive director on 17 January 2019.

As recommended by King IV, the Board and its committees for 2018, undertook an internal self-assessment. An external assessment will be undertaken in 2019. The results of the internal assessment indicated that all Board members have a clear understanding of the organisation’s core business, its strategic direction and the financial and human resources necessary to meet its objectives. The Board devotes quality time to reviewing the implementation of strategy.

Members agreed that the Charter of the Board is clear and covers all appropriate areas and has been complied with, to the fullest extent. The Board was satisfied with the effectiveness and contribution of each of its committees. The Board committees were functioning efficiently and leadership of all the Committees is effective. Continuing education of committee members was an area recommended for improvement.

The size of the Board is considered to be optimal to give every member an opportunity to participate and contribute. The composition of the Board is appropriate in terms of skills, knowledge, experience and qualifications. This is further enhanced by the recent appointment of Mr Harry Kenyon-Slaney, a seasoned mining executive with multinational experience.

In terms of diversity, members noted that there is a need to address the gender aspect. There are currently two female Board members and directors agree more needs to be done in this area.

The Board is satisfied that the evaluation process improves performance and effectiveness.
In addition, the following evaluations were conducted during 2018:

<table>
<thead>
<tr>
<th>Leadership role</th>
<th>Description of responsibilities</th>
<th>Outcome and recommendations</th>
<th>Succession planning</th>
</tr>
</thead>
</table>
| Chairman                 | Leads the Board and ensures integrity and effectiveness of Board and committees, and high standards of governance and ethical behaviour                                | • Members of the Board were satisfied with the performance and leadership of the Chairman.  
• Annual reappointment of the chairman was undertaken, with Mr Moloko being reappointed as Chairman of the Board for the ensuing year.                                                                 | Succession planning of the Chairman was discussed both in the context of internal and external candidates.                                                                                                                   |
| CEO                      | • Provides leadership in the area of policy and strategic direction and provides management with comprehensive information, analysis and timely advice on all aspects of the business;  
• Leads and manages the daily operations                                                                                                                              | • The Board was satisfied with the performance of the CEO against agreed upon performance measures and targets.  
• The Remuneration Committee further performed annual review of the CEO’s dual contract and approved it for the ensuing year.                                                                                                           | Succession planning for the CEO was discussed and potential candidates for development and succession were noted.                                                                                                           |
| CFO and the Finance Function | • Providing leadership, direction and management of the finance and accounting team  
• Providing strategic recommendations to the CEO/president and members of the executive management team  
• Managing the processes for financial forecasting and budgets, and overseeing the preparation of all financial reporting  
• Advising on long-term business and financial planning  
• Reviewing all formal finance, and IT related procedures                                                                                                           | In terms of the JSE Listings Requirements and King IV, the Audit Committee noted that it was satisfied that the financial director has the appropriate expertise and experience to fulfil his role and that the Finance Function was effective. | Succession planning for the CFO was noted and additional work was to be undertaken.                                                                                     |
| Internal Audit and Chief Audit Executive (CAE) | • Sets auditing strategies and goals, overseeing implementation and schedules.  
• Oversee staff, mentoring and developing their skills.  
• Identify and implement control and compliance initiatives across the organization.  
• Conduct audits, communicate with departments, and report on audit results.                                                                                          | In terms of King IV, the Audit Committee noted that it was satisfied that the CAE had the necessary competence, gravitas and objectivity.                                                                                             | Successors have been identified and are being groomed.                                                                                                                     |
| Company Secretary        | • Providing the directors of the company collectively and individually with guidance as to their duties, responsibilities and powers  
• Making the directors aware of any law relevant to or affecting the company  
• Responsible for the efficient administration of the Company, and for ensuring compliance with statutory and regulatory requirements in particular                                                                 | • In compliance with paragraph 3.84(h) of the JSE Listings Requirements. In its assessment, the Board considered the recommended practices of King IV and satisfied itself that the company secretary is competent, qualified and has the necessary expertise and experience to fulfil the role.  
• The company secretary is not a director of the Group and has an arm’s-length relationship with the Board                                                                                                    | The appointment of Lerato Matlosa as Company Secretary on the retirement of Cain Farrel was included in the succession plan approved by the Board in line with Cain Farrel’s KPIs.                                                   |
CORPORATE GOVERNANCE AND LEADERSHIP continued

BOARD COMMITTEES

AUDIT COMMITTEE

Membership of and attendance at Audit Committee meetings (2018)

<table>
<thead>
<tr>
<th>Member</th>
<th>Independent non-executive director</th>
<th>Appointed to the committee</th>
<th>Expertise and experience in:</th>
<th>Meeting attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keith Rayner (Chairman)</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• Corporate finance and accounting</td>
<td>8/8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Executive management and governance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Regulatory compliance</td>
<td></td>
</tr>
<tr>
<td>Tim Cumming</td>
<td>Yes</td>
<td>30 May 2018</td>
<td>• Engineering in the mining industry</td>
<td>3/3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Leadership and strategic development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Financial services</td>
<td></td>
</tr>
<tr>
<td>Savannah Danson</td>
<td>Yes</td>
<td>23 May 2017</td>
<td>• Communication, finance, mining and infrastructure management</td>
<td>8/8</td>
</tr>
<tr>
<td>Rick Menell</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• All aspects of the mining industry, operationally and at executive management and Board level</td>
<td>8/8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Geology</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Financial management</td>
<td></td>
</tr>
<tr>
<td>Nkosemntu Nika</td>
<td>Yes</td>
<td>21 February 2013</td>
<td>• Finance and accounting at both private and public sector organisations</td>
<td>8/8</td>
</tr>
<tr>
<td>Susan van der Merwe</td>
<td>Yes</td>
<td>21 February 2013</td>
<td>• Diplomacy, foreign affairs, liaison at highest levels of government and regulators</td>
<td>8/8</td>
</tr>
</tbody>
</table>

In terms of the Companies Act, the Board will recommend members of the Audit Committee for re-election by shareholders at the AGM.

2018: How committee contributed to value creation

- Reviewed and approved the integrated annual report, annual financial statements, interim financial statements and other financial information for publication
- Monitored integrity of internal controls, internal financial controls and financial risk management systems to safeguard assets
- Monitored and reviewed the independence and effectiveness of internal audit function
- Assessed the suitability of external auditors and recommended appointment of new external auditors for appointment by shareholders
- Monitored the performance of information and communication technology
- Addressed all internal audit and SOX findings
- Deleveraging initiatives
- Assessed the CFO and Head of Audit
- The Audit Committee held additional two meetings during the year to discuss the KPMG issues, which later led to KPMG being replaced by EY

2019: Planned areas of focus

- Review and approval of deleveraging initiatives
- Consolidated reporting – DRDGDOLD and Lonmin (following completion of the proposed acquisition)

See Annual Financial Report—Accountability—Report of the Audit Committee
## RISK COMMITTEE

### Membership of and attendance at Risk Committee meetings (2018)

<table>
<thead>
<tr>
<th>Member</th>
<th>Independent non-executive director</th>
<th>Appointed to the committee</th>
<th>Expertise and experience in:</th>
<th>Meeting attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rick Menell (Chairman)</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• All aspects of the mining industry, operationally and at executive management and Board level</td>
<td>2/2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Geology</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Financial management</td>
<td></td>
</tr>
<tr>
<td>Barry Davison</td>
<td>Yes</td>
<td>30 May 2018</td>
<td>• All aspects of the PGM mining industry, operationally and at executive management and Board levels</td>
<td>1/1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Financial management</td>
<td></td>
</tr>
<tr>
<td>Neal Froneman</td>
<td>Yes</td>
<td>30 May 2018</td>
<td>• Operations management</td>
<td>1/1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Mergers and acquisitions</td>
<td></td>
</tr>
<tr>
<td>Tim Cumming</td>
<td>Yes</td>
<td>13 February 2013</td>
<td>• Engineering in the mining industry</td>
<td>2/2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Leadership and strategic development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Financial services</td>
<td></td>
</tr>
<tr>
<td>Keith Rayner</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• Corporate finance and accounting</td>
<td>2/2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Executive management and governance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Regulatory compliance</td>
<td></td>
</tr>
<tr>
<td>Savannah Danson</td>
<td>Yes</td>
<td>23 May 2017</td>
<td>• Communication, finance, mining and infrastructure management</td>
<td>2/2</td>
</tr>
<tr>
<td>Susan van der Merwe</td>
<td>Yes</td>
<td>21 February 2013</td>
<td>• Diplomacy, foreign affairs, liaison at highest levels of government and regulators</td>
<td>2/2</td>
</tr>
</tbody>
</table>

### 2018: How committee contributed to value creation

- **Areas of focus**
  - Integration risks

- **Areas of focus**
  - With the changing political landscape and continued depressed commodity prices, country and global risks were reviewed by the committee
  - US operations specific risks were reviewed in detail
### NOMINATING AND GOVERNANCE COMMITTEE

**Membership of and attendance at Nominating and Governance Committee meetings (2018)**

<table>
<thead>
<tr>
<th>Member</th>
<th>Independent non-executive director</th>
<th>Appointed to the committee</th>
<th>Expertise and experience in:</th>
<th>Meeting attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sello Moloko (Chairman)</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• Financial and executive management</td>
<td>4/4</td>
</tr>
<tr>
<td>Barry Davison</td>
<td>Yes</td>
<td>21 February 2013</td>
<td>• All aspects of the PGM mining industry, operationally and at executive management and Board levels • Financial management</td>
<td>4/4</td>
</tr>
<tr>
<td>Rick Menell</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• All aspects of the mining industry, operationally and at executive management and Board levels • Geology • Financial management</td>
<td>4/4</td>
</tr>
<tr>
<td>Nkosemntu Nika</td>
<td>Yes</td>
<td>21 February 2013</td>
<td>• Executive management, finance and accounting at both private and public sector organisations</td>
<td>4/4</td>
</tr>
<tr>
<td>Jerry Vilakazi</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• Strategic investments • Shaping major public service policies in post-1994 South Africa • Advocacy</td>
<td>4/4</td>
</tr>
<tr>
<td>Susan van der Merwe</td>
<td>Yes</td>
<td>30 May 2018</td>
<td>• Diplomacy, foreign affairs, liaison at highest levels of government and regulators</td>
<td>2/2</td>
</tr>
</tbody>
</table>

**2018: How committee contributed to value creation**

- To address gender diversity, the Committee actively looked for women directors on the Board
- Recommended gender policy to the Board
- Review of Board age limits
- Review of Board and Committee charters
- Board and Board Committee performance review
- Appointment of an additional independent non-executive director with international and US experience
- Review and approval of succession plans for the CEO, CFO and Board Chairman
- Reviewed new legislation

**2019: Planned areas of focus**

- Jurisdictional governance and compliance
- Gender diversity
REMUNERATION COMMITTEE

Membership of and attendance at Remuneration Committee meetings (2018)

<table>
<thead>
<tr>
<th>Member</th>
<th>Independent non-executive director</th>
<th>Appointed to the committee</th>
<th>Expertise and experience in:</th>
<th>Meeting attendance</th>
</tr>
</thead>
</table>
| Tim Cumming (Chairman)  | Yes                                | 13 February 2018          | • Engineering in the mining industry  
• Leadership and strategic development  
• Financial services                       | 5/5                |
| Savannah Danson         | Yes                                | 23 May 2017               | • Communication, finance, mining and infrastructure management                                | 5/5                |
| Barry Davison           | Yes                                | 21 February 2013          | • All aspects of the mining industry, operationally and at executive management and Board levels  
• Financial management                      | 5/5                |
| Sello Moloko            | Yes                                | 21 February 2013          | • Financial and executive management                                                        | 5/5                |
| Nkosemntu Nika          | Yes                                | 1 January 2013            | • Executive management, finance and accounting at both private and public sector organisations | 4/5                |
| Keith Rayner            | Yes                                | 1 January 2013            | • Corporate finance and accounting  
• Executive management and governance  
• Regulatory compliance                      | 5/5                |

2018: How committee contributed to value creation

- Review and approval of executive remuneration for annual STI and LTI awards plus base pay adjustments
- Review of STI performance framework for 2018 (KPIs and BSCs)
- Review of gender pay parity
- Review of suitable ‘remuneration fairness’ indicators for on-going analysis
- Initiation of a Minimum Shareholding Requirement (MSR) policy for top executives
- Approval of executive manager appointments and remuneration
- Formalisation of a basis for adjusting STI targets
- Review of Remuneration Report relative to King IV code
- Review and revision of Terms of Reference
- Engagement with institutional investors

See —Governance—Remuneration report for more details

2019: Planned areas of focus

- Lonmin integration (following completion of the proposed acquisition) and new management structure
- Further review of Performance Conditions for vesting of Conditional (LTI) shares
- Determination of applicable Performance Conditions for any matching shares applicable to MSR holdings built up by executives

See —Governance—Remuneration report for more details
## SAFETY AND HEALTH COMMITTEE

### Membership of and attendance at Safety and Health Committee meetings (2018)

<table>
<thead>
<tr>
<th>Member</th>
<th>Independent non-executive director</th>
<th>Appointed to the committee</th>
<th>Expertise and experience in:</th>
<th>Meeting attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barry Davison (Chairman)</td>
<td>Yes</td>
<td>21 February 2013</td>
<td>• All aspects of the mining industry, operationally and at executive management and Board levels&lt;br&gt;• Financial management</td>
<td>4/4</td>
</tr>
<tr>
<td>Savannah Danson</td>
<td>Yes</td>
<td>30 May 2018</td>
<td>• Communication, finance, mining and infrastructure management</td>
<td>2/2</td>
</tr>
<tr>
<td>Neal Froneman</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• Operations management&lt;br&gt;• Mergers and acquisitions</td>
<td>4/4</td>
</tr>
<tr>
<td>Rick Menell</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• All aspects of the mining industry, operationally and at executive management and Board levels&lt;br&gt;• Geology&lt;br&gt;• Financial management</td>
<td>4/4</td>
</tr>
<tr>
<td>Sello Moloko</td>
<td>Yes</td>
<td>1 January 2013</td>
<td>• Financial and executive management</td>
<td>4/4</td>
</tr>
<tr>
<td>Susan van der Merwe</td>
<td>Yes</td>
<td>21 February 2013</td>
<td>• Diplomacy, foreign affairs, liaison at highest levels of government and regulators</td>
<td>4/4</td>
</tr>
</tbody>
</table>

1 Although this committee met four times during the year, the entire Board held additional meetings to discuss safety related matters.

### 2018: How committee contributed to value creation

- Safety performance
- New ways of working safely
- Engagement with stakeholders and mining authorities

### 2019: Planned areas of focus

- Implementation of enhanced safety plans

Much work was done in 2018 to address the Group’s anomalous safety performance. For further detail on this work see —Performance review— Ensuring safe production and —Performance review—Occupational health and well-being.
## SOCIAL AND ETHICS COMMITTEE

### Membership of and attendance at Social and Ethics Committee meetings (2018)

<table>
<thead>
<tr>
<th>Member</th>
<th>Independent non-executive director</th>
<th>Appointed to the committee</th>
<th>Expertise and experience in:</th>
<th>Meeting attendance</th>
</tr>
</thead>
</table>
| Jerry Vilakazi       | Yes                                 | 21 February 2013          | • Strategic investments  
• Shaping major public service policies in post-1994 South Africa  
• Advocacy                                                             | 4/4                 |
| (Chairman)           |                                     |                           |                                                                                                                  |                     |
| Tim Cumming          | Yes                                 |                           | • All aspects of the mining industry, operational, financial and at executive management and Board levels         | 4/4                 |
| Barry Davison        | Yes                                 |                           | • All aspects of the mining industry, operationally and at executive management and Board levels                    | 4/4                 |
| Rick Menell          | Yes                                 | 1 January 2013            | • All aspects of the mining industry, operationally and at executive management and Board levels                    | 4/4                 |
| Sello Moloko         | Yes                                 | 1 January 2013            | • Financial and executive management                                                                           | 4/4                 |
| Nkosemntu Nika       | Yes                                 | 30 May 2018               | • Executive management, finance and accounting at both private and public sector organisations                     | 2/2                 |
| Keith Rayner         | Yes                                 | 21 February 2013          | • Corporate finance and accounting  
• Executive management and governance  
• Regulatory compliance                                                     | 4/4                 |

### 2018: How committee contributed to value creation

- Reviewed and monitored compliance to employment equity targets
- Reviewed and monitored compliance to BEE and procurement
- Reviewed and implemented recommendation from the Gender Commission report
- Women in mining
- Review of the gender pay parity
- Approved the revised Code of Ethics

### 2019: Planned areas of focus

- Monitoring of adherence to the Code of Ethics
- Gender policy at all levels of the organisation
- Environmental, social and governance (ESG) and the Sustainable Development Goals (SDGs) reporting
REPORT OF THE SOCIAL AND ETHICS COMMITTEE

In the coming year, the Committee will focus on monitoring of adherence to the Code of Ethics, compliance and improvements to the gender policy at all levels of the organisation.

The Sibanye-Stillwater Social and Ethics Committee (the Committee) is a statutory committee which assists the Board in monitoring the Group’s corporate citizenship, environmental, social and governance (ESG), Sustainable Development Goals (SDGs), sustainability and ethics.

The committee is governed by Terms of Reference which detail its duties in terms of the Companies Act 71 of 2008, as amended (the Companies Act), the JSE Listings Requirements and King IV, as well as responsibilities allocated to it by the Board.

This report is presented in accordance with the requirements of the Companies Act.

DISCHARGING ITS DUTIES DURING THE YEAR

In the previous report, we reported that the Group complied with the statutory requirements while still addressing some backlog regarding employment equity, supply chain and Social and Labour Plan targets. We are pleased to report that during 2018, the Group has made good progress in each of these areas, noting that our approach is to go beyond compliance by seeking to create value for all our stakeholders and to ensure meaningful transformation.

However, we still have areas of concern, regarding employment equity and local procurement. While we are implementing an attraction and retention strategy that will address employment equity at middle management level, we continue to face a skills shortage. In terms of gender equality, the Committee also spent considerable time reviewing and implementing recommendations from the Gender Commission report, women in mining and gender pay parity. A programme that addresses all the barriers towards achieving employment equity, is in place.

In our endeavour to include local small to medium enterprises and black-owned businesses in our supply chain, we have increased our procurement spend with these businesses. In addition, a lot of effort has gone into our enterprise development programme on activities such as commodity ring-fencing, training and development and small, medium and micro enterprise (SMME) financial and business support.

We have a minimal backlog in our Social and Labour plans, which is being addressed to ensure continued benefits to the communities around our operations.

In the coming year, the Committee will focus on monitoring adherence to the Code of Ethics, compliance and improvements to the gender policy at all levels of our ESG performance and the SDGs.

Jerry Vilakazi
Chairman: Social and Ethics Committee
29 March 2019
GOVERNANCE FRAMEWORK

A Group governance framework is in place and is continuously being evolved and developed as the business grows. The framework takes into account the existing structures being SA gold, SA PGM and US PGM. It guides the following matters:

- leadership and governance
- strategy development and performance management
- monitoring and oversight
- application of Group policies
- delegation of Authority and Reserved Powers
- operating across jurisdictions
- implementation across the different structures, joint ventures and associates

In the near future, we will focus on:

- refining and aligning of the governance framework as the Group management structure evolves
- alignment of Lonmin into the Group governance and management framework following completion of the proposed acquisition

In addition, in order to fully comprehend the business and the changing environment in which Sibanye-Stillwater operates, the Board has resolved to hold one additional meeting per quarter in order to do an in-depth review of each of the operations.

FUNCTIONAL GOVERNANCE

RISK AND OPPORTUNITY

Our risk management framework and processes involve the systematic application of management policies, procedures and practices. It sets out the requirements for effective oversight of risks and ensuring effective integration with the development and execution of Group strategy.

The framework includes identifying, assessing, evaluating, mitigating and reporting of risks. This process also includes communicating, consulting and establishing the context for risk, and for opportunity. Operationally, internal audit works closely with the risk management team.

Sibanye-Stillwater’s risk-management framework and processes, including related policies, procedures and practices, are reviewed annually by the Risk Committee, prior to approval by the Board.

For more effective risk oversight of our risks and risk management, the Audit Committee chairman is a member of the Risk Committee, with the Risk Committee chairman being a member of the Audit Committee.

The Board is satisfied that Sibanye-Stillwater’s governance, risk management, compliance, internal control as well as internal audit processes operated effectively for 2018. Business activities were managed within approved risk-tolerance and risk-appetite levels. Primary controls were implemented, and continuous reviews undertaken to refine and improve them.

For further detail on our risk management framework and processes and the most significant risks and opportunities identified in 2018, see — View from the top—Managing our risks and opportunities.
TECHNOLOGY AND INFORMATION

Which committees have oversight: Audit Committee and Risk Committee

The governance and management of information and related communication technologies (ICT) have become increasingly critical as our dependence on the use of technology to share and collect information – email communication; the electronic exchange of documents and information with suppliers, employees and many others; and the storage of data and information – that is vital to the efficient conduct of our business.

Security of our ICT systems, which apply innovative technology to enhance operational and knowledge performance to enable continuous business improvement, is essential. Our ICT risk governance framework and strategy, which is reviewed annually was approved for 2019, are aimed at minimising risk exposure and mitigating the risks. Cyber risk is strategic (external) rather than operational. An approved Group ICT charter, aligned with King IV and including the US operations, has been approved by the Audit Committee.

Operationally, the CFO, supported by executive management, provides high-level direction for and approves Sibanye-Stillwater’s ICT strategy. The SA and US operations have an appointed ICT manager. Oversight is provided by the Audit Committee with the Board having ultimate responsibility.

Major achievements of 2018:

- Full integration of US operations infrastructure into corporate ICT architecture, to benefit from the Group established structures has been completed. Migration of end user computers is scheduled for completion during 2019
- Increased digitalisation of systems remains a core focus for the IT team. Various robotics options are being investigated. A digitalisation steering committee has been established which reports to the Board
- A co-partnership model was adopted with functional business owners in the development, implementation and execution of Business Intelligence KPI measurements and enterprise reporting. This enabled a business model that break down the traditional ICT vs. Business barriers whereby the former has an embedded role within the business
- A service efficiency centre established to deliver Group central services to mining operations on a 24/7 basis. With the increased focus around Cyber Security, the centre focus on monitoring and response to any immediate threat to the company IT system, the established centre will deliver services to the SA and US operations.
- In addition to quarterly internal vulnerability tests, our ability to prevent and fight off hacking attacks was tested externally. This enabled us to identify a hack and its extent, and to develop a response and related communications plan
- Exercise to determine and prioritise essential information and assets (“crown jewels”) to be protected was completed. A business impact assessment of these assets, including reviews of recovery procedures and aligning security controls with information sensitivity, was also undertaken and conducted across all business units. A remediation plan is being developed to prioritise security of key information
- Regular disaster recovery simulations conducted to test application of business impact assessment, the results which were documented along with the lessons learnt. Following feedback, the current ICT application universe was reviewed for impact on availability. Plans are in place to replicate applications with critical and high availability requirements at alternative data centres (Sibanye-Stillwater has three data centres in the SA operations and one in the US operations)
- Work progressed on conversion of the corporate domain ICT infrastructure to a cloud-based system. Cloud-based systems enable the outsourcing of data storage with safety ensured by the supplier and help to reduce the administrative burden relating to business continuity and data recovery. Having completed the consolidation of all data for the SA operations during 2018, the next step will be migrating the data centre facility to an external hosted facility. This externally hosted system will enable Sibanye-Stillwater to benefit from increased bandwidth and availability and place it in a position to optimally support all central services to the SA and US operations
- The project to review the storage and keeping of information and records in line with the Protection of Personal Information Act (POPI) continued and is being aligned with the European Union’s General Data Protection Regulations (GDPR). The cloud storage system will entail management of the compliance risk of POPI and the GDPR

Additionally, technological innovation mining is an important aspect of our drive to deliver value by improving efficiencies and productivity at our mining operations. The Safety and Health Committee has oversight of mining technology and innovation. For further information on what was accomplished in the past year, see —Performance review—Delivering value from operations, projects and technology—Technology and innovation.

OUTLOOK AND PLANS FOR 2019

- Planning for robotics and automation (in internal audit and tax functions, and increased automation in HR payroll, all aimed at driving improved efficiencies
- Preparatory work on future integration of Lonmin into Sibanye-Stillwater’s ICT infrastructure has been conducted in readiness for approval of its acquisition
CORPORATE GOVERNANCE AND LEADERSHIP

COMPLIANCE

Sibanye-Stillwater subscribes to a zero-tolerance policy in relation to non-compliance with laws, regulations, supervisory and other requirements. Compliance Officers for the US and SA operations have responsibility for this.

Compliance risk comprises two elements: regulatory risk and reputational risk. Regulatory risk includes the penalties that Sibanye-Stillwater and its operating entities may incur if they do not comply with all defined statutory, regulatory, supervisory and other requirements. Reputational risk involves Sibanye-Stillwater being exposed to, for example, possible loss, resulting from damages to Sibanye-Stillwater’s reputation.

Legislative and regulatory compliance is the responsibility of functional departments. The regional compliance functions assist by simplifying legislation and alerting management to changes or pending legislative and regulatory changes. The compliance function’s mandate is to facilitate the management of compliance risk by means of the effective distribution of a compliance methodology, compilation of regulatory compliance risk profiles and to provide advice and guidance relating to strategic compliance issues.

Compliance risk profile sessions are held with business units on a bi-annual basis and conducted with the main aim of assigning responsibility for all relevant compliance commitments, and to furnish the business with fit-for-purpose regulatory risk profiles, which highlight areas of improvement. Any instances of non-compliance can be reported through the toll-free number, 0800 001 987.

There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations in 2018. Besides the revised Mining Charter released in September 2018, and revised JSE Listings Requirements, no new major legislation was promulgated. Pending legislation includes:

- POPI (To safeguard personal information. A project to review the retention and storage of information and records in accordance with the POPI continues, although regulations are not yet effective (also see —Performance review—Delivering value from operations, projects and technology—Technology and Information))
- Cybercrimes and Cybersecurity Bill 2017 (possible loss of information that might potentially lead to regulatory penalties and reputational harm. Controls have been put in place to prevent and/or mitigate the consequences of a breach of our ICT systems)
- Carbon Tax Bill 2017 (financial impact)
- Expropriation Bill 2019 (subject to negotiations)
- Companies Amendment Bill, 2018 (the Bill seeks to review and identify all the problematic areas resulting from the implementation of the Companies Act, 2008 and the Regulations as from May 2011)
- JSE consultation paper recommendations

In the US operations, the Tax Cuts and Jobs Act became effective January 1, 2018. This Act reduces the federal corporate income tax rate to 21% from 35%. The rate change, together with other immaterial changes, resulted in a decrease in our US operations net deferred tax liabilities of R2,532 million (US$205 million) and a corresponding deferred tax benefit in 2017. Federal income tax expense 2018 will be based on the new rate. Also, on May 18, 2018, the Department of the Interior released its Final List of Critical Minerals, which designates PGMs as “certain mineral commodities that are vital to the Nation’s security and economic prosperity.”

A change to New Jersey tax law beginning 1 January 2019, subjects almost all of the US operations’ consolidated income to New Jersey tax, which will have a significant impact on the overall state cash taxes of the Group, as US operations revenue is recognised in New Jersey where concentrate is sent for final refining. The US operations continue to proactively engage with outside experts to fully understand complicated legislation changes, at federal and state level, and business optimisation activities continue in the US operations with the objective to add value and ensure our structures and processes are efficient.

REMUNERATION

Sibanye-Stillwater’s ability to attract, motivate and retain those with the talent and skills necessary, particularly at executive and senior management levels, to enable delivery on our strategic vision in the short, medium and long term, hinges on our remuneration policy and practices. It is thus essential to motivate and reward individual, team and operational performances to enable us to deliver on our strategic objectives, with reasonably equitable remuneration underpinning our remuneration philosophy.

Detailed information on remuneration philosophy, policies and implementation of remuneration and significant developments of the past year as well as intentions of the coming year, is available in the Remuneration Report. See —Governance—Corporate governance and leadership—Board committees—Remuneration Committee.
ASSURANCE

Which committees have oversight: Audit Committee and Risk Committee

The internal audit function objectively and independently assures the operating effectiveness of the internal control environment. Internal audit uses predominantly in-house resources to conduct its internal audits. A risk-based internal audit plan linked to the combined assurance approach was used during the year. This ensured that there was adequate co-ordination of internal and external audit assurances over strategic and material issues. Reporting to the Audit Committee is done on a quarterly basis with the Vice President: Internal Audit (also the CAE) reporting to the Audit Committee. Quarterly private sessions between the Vice President: Internal Audit and Audit Committee were held.

Independence and alignment with the Institute of Internal Auditors Professional Practices Framework, Standards and Ethics was externally assessed during 2017. No adverse findings were raised, and the internal audit department received a Generally Compliant rating which is the highest rating that can be bestowed on an internal audit function.


EXECUTIVE MANAGEMENT

Sibanye-Stillwater’s executive committee drives and oversees implementation of strategy. The team includes two executive directors. The committee has been restructured in line with the revised organisational structure that is based on commodities rather than regions.

EXECUTIVE COMMITTEE

The executive committee, which comprises our prescribed officers, meets regularly to discuss, plan and make decisions on the strategic and operating issues facing Sibanye-Stillwater. As at 29 March 2019, the committee was made up as follows:

Neal Froneman (59): Chief Executive Officer
Charl Keyter (45): Chief Financial Officer
Robert van Niekerk (54): Executive Vice President (EVP): SA PGM operations
Chris Bateman (53): EVP: US PGM operations
Shadwick Bessit (56): EVP: SA gold operations
Hartley Dikgale (59): EVP: Legal and compliance
Dawie Mostert (49): EVP: Organisational growth
Themba Nkosi (45): EVP: Corporate affairs
Wayne Robinson (56): EVP: Group technical
Richard Stewart (43): EVP: Business development

For detailed curriculum vitae of members of executive management, see Further Information—Directors and executive management

IMPROVED GOVERNANCE AND OPERATIONAL MANAGEMENT

The organisational structure has been revised to better reflect the distinct requirements of the business. The new structure is based on three distinct operating segments as follows:
The advantages of this structure are:
- dedicated leadership to drive focused strategy for each business segment
- accommodates planned Lonmin acquisition
- team focused on restoring SA gold operations to profitability
- addresses the need for Group-wide strategies in critical areas

To strengthen and support the Executive Committee in addressing multi-disciplinary strategic issues effectively, we are establishing executive sub-committees that include, as members, Group executives and other specialists. For the immediate future, these executive sub-committees listed in the table below are based on priority areas of attention. These areas of focus will be amended as the strategic issues requiring attention evolve.

**Group Executive Committee sub-committees**

<table>
<thead>
<tr>
<th>Committee</th>
<th>Participants</th>
</tr>
</thead>
</table>
| Organisational performance and review | • Operating segment heads  
• SA services integration  
• Organisational growth  
• Business development  
• Group technical  
• Safety and health  
• Investor relations |
| Organisational Culture           | • Operating segment heads or nominees  
• SA services integration  
• Corporate affairs  
• Safety, health and ESG  
• Group strategy |
| ESG                              | • Operating segment heads or nominees  
• Corporate affairs  
• Governance and compliance  
• Investor relations  
• Bio-physical environment |
| Technology and digitalisation    | • Operating segment heads or nominees  
• SA services integration  
• Business development  
• Safety, health and ESG |
REMUNERATION REPORT

PART 1: REMUNERATION COMMITTEE CHAIRMAN’S STATEMENT

Dear Shareholders

I am pleased, on behalf of the Group’s Remuneration Committee, to present our Remuneration Report for 2018.

The report is structured in three parts in line with King IV specifications, and comprises:

- This statement from the Chairman of the Remuneration Committee that provides background to our work over the year
- An overview of the main provisions of our Remuneration Policy which is based on our current remuneration philosophy and guides the related remuneration framework
- A Remuneration Implementation report containing details of:
  - remuneration awarded to executive directors and executive vice presidents of the Group, who collectively comprise our Prescribed Officers (prescribed officers or executives)
  - fees paid to non-executive directors during the 2018 financial year

This remuneration report is intended to present information on our remuneration policies and practices in a meaningful and transparent way and to provide sufficient detail and explanation to enable you and other stakeholders to make an informed assessment of these policies and their implementation.

We have noted the feedback received from certain stakeholders requesting additional detail and, with our desire to be responsive to our stakeholders, we have continued to evolve our disclosure in line with changing best practice.

ADDRESSING SAFETY

Let me start by echoing what has already been addressed in other parts of this Integrated Annual Report, that 2018 was a year marred by two particularly tragic and anomalous incidents which resulted in multiple losses of life at our SA gold operations. These tragic events, along with other fatalities, occurred during the first half of the year but were in stark contrast to Sibanye-Stillwater’s prior safety record and the fatality rate in the latter half of the year when the last four and half months of the year were fatality-free across the Group – which is a trend that has continued into 2019 (see Further Information—Additional information—Recent developments).

Nonetheless, this prompted us to adjust the weight given to safety on the SA gold operations’ contribution to the Group’s Balanced Scorecard for 2018.

The Group’s Balanced Scorecard focuses on four key result areas namely: safety, costs, production and sustainability (explained in more detail further on in this report). Prior to the adjustment, safety carried a weighting of 25% of the total score at the SA gold operations, split equally between the measurement of the fatal injury frequency rate (FIFR) and the serious injury frequency rate (SIFR). For the second half of 2018, we decided to include the FIFR achieved in H2 as a specific additional measure (that is in addition to the four existing measures – which already included the FIFR and the SIFR) and to give this a weighting of 20% (for the 2018 year only) at a more stretching FIFR target entailing a 30% improvement in FIFR against the existing baseline.

Furthermore, in March 2019, when we had to determine what percentage of the March 2016 Share Awards would be allowed to vest in March 2019, we chose to invoke a discretionary adjustment that reduced the vesting percentage determined using the performance conditions by 20% in recognition of the increased number of fatalities in comparison with previous years, as a result of the two safety incidents.

In addition, in order to place specific emphasis on our desired culture of values-based decision-making in support of the highest levels of safe production delivery, an objective evaluation of values alignment has been included, with significant weightings, in the 2019 individual scorecards for all senior executives and top management levels.

We will continue to ensure that safety remains a foremost priority in our remuneration policies and will continue to investigate how remuneration practices can more effectively support the aims of the Zero Harm Strategic Framework. For more information on what has been done to address our safety performance, see —Performance review—Ensuring safe production.

OTHER AREAS OF ATTENTION

The remuneration team remains focused on the growth and complexities that come with integrating various diverse operations, each with pertinent sub-cultures, while maintaining competitive performance relative to organisations that are in a less rapid phase of growth. This has required agility from the Remuneration Committee in dealing with remuneration matters, and robust debate and consideration of various factors relating to matters of pay.

Since transitioning into an operation that spans multiple jurisdictions, Sibanye-Stillwater has maintained a consistent remuneration policy with incremental adjustments in response to evolution in external and internal circumstances.

Given the challenging economic climate as well as the prevailing headwinds for mining businesses in southern Africa (especially with respect to commodity prices and input cost pressures), at the annual remuneration review early in 2018, the Remuneration Committee agreed to the proposal initially made by management that the executive directors and Group Executive Committee (Group Exco) forgo their salary increases in their Guaranteed Remuneration Packages (GRP) for this cycle, and any benefits calculated thereon.

This arrangement was also extended to senior leadership with below-inflation increases granted to management. While this action has obviously reduced the guaranteed remuneration paid to Group leadership fractionally relative to their previous market benchmark levels, it was recognised and accepted as a measure that was necessary to set the leadership tone in preserving the sustainability of the operations.
Early in 2019, we again reviewed the GRP levels for executive directors and prescribed officers and awarded increases on a person-by-person basis with effect from 1 March 2019, taking account of the annual CPI levels, together with any additional consideration for personal performance. This resulted in increases that ranged between 4.5% and 5.5% for the South African-domiciled executives. This is close to the expected cost of living increase in South Africa for the year ahead and is similar to or less than increases to base pay awarded at lower employee band levels in the organisation.

The parameters used to determine incentive payments to management were updated to align with the evolving strategic priorities of the business. The weighting assigned to the performance elements used to determine short-term incentives continues to track the strategic imperatives and priorities of the Group as they evolve over time.

In recognition of the Group CEO’s role in providing strategic and technical leadership to the US operations and the proportion of his time and attention spent between the SA and US operations, we determined that a commensurate portion of his guaranteed remuneration and incentive payments should be paid in the United States through a dual services contract.

We continue to track emerging remuneration trends both globally and in the territories where Sibanye-Stillwater operates, both for executive remuneration and in order to ensure employee benefits, such as healthcare, are kept in line with current appropriate employment practices applicable to the regions in which our employees are engaged.

**SUMMARY OF ACTIVITIES UNDERTAKEN DURING 2018**

Besides standard governance and approval items on the Remuneration Committee’s annual work plan, we addressed the following matters during the year:

- Particular focus on addressing and accounting for the increased number of fatalities in comparison with previous years as a result of the two safety incidents in 2018
- Adjustments to weightings used on performance scorecards for executives
- What criteria to apply when considering whether or not, and to what extent, any adjustments might be applied to performance scorecard targets during the year
- Deliberations on increases to executives’ GRP in the context of remuneration competitiveness and fairness
- Review of benchmark practices with respect to the Minimum Shareholding Requirements (MSR) for senior leadership
- Substantial further and on-going benchmarking in relevant markets to assess the level and mix of remuneration
- Engagement with shareholders and their proxies as to concerns and expectations
- Determination of dual role remuneration for the CEO to reflect SA and US accountabilities
- An initial review of gender and race pay parity measures
- An initial review to establish an appropriate basis for tracking executive management remuneration relative to broader employee pay parity to gain better insight and understanding in this regard

**FOCUS AREAS FOR 2019**

- Implementation of the MSR plan with effect from March 2019
- Determining an appropriate basis for the award of matching shares in respect of MSR holdings, which are to be granted with effect from 2020, together with the performance conditions to be applied
- Further review and revision of the performance conditions applicable to the Long-Term Incentive (LTI) share awards applicable from 2020 awards onwards in order to be appropriately aligned with current best market practices
- Following conclusion of the Lonmin acquisition, the integration and alignment of Lonmin’s employees and their remuneration practices with our Group’s policies and practices
- Further review of the level and mix of remuneration to better ensure the fairness and reasonableness of remuneration for the size and structure of the Group across the markets in which it operates

**NON-BINDING ADVISORY VOTES**

Shareholders will once again be afforded the opportunity to vote on two separate non-binding advisory resolutions at the forthcoming AGM on 28 May 2019: one on remuneration policy (Part 2 of this report) and the other on the remuneration implementation report (Part 3 of this report).

In the event that either or both are voted against by 25% or more of entitled voting rights exercised by shareholders, Sibanye-Stillwater commits to implement measures, including engagement with dissenting shareholders, in an attempt to address all legitimate and reasonable objections and concerns and to disclose how these objections and concerns would be addressed in next year’s integrated report.

At the 2018 AGM in May last year, 3.2% and 16.5% of shares voted were against the remuneration policy and remuneration implementation report respectively.

While both resolutions received votes above the required majority, we still engaged with concerned shareholders and institutional shareholder advisory services who had expressed reservations relating to remuneration implementation in 2017. We acknowledge these comments and, consistent with our desire to be responsive to our stakeholders, we have continued to evolve our disclosure in line with changing best practice.

The table below provides an overview of the main feedback given and concerns raised together with our responses.
However, the Remuneration Committee agreed that we needed to enter into a more on-going relationship with an expert remuneration advisor as the need arose.

The Remuneration Committee has previously engaged with remuneration consultants on a case-by-case basis as and when the need arose.

**Shareholder concerns and feedback**

<table>
<thead>
<tr>
<th>Shareholder concerns and feedback</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional detail on the reasons for the year-on-year increases in guaranteed remuneration required</td>
<td>The growth of Sibanye-Stillwater into a multi-national operator with a revised leadership configuration had resulted in an updated assessment of the company’s position relative to comparator benchmarks, determined in terms of both the span of operations and the organisational size and complexity. While the 2016 guaranteed remuneration levels had been deemed appropriate based on a peer group of South African-based gold companies, the 2017 benchmarks were reassessed relative to global precious metal miners with operating footprints spanning numerous jurisdictions. Drawing on advice and guidance from PwC (our remuneration consultants, then headed by Martin Hopkins) as independent third party experts, and recognising the very substantial increase in scale, scope and complexity of senior roles, ‘larger than inflation’ increases were readily warranted so as to place the relevant executives at appropriate levels according to their particular benchmarks.</td>
</tr>
<tr>
<td>Special cash incentives were paid to executive directors</td>
<td>In recognition of the value created through the rights offer completed in 2016 and the exemplary work done to execute and coordinate the major transformative financing arrangements relating to the bridging and permanent financing of the Stillwater transaction, management motivated the payment of a special award in the form of an ex-gratia cash bonus to eight members of the management team (excluding the CEO and CFO) amounting to R6.5 million in total. The Remuneration Committee supported this request but chose to extend this award to include the two executive directors (CEO and CFO) as well. Some shareholders objected to their inclusion in this arrangement, as they believed this should only be assessed and rewarded within the confines of their regular variable pay incentives. We take their point in this regard on board and undertake not to enter into similar ex-gratia awards for executive directors in future.</td>
</tr>
<tr>
<td>Concern expressed about the extent of linkage between remuneration, business performance and value creation</td>
<td>We believe that the Group’s remuneration philosophy, policy and practices are well founded and structured so as to readily link remuneration outcomes to the organisational and personal performance in the short term and that the long-term incentives are well aligned to the delivery of value over time. See Part 2 for further details.</td>
</tr>
<tr>
<td>A concern expressed that the performance targets set ‘are not robust and stretching’</td>
<td>In determining and setting appropriate performance targets in the organisational and personal performance scorecards, Sibanye-Stillwater undertakes a thorough process in order to ensure that sufficiently stretching targets are set and approved by the Board. For each key result area, there is a determination of what would be considered acceptable as ‘on target’ together with a determination of what are considered the ‘threshold’ and ‘stretch’ levels of performance. The level of performance required to secure the ‘on target’ level of incentive payment is pitched to be reasonably and safely achievable, taking into account the normal level of operational risk exposure and also taking into account what has been acceptably achievable in the past.</td>
</tr>
<tr>
<td>Concerns regarding change of control and termination payments due to change of control.</td>
<td>We acknowledge shareholders’ concerns regarding the change-of-control provisions in the service contracts of the two executive directors. This has been disclosed in Sibanye-Stillwater’s integrated reporting since the outset and is a legacy arrangement that will be honoured in terms of the existing commitments but will not be repeated going forward.</td>
</tr>
<tr>
<td>Vesting for below median performance for the total shareholder return (TSR) performance condition in respect of LTI Share Awards</td>
<td>The shareholder who raised this concern noted that the performance condition as applied attracted qualified support given the recognition that the arrangement is in line with practices commonly applied in South Africa and the below median vesting is at a modest level. The level of vesting at median performance of the peer group was noted as acceptable in the shareholder feedback. Recognising that it is particularly relevant in the cyclical mining sector to maintain stability in performance conditions to fairly reward long-term performance over several performance cycles, the Remuneration Committee intends to review the performance conditions to be applied to awards from 2020 onwards during 2019 in the context of evolving trends and standards.</td>
</tr>
<tr>
<td>Concern raised about lack of performance conditions applicable to Forfeitable (Bonus) shares that are awarded alongside the cash portion of the annual bonus</td>
<td>The annual bonus at the senior level is split between cash and shares, which we refer to as Forfeitable (Bonus) Shares, in a 60-40 ratio. Forfeitable Shares are a short-term deferral of a portion of the annual incentive since they vest in two parts, half after nine months and the balance after 18 months. They only vest if the employee is still in employment with us at the date of vesting. As such, this should be seen as a short-term lock-in arrangement as opposed to a longer-term performance incentive (for which we have our LTI share awards) and therefore we do not believe that applying performance conditions to these shorter-term Forfeitable shares is appropriate or necessary.</td>
</tr>
</tbody>
</table>

**REMUNERATION CONSULTANTS**

During the year, we consulted with remuneration consultants, PwC, to assist us with the benchmarking of non-executive director fees. The Remuneration Committee has previously engaged with remuneration consultants on a case-by-case basis as and when the need arose. However, the Remuneration Committee agreed that we needed to enter into a more on-going relationship with an expert remuneration advisor as a...
dedicated advisor to the Remuneration Committee and have agreed to enter into such an arrangement with effect from 2019, details of which will be provided once concluded.

Furthermore, management will continue to engage with the remuneration consulting team at PwC in support of the development and implementation of our Group reward policies and practices and will call on other experts as required.

We are satisfied that these consultants are independent, objective and well qualified and experienced for our purposes.

FUNCTION OF THE REMUNERATION COMMITTEE

The Remuneration Committee assists the Board in discharging its responsibilities for setting and administering remuneration policies and practices in line with the Group’s strategies, objectives and long-term interests. It has a particular focus on the remuneration of Executive directors and the executive vice presidents (EVPs) of the Group, collectively our Prescribed Officers. Our Prescribed Officers are members of the Group Exco, which constitutes what King IV refers to as ‘executive management’.

We are mandated through, and act on the basis of, the Remuneration Committee’s Terms of Reference. We believe these Terms of Reference remain fully compliant with the requirements and principles of King IV.

The Remuneration Committee is responsible for, inter alia:

• Considering and recommending remuneration policies for all employment levels in the company with a particular focus on the remuneration of the Group Exco. The approved remuneration policies are reported in Sibanye-Stillwater’s Integrated Annual Reports in accordance with applicable rules and regulations
• Advising the Board on Sibanye-Stillwater’s Remuneration Policy in respect of the Group Exco
• Recommending to the Board the remuneration payable and conditions of employment for executive directors and approving the remuneration payable to the Prescribed Officers (comprising the Group Exco)

The Terms of Reference were reviewed during the year with no material changes except that the role of determining and recommending the appropriate level and periodic increases in the fees of non-executive directors is now the responsibility of the Remuneration Committee whereas it had previously been overseen by the Nominating and Governance Committee.

The Remuneration Committee is satisfied that Sibanye-Stillwater has, throughout 2018, complied with the Remuneration Policy and that no material deviations have been noted.

COMPOSITION AND OPERATION OF THE REMUNERATION COMMITTEE

• There were no changes to the composition of the committee membership during the year.
• The committee members are myself as Chair, Savannah Danson, Barry Davison, Sello Moloko, Nkosemntu Nika and Keith Rayner.
• All members are independent non-executive directors
• All meetings have been quorate and attendance by committee members is recorded in the governance section of the integrated report.
• In addition to committee members, the CEO, the EVP: Organisational Effectiveness (who has accountability for Group leadership development and growth, among other functions), the VP: Strategy and the Company Secretary typically attend our meetings, none of whom do so as of right and nor do they attend when their own remuneration is being discussed and all of whom provide material assistance to the Committee.
• Executive directors are not involved in any decisions regarding their own remuneration and are recused from such discussions and deliberations.
• We agree an annual work plan that guides our agendas and areas of focus for our four meetings over the year.
• Between meetings, we will review and consider relevant matters by round robin when required, with subsequent confirmation of the round robin decisions at the next committee meeting.

APPRECIATION

Lastly, I would like to thank my committee colleagues for their assistance in ensuring that we pay proper attention to the key aspects of remuneration in the Group (both the development of policy and practice as well as its implementation) and that we deliver on our mandate appropriately.

I also extend my thanks to the members of the management team for their hard work and dedication during the year, as well as to those shareholders and proxy advisors who gave us constructive and candid feedback on our policies and practices.

Tim Cumming
Chairman: Remuneration Committee
29 March 2019
PART 2: REMUNERATION POLICY

REMUNERATION PHILOSOPHY GUIDES POLICY

Sibanye-Stillwater’s remuneration philosophy guides the Group’s Remuneration Policy and decision-making processes. It is founded upon the simple recognition that various forms of capital are engaged in driving the performance of the business over time and that each of those capitals seeks a fair return.

Shareholders and creditors have provided the financial capital that is then applied to acquiring and developing the resources/reserves (mining assets), the physical assets (plant and equipment etc.) and the human capital (the employees) of the business. In addition, the countries and the communities in which the mines operate should also be seen as providers of capital on which they seek a return – which is afforded them in terms of mining royalties, incomes taxes, employee taxes, property rates and other levies and expenses paid by the Group.

However, although some mining assets are clearly superior to others (in terms of potential for realisation of value), the success of a mining business very much depends on the skills and application of its employees to deliver financial value from the assets with which they have to work.

Accordingly, in order to ensure that the providers of financial capital receive attractive returns over time they need to be satisfied that they have the best mix of human capital available to deliver this for them. Furthermore, in order to drive and motivate exceptional performance, the providers of financial capital also believe in the principle of sharing the gains achieved on a basis that is fair and competitive.

REMUNERATION POLICY

Accordingly, Sibanye-Stillwater’s remuneration policy seeks to attract and retain key talent and to reward employees fairly and appropriately across the organisation such that the Group is viewed by all pertinent stakeholders, both within and outside the employ of the Group, as an organisation that provides a positive performance environment, a workplace with upstanding ethics and morals, and an opportunity for employees to develop their careers and earn a good living focused on delivery of our common purpose that "our mining improves lives”

The remuneration framework and practices that are determined by this remuneration policy are designed to have the following attributes:

- **Flexibility.** To support a diverse and multi-regional organisation to accommodate differences and changes in job requirements, labour market practices and economies.
- **Transparency.** To provide executives and staff with clarity regarding their roles and performance expectations and a clear understanding as to how the remuneration practices and structures applicable to them work.
- **External competitiveness.** To enable and reflect appropriate pay levels and structures for comparable jobs within the relevant labour market.
- **Internal comparability.** To provide remuneration guidelines that ensure similar jobs are paid equitably across the Group within relevant markets.
- **Recognition.** To reward performance through appropriate base pay progression, short-term incentives (bonuses) and, where applicable, long-term incentives. Extraordinary performance and contributions are further rewarded at a level that signifies the value of the employee to the organisation and encourages retention and further commitment.

From a market-competitiveness perspective, our remuneration policies and practices are also designed to be appropriately competitive so as to enable the attraction, retention and motivation of talented and skilled people, especially at executive and senior management levels, in order to ensure the company is best able to deliver on its core purpose, vision and strategies.

From a retention perspective, key consideration and focus are placed upon enabling individual growth, offering compelling career development and enhancement opportunities as well as allowing for a reasonable work-life balance.

Remuneration structures are benchmarked annually against relevant peer groups on a territory-specific basis to ensure reasonable external parity and competitive remuneration potential. In addition, employees’ remuneration levels and remuneration potential are also compared internally to ensure appropriate parity or differentiation as needs be.

ENSURING THE LINK BETWEEN STRATEGY AND REMUNERATION

The Group strategy and related strategic objectives are described elsewhere in this report. However, it is important to comment on how remuneration is linked to the delivery on these strategic objectives.

The Group’s primary driver of desired performance is exerted through the use of cascading performance scorecards that apply a top-down approach that is premised on the simple dictum (arguably) attributed to Peter Drucker that goes: “What gets measured, gets managed. What gets managed, gets done.”

Simply put, the strategies of a company are nothing more than the decisions that have been made as to how one allocates, uses and optimises the value generated from the resources available to the company in pursuit of its vision and mission. All these resources are finite and limited – and are often scarce and typically much competed for. They comprise little more than the following: money, people, physical assets, geological and natural assets (in the case of mining companies), intellectual property (sometimes) and time.

Accordingly, after the Board and management have agreed and set out the short- and long-term strategies for the company they are devolved into business plans (i.e.: determining who will do what, with what, to what extent and by when). These are then broken down and captured in the various performance scorecards applicable at all levels of the organisation, starting from the top and cascading down, and taking into account what can be safely and efficiently extracted from the mining assets available.
Not only do the scorecards enable us to allocate pertinent elements of the strategies and business plans to particular executives and their teams tasked to deliver on them but it also enables management to indicate the degree of importance attached to each of these component elements by applying different weights to each area accordingly.

Furthermore, three scorecards are used to determine the success of the organisation (collectively) or the Executives (individually) and ultimately the extent of remuneration paid to each Executive. The first two scorecards relate to measuring short-term performance and the third one focuses on delivery of superior value to shareholders over time and is a key determinant of long-term incentive outcomes for executives.

1. **Group Performance Scorecard**: Covers the four key operational result areas for the Group as a whole that we refer to as Safety, Cost, Production and Sustainability. These are described in more detail below.

2. **Personal Performance Scorecard**: Contains a mix of key result areas that are deemed appropriate to judge the extent to which a particular executive has performed as a manager and leader within their specific domain and range of responsibilities.

3. **Shareholder Value Delivery Scorecard**: Assesses the delivery of sustainable value to shareholders over a rolling three-year period through the assessment of the performance conditions applied to determine the vesting percentage of the Conditional Share awards.

The overall remuneration for each Executive, for the purposes of short-term and long-term incentive awards, is then determined by the performance achieved on each of these scorecards with the applicable influence on each component of the remuneration mix.

This gives the resulting incentive-based remuneration which is determined by the short-term and long-term awards which are clearly and directly linked to the Group’s strategies.

**DISTINCTION BETWEEN SHORT-TERM INCENTIVES (STI) AND LTI**

It is important to set out an explanation as to the rationale behind the design and structure of the STIs and LTI at Sibanye-Stillwater. When considering STIs in any particular period (where financial performance or the share price may increase or decrease), it is important to view the whole package, that is the STI plus LTI outcomes and not just the STI on its own.

Management does not have any control over several key exogenous factors that can have a very substantial impact on short-term financial performance or the company’s share price. The most significant of these factors include:

- the commodity prices of the metals we mine and refine, which directly determine revenue received for the metals produced and sold,
- the rand/dollar exchange rate, which also directly affects Rand revenues (and some costs).

Not only does management have no control over these variables but they are also notoriously difficult to predict and therefore it is not reasonable in the short term to measure or reward management on factors largely beyond their control and for which they have no accountability.

However, what management can be held accountable for is the safe and efficient development and extraction of metal from our mining operations and the safe production of as much of the metal as possible for the least cost.

That is why the short-term incentive assessment uses the four factors – safety, production, cost and sustainability – as key performance indicators (KPIs) as opposed to, for example, revenue or profit.

Nonetheless, shareholders would understandably wish to see senior employees having a degree of alignment to their own interests, which are typically concerned with share price performance and return on capital/equity. Accordingly, the long-term incentive portion of executive remuneration is paid to them in shares with a quantum of this amount being a function of recent individual performance combined with a determination of the extent to which total shareholder return was achieved relative to peers and the extent to which the Group’s return on capital exceeds the cost of capital (or not) over the prior three years. In this way, executives feel the same pain as shareholders when these returns are poor and/or will experience the benefits of good financial performance when shareholders do.

**FAIR AND RESPONSIBLE REMUNERATION**

We remain committed to remuneration fairness across all levels of the Group.

Clearly this is a complex matter since fairness is considered from the perspectives of different stakeholders – employees, shareholders, the broader community in which we operate, among others – and there can be conflicting opinions between these different stakeholders in terms of what each might deem to be ‘fair’. We have to try and navigate those differences bearing in mind our responsibility as directors towards the interests of the Group.

The two key criteria in considering what is fair are, in the first instance, external parity and internal parity.

By this we mean that all employees’ remuneration arrangements should be determined and reviewed for fairness with reference to how their actual and potential rewards from remuneration stack up relative to these two criteria. i.e.:

- How does this compare relative to other people who undertake a similar role, have similar levels of skill, experience and responsibility in other similar or comparable organisations within the same country or region?
- How does this compare relative to other people who are also working at Sibanye-Stillwater, in the same or similar roles in terms of their respective levels of work, skills, experience and responsibilities?

No perceptible difference in actual and potential remuneration of one person when compared to that of another who is deemed to be reasonably comparable on either an External and Internal Parity basis – and, importantly, who has been performing with the same degree of success as the comparator - should ever be accorded to their gender, their race or any other personal factor not relevant to the job.

Accordingly, as a matter of policy, we seek to ensure that we are fair and equitable in this regard with no discrimination that could be attributed to differences in race, gender or any other personal factor that has no bearing on the person’s ability to perform acceptably on the job.
We also recognise the need to address the challenges of unreasonable income inequality (that is the difference between remuneration earned by employees at the top of the organisation as compared to those lower down in the organisation) whilst still remaining competitive and retaining the ability to attract the talent necessary to provide the required levels of technical and professional management and leadership. To that end we are mindful of paying attention to respective increases in remuneration between these levels over time.

Part 3 of this Remuneration report sets out some analysis of how we have addressed this to good effect over the past five years.

By way of summary, the key principles underpinning Sibanye-Stillwater’s remuneration approach are encapsulated in the diagram below:

**REMUNERATION ELEMENTS**

Sibanye-Stillwater’s remuneration structure includes the following elements:

<table>
<thead>
<tr>
<th>Description</th>
<th>Pay element</th>
<th>Alignment with remuneration philosophy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed base pay</td>
<td>Base salary and allowances including provision for medical and retirement</td>
<td>With reference to the relevant market median guaranteed pay benchmark taken from remuneration surveys. This provides the foundational element of the remuneration mix</td>
</tr>
<tr>
<td>Short-term incentive (STI)</td>
<td>Annual incentive based on a combination of operational delivery and execution of approved business strategies</td>
<td>Cash bonus (60%) Performance-based reward providing immediate recognition for superior performance over the prior year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Forfeitable (Bonus) shares (40%) A deferred performance-based reward (for retention purposes) and incorporating a limited alignment with delivery of value to shareholders through medium term exposure to share price movement</td>
</tr>
<tr>
<td>Long-term incentive (LTI)</td>
<td>Share award linked to recent personal and organisational performance, with the value on vesting being determined by the extent of delivery of superior shareholder value</td>
<td>Conditional (Performance) shares Motivation and retention with a strong performance component rewarding sustained delivery by the company of superior shareholder value over the medium term</td>
</tr>
</tbody>
</table>

**TARGET REMUNERATION MIX**

The table below sets out the remuneration mix for the various levels of management assuming on-target performance.
In line with the scope and influence of each level of management, there is a progressive increase in the weighting towards long-term incentives with an emphasis on delivery of sustained value to shareholders at the more senior levels.

The value quoted for Forfeitable Share awards in the target remuneration mix is the face value at award date without taking into account the impact of potential share price appreciation over the vesting periods.

The value of the Conditional Shares awarded for on-target performance in each remuneration cycle is quoted at the estimated “fair value” of the on-target award. This is an actuarial determination of the typical value of the award granted in each remuneration cycle that the participant should expect to receive at vesting. The calculation takes into account the projected change in the share price over the vesting period and the market-related performance conditions that are expected to apply on vesting.

### Remuneration structure mix (% of total potential remuneration for on target performance)

<table>
<thead>
<tr>
<th>Level</th>
<th>Guaranteed pay</th>
<th>Short-term incentive</th>
<th>Long-term incentive</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>34.9</td>
<td>22.7</td>
<td>15.1</td>
<td>27.2</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>36.8</td>
<td>22.1</td>
<td>14.7</td>
<td>26.5</td>
</tr>
<tr>
<td>Executive Vice President (or prescribed officer)</td>
<td>39.4</td>
<td>21.7</td>
<td>14.5</td>
<td>24.4</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>41.1</td>
<td>20.5</td>
<td>13.7</td>
<td>24.7</td>
</tr>
<tr>
<td>Vice President – SA-based</td>
<td>46.6</td>
<td>18.6</td>
<td>12.4</td>
<td>22.4</td>
</tr>
<tr>
<td>Vice President – US-based</td>
<td>54.7</td>
<td>21.9</td>
<td>14.6</td>
<td>8.8</td>
</tr>
<tr>
<td>E lower band(^1)</td>
<td>62.5</td>
<td>37.5</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>D upper band(^1)</td>
<td>66.7</td>
<td>33.3</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>D lower band(^1)</td>
<td>71.4</td>
<td>28.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

\(^1\) Patterson bands applicable to middle and junior management

### COMPOSITION OF TOTAL REMUNERATION PACKAGE – EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES

The range of potential incentive pay per rand of GRP is illustrated below for the Group Exco who constitute executive management as per King IV and Prescribed Officers in terms of the South African Companies Act, 2008. The “maximum on award” represents the implications of the highest possible performance rating from the previous performance cycle at a typical fair value of the Conditional Shares awarded over the vesting period. Maximum potential on vesting represents maximum awards with the highest possible performance condition applied to the Conditional Shares at vesting although not incorporating the possible effects of share price appreciation over the vesting period.
GUARANTEED REMUNERATION

The benchmark used, in the first instance, for determining GRP by job level and discipline, is a market median level obtained through independent remuneration survey databases for peer mining companies with differentiation by territory. At the time of assessment, an Executive’s actual remuneration may well be above or below the median level and may remain above or below the median for good reasons such as length of time in the role, level of performance while in this role etc.

For consistency in application, the Company made use of relevant comparator companies as a peer group and the related survey data supplied by Mercer and Hay for the US PGM operations and PwC for the SA operations, backed by independent advice and support from external consultants. In addition, further verification was obtained by collecting comparable data from competitor company proxy statements to verify “pay for performance” relativity for the Executives. This practice of benchmarking by using peer group data (provided by Mercer and PwC) to ensure pay parity and internal alignment with our remuneration principles is used extensively for levels below the Executive. GRP levels are reviewed annually against market benchmarks to remain competitive. The median benchmark is the first point of reference when making comparisons with other factors such as length of time in the role, extent to which the executive is more than, or less than, fulfilling all aspects commensurate with the role also considered when making pay level determinations.

PERFORMANCE-BASED INCENTIVE PLANS

While the short-term incentive scheme rewards those elements of performance that are mostly within the control and line-of-sight of the employees, the long-term incentive is conditional on the achievement of longer-term financial hurdles that are aligned with shareholder value creation.

Short-term incentives focus on and incentivise management to achieve safe, sustainable, cost effective delivery from operations and to achieve proper progress in executing the Board-approved Group strategic goals. These incentives are awarded following the assessment of the Group’s annual performance (or at lower levels, the operating unit or area of accountability) against agreed targets (Operational performance) as well as the individual performance goals achieved during the year under review (Personal performance).
For 2018, weightings between the Operational performance and Personal performance elements differed according to the location of the employee in the business as follows:

<table>
<thead>
<tr>
<th>Deployment</th>
<th>Operational performance</th>
<th>Personal performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals in South Africa with direct line responsibility for management of production operations</td>
<td>90%</td>
<td>10%</td>
</tr>
<tr>
<td>Regional executives and services functions and all United States management</td>
<td>70%</td>
<td>30%¹</td>
</tr>
<tr>
<td>Group executives and corporate office</td>
<td>60%</td>
<td>40%</td>
</tr>
</tbody>
</table>

¹ There is a split between personal and service area delivery performance for SA Services Management and certain Corporate Services employees. For employees in services functions, half of the Personal performance is accounted for by performance in the service area of which they are part.

The weightings to be applied to Operational and Personal performance in 2019 have been reviewed in order to:

- intensify operational focus
- enhance consistency across the Group
- provide for the introduction of a ‘values alignment’ component as a new element in the Personal performance evaluation of all managers (this is to have a significant weighting of approximately 10% of overall performance)

It has been decided to change the 90:10 weighting to 80:20 for those managers with direct responsibility for management of production operations for the 2019 period. All other managers and executive management will have the respective elements weighted on a 70:30 basis.

OPERATIONAL PERFORMANCE

As discussed earlier, operational performance is determined for the Group through a scorecard using safety, production, cost and sustainability as the key performance indicators.

Targets in the forthcoming year’s approved business plans are used to set the Organisational performance targets applicable for the STI calculations. In determining the targets, consideration was given to performance that is considered realistically achievable, given the levels of operational risk that would normally be experienced while allowing for an element of stretch and taking into consideration the organisation’s performance over the past few years.

Based on these business plans and at the start of each performance cycle, the Remuneration Committee approves the key performance indicators, target performance levels and ranges that will be used to determine the quality of the Group’s delivery from operations.

Overall Group operational delivery is a weighted aggregate of the performance of the major operating areas of the business. The threshold and stretch targets are set based on these targets, with threshold performance resulting in a 0% score for that particular KPI, and a stretch performance outcome resulting in a 200% score for that KPI.

Criteria to determine and adjust performance targets

The Remuneration Committee has the discretion to adjust targets during the course of the year where significant anomalous and unforeseeable events occur which are outside the control of management, or where there are conscious value-adding (or loss-saving) operational departures from the Board-approved plan and where these events cause material deviations from the approved targets. An example of such an event might be a massive seismic event that renders a section of the mine inaccessible or no longer worth mining.

2019 Operational performance conditions

The table below details the 2019 KPIs for the key focus areas for each major operating area within Sibanye-Stillwater.
KPIs for 2019 per major operating area

<table>
<thead>
<tr>
<th>KPI</th>
<th>Weight</th>
<th>Metric</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SA gold operations (one third contribution to Group)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td>25%</td>
<td>FIFR (per million hours worked)</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SIFR (per million hours worked)</td>
<td>50%</td>
</tr>
<tr>
<td>Production</td>
<td>25%</td>
<td>Gold produced (kg)</td>
<td>100%</td>
</tr>
<tr>
<td>Cost</td>
<td>25%</td>
<td>Operating cost per underground ton milled (R/ton)</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>25%</td>
<td>Primary on-reef development (m)</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Primary off-reef development (including Burnstone and Capex) (m)</td>
<td>50%</td>
</tr>
<tr>
<td><strong>SA PGM operations (one third contribution to Group)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td>25%</td>
<td>Fatal injuries</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SIFR (per million hours worked)</td>
<td>50%</td>
</tr>
<tr>
<td>Production</td>
<td>25%</td>
<td>Ounces produced (‘000 4E oz)</td>
<td>100%</td>
</tr>
<tr>
<td>Cost</td>
<td>25%</td>
<td>Operating cost including ORD before credits and direct costs of by product per 4E ounce produced (R/4E oz)</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>25%</td>
<td>Primary on-reef development (m)</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Primary off-reef development (m)</td>
<td>50%</td>
</tr>
<tr>
<td><strong>US PGM operations (one third contribution to Group)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td>25%</td>
<td>Total reportable injuries per million hours</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Progress on ongoing refinement of US PGM operations safety strategy</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Progress on review of GET Safe Safety and Health Management System</td>
<td>25%</td>
</tr>
<tr>
<td>Production</td>
<td>25%</td>
<td>Returnable 2E PGM produced (‘000 oz)</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tons milled (‘000 ton)</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recycling throughput (tons smelted per day)</td>
<td>25%</td>
</tr>
<tr>
<td>Cost</td>
<td>25%</td>
<td>All-in sustaining cost per 2E oz (US$ / oz)</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recycling EBITDA (US$ million)</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>25%</td>
<td>Development advance (Stillwater including Blitz excluding project) (equivalent 000 ft)</td>
<td>12.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development advance (East Boulder excluding project) (equivalent 000 ft)</td>
<td>12.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Diamond drilling advance (Stillwater including Blitz including project) (000 ft)</td>
<td>12.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Diamond drilling advance (East Boulder including project) (000 ft)</td>
<td>12.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Concentrate handling project status</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Progress made in the review of environmental management systems</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of externally reportable incidents or notifications of violations based on Environmental Protection Agency and Montana Department of Environmental Quality guidelines</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Personal performance**

The Remuneration Committee and the Audit Committee also approve respectively the individual scorecards of the CEO and the CFO that reflect strategic business imperatives for the company. In turn, the CEO develops specific individual objectives, aligned with the organisation’s strategic objectives, with those who report directly to him at the beginning of each year. On conclusion of each cycle, the Remuneration Committee reviews the performance determinations of the Executive Directors and the rest of the Group Exco as the basis of approving STI payments and LTI awards.

The Group uses a rating scale of 1 - 5 where a rating of 3 will equate to a 100% score for the Personal performance component, with the highest rating of 5 resulting in a 200% score for the personal performance component. If the personal performance evaluation of any Executive falls below 2.5 then no STI (cash or Forfeitable shares) will be awarded.
Maximum STI achievable
If stretch targets are achieved on both Operational and Personal performance scorecards, the maximum incentive is capped at twice the on-target bonus level.

Deferral of a portion of STI into Forfeitable (Bonus) shares
All employees who are at VP level or above have 40% of their overall STI settled in Forfeitable shares (sometimes referred to as ‘Bonus shares’). These shares vest in two equal tranches at nine months and eighteen months after the award date. Participants have full shareholder rights on those shares from the date of award (save for the right to dispose) including the right to receive dividends. The Forfeitable shares will be forfeited in the event of resignation or termination for cause, with a pro rata vesting applicable in the case of no-fault separations.

Long-Term Incentives

Annual awards of Conditional (Performance) shares under the current Sibanye-Stillwater Share Plan
Annual awards of Conditional shares (sometimes referred to as Performance shares) are made to VPs and above, with the number of Conditional shares awarded being a function of the annual GRP (guaranteed remuneration) multiplied by a factor related to the Executive or management job grade and further multiplied by a factor related to their assessed performance for the relevant period preceding the award. The performance factor applied in this latter case is determined by reference to the table below.

<table>
<thead>
<tr>
<th>Individual rating</th>
<th>Value as a % of value for on target performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 - 2.4</td>
<td>0%</td>
</tr>
<tr>
<td>2.5 - 2.7</td>
<td>50%</td>
</tr>
<tr>
<td>2.8 - 3.0</td>
<td>100%</td>
</tr>
<tr>
<td>3.1 - 3.3</td>
<td>125%</td>
</tr>
<tr>
<td>3.4 - 3.7</td>
<td>150%</td>
</tr>
<tr>
<td>3.8 - 4.0</td>
<td>175%</td>
</tr>
<tr>
<td>4.1 - 5.0</td>
<td>200%</td>
</tr>
</tbody>
</table>

Conditional shares have no dividend rights, or dividend equivalent rights associated with them prior to vesting.
The awards of Conditional shares will vest on the third anniversary of the award date dependent on the extent to which the performance conditions have been met.
The award may be forfeited in the event of resignation of an Executive or their termination for cause, with a pro rata vesting subject to application of performance conditions applicable in the case of no-fault terminations.

Performance conditions for vesting
The proportion of shares awarded that vest after the three year period depends on the extent to which Sibanye-Stillwater has performed relative to two performance criteria – Total Shareholder Return (TSR) and Return on Capital Employed (ROCE) over the applicable three years. The Remuneration Committee also has discretion to reduce the quantum of shares that would otherwise have vested by up to 20% in the event of any serious poor performance relating to the Group’s ESG track record. These performance conditions were introduced with effect from the award of Conditional shares made in March 2016 and were based on what was understood to be widely acceptable measures used to gauge the extent to which shareholder interests are being met. Accordingly, the actual number of shares that will vest at the end of each award cycle will range from 0% to 100% of the shares initially awarded.

Total shareholder return – applicable to 70% of Conditional shares
TSR, a composite measure of share price appreciation and dividends paid to shareholders, is widely recognised as one of the most appropriate indicators of shareholder value delivery. It is used extensively internationally and increasingly in South Africa, sometimes as a single metric and often as one of two or three weighted performance metrics. In a few cases an absolute target is set, but most often it is targeted in relation to a peer or comparator group of “like” companies.
The TSR for Sibanye-Stillwater’s purposes is measured against an appropriate peer group of eight mining and resource companies that might provide alternative investment options to Sibanye-Stillwater’s shareholders. When the peer group for the 2016 awards was determined, the companies selected had similar market capitalisation and occupied similar strategic positioning to Sibanye-Stillwater as value-driven, multi-commodity resources companies listed on the JSE with a primary focus on precious metals. These eight peer comparato
Peer group companies for TSR comparison

<table>
<thead>
<tr>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>AngloGold Ashanti Limited</td>
</tr>
<tr>
<td>Anglo American Platinum Limited</td>
</tr>
<tr>
<td>Gold Fields Limited</td>
</tr>
<tr>
<td>Impala Platinum Holdings Limited</td>
</tr>
<tr>
<td>Northam Platinum Limited</td>
</tr>
<tr>
<td>Exxaro Resources Limited</td>
</tr>
<tr>
<td>Harmony Gold Mining Company Limited</td>
</tr>
<tr>
<td>African Rainbow Minerals Limited</td>
</tr>
</tbody>
</table>

The TSR performance condition is determined based on the cumulative curve of the peer companies’ TSRs over the vesting period and where each peer company is assigned a weighting in accordance with its market capitalisation. The percentile at which Sibanye-Stillwater’s TSR falls on this curve is then determined at the end of the period. The applicable TSR score used in determining the percentage of awarded shares that will vest in terms of this criterion is established using the table below, with linear interpolation between the levels quoted.

Vesting percentage relationship to relative TSR performance

<table>
<thead>
<tr>
<th>Percentile on peer group TSR curve</th>
<th>% vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>10%</td>
<td>0</td>
</tr>
<tr>
<td>20%</td>
<td>0</td>
</tr>
<tr>
<td>30%</td>
<td>5</td>
</tr>
<tr>
<td>40%</td>
<td>20</td>
</tr>
<tr>
<td>50%</td>
<td>35</td>
</tr>
<tr>
<td>60%</td>
<td>55</td>
</tr>
<tr>
<td>70%</td>
<td>75</td>
</tr>
<tr>
<td>80%</td>
<td>90</td>
</tr>
<tr>
<td>90%</td>
<td>100</td>
</tr>
<tr>
<td>100%</td>
<td>100</td>
</tr>
</tbody>
</table>

Return on capital employed – applicable to 30% of the Conditional shares awarded

Return on capital employed (ROCE) is a metric that can be used to assess how effectively a company generates profits from its employed capital. There has been an increased focus on measuring the returns earned by businesses on the capital deployed over and above the applicable prevailing risk-free rate or other ‘required’ rates of return. For Sibanye-Stillwater, the ROCE is evaluated against the cost of capital, which includes an equity risk premium over the risk free rate. A minimum threshold on the performance scale for ROCE is set as equalling the cost of equity, Ke, which would lead to 0% for the ROCE performance condition. Delivering a return that exceeds Ke by 6% or more would be regarded as a superior return representing the maximum 100% on the performance scale and full vesting in respect of the ROCE element. The performance curve governing vesting is linear between these limits as follows:

Vesting percentage relative to ROCE outcomes

<table>
<thead>
<tr>
<th>Annual ROCE</th>
<th>% vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤Ke</td>
<td>0.0</td>
</tr>
<tr>
<td>Ke + 1%</td>
<td>16.7</td>
</tr>
<tr>
<td>Ke + 2%</td>
<td>33.3</td>
</tr>
<tr>
<td>Ke + 3%</td>
<td>50.0</td>
</tr>
<tr>
<td>Ke + 4%</td>
<td>66.7</td>
</tr>
<tr>
<td>Ke + 5%</td>
<td>83.3</td>
</tr>
<tr>
<td>Ke + 6%</td>
<td>100.0</td>
</tr>
</tbody>
</table>

ESG over-ride condition

The Board, at its sole discretion may determine that, if there is evidence of material and significant environmental, social and governance (ESG) malpractice during the vesting period applicable to Conditional shares, up to 20% of the Conditional shares that would otherwise vest may be forfeited. In exercising its discretion, the Board may consider level 4 and higher environmental incidents, level 4 and higher social incidents, negligence with respect to occupational health and safety management, material breaches of good corporate governance, and other relevant issues impacting Sibanye-Stillwater’s ESG performance and track record. The forfeiture may be applied to specific areas of the business or to the Group as a whole depending on the malpractices identified.

2017 Share Plan limit

Following shareholder approval at last year’s AGM, the share capital approved for issue under the 2017 Share Plan is 4% of the company’s issued share capital at the time, being a total of 86,748,850 shares.
MINIMUM SHAREHOLDING REQUIREMENT PLAN

On a supplemental basis to the Remuneration Policy and in order to encourage executive leadership of the Group to take on personal exposure to the Sibanye-Stillwater share price thereby increasing the extent of alignment with shareholder interests, the Remuneration Committee has approved a MSR plan for implementation with effect from March 2019.

In terms of this plan, executives will be expected to build personal holdings in Sibanye-Stillwater shares in excess of threshold levels over the five years from 2019 to 2023. Matching awards will be granted at the end of each year in the cycle based on the holdings achieved representing satisfactory progress towards the thresholds. The first matching awards will only be made in March 2020 depending on progress made during 2019.

Matching awards will be capped at a maximum of double the minimum shareholding requirement, will be subject to performance conditions and a vesting period of three years, and will be forfeited should the minimum shareholding requirement not be met. A claw-back provision will also be applied in respect of matching awards that have already vested by the end of the minimum shareholding build-up period should the minimum holding not be met. The holding may be satisfied through a combination of pledging of unvested Forfeitable shares, commitment of Forfeitable or Conditional shares on vesting and commitment of personal holdings, all converted to a pre-taxed equivalent value. These parameters, on which we have received independent third party review from PwC, are considered consistent with parallel plans that have been introduced by comparable South African mining companies.

<table>
<thead>
<tr>
<th>Level</th>
<th>Minimum shareholding requirement as a percentage of annual GRP at the start of the build up period</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>200%</td>
</tr>
<tr>
<td>CFO and other executive directors</td>
<td>150%</td>
</tr>
<tr>
<td>Other prescribed officers</td>
<td>100%</td>
</tr>
</tbody>
</table>

The matching shares ratio and performance conditions applicable to the matching share awards are still under consideration and will be finalised during the course of 2019 in conjunction with the review of performance conditions applicable to the long-term incentive share awards. That determination will be guided by comparable custom and practice in this regard so as to be aligned with appropriate industry standards.

NON-EXECUTIVE DIRECTOR FEES

In terms of Sibanye-Stillwater’s Memorandum of Incorporation, fees for the services of non-executive directors are determined by the Company’s shareholders at annual general meetings under the oversight of the Remuneration Committee as from the current cycle.

The appropriate level of fees and increases thereon are determined in a similar manner to assessing executive remuneration. Accordingly, we review the relevant fees for board and committee membership with comparable governance responsibilities for companies with characteristics in terms of operational size, complexity, regional spread and listing locations similar to Sibanye-Stillwater.

No provision is made for travel allowances, however, directors may claim for a refund of reasonable expenses if they incur these directly as opposed to having the company make the travel arrangements on their behalf. These figures are disclosed in the relevant table on fees in Part 3 of this report.

EXECUTIVE DIRECTORS’ CONTRACTS OF EMPLOYMENT

The employment of an Executive Director will continue until terminated upon (i) 24 or 12 months’ notice by either party for the CEO and CFO, respectively, or (ii) retirement of the relevant executive director (currently provided for at age 65 in the contract). Sibanye-Stillwater can also terminate an executive director’s employment summarily for any reason recognised by law as justifying summary termination.

Except for the two current executive directors, none of the Prescribed Officers have employment contracts that provide for any compensation for severance because of change of control.

The service agreements of the two executive directors contain “change of control” conditions, which are set out for information below. These contracts and conditions will be honoured until they terminate. However, any future appointments of Executive Directors will be made without provision for any compensation for severance because of ‘change of control’.

The employment contracts for the current two executive directors provide that, in the event of the relevant executive director’s employment being terminated solely as a result of a ‘change of control’ as defined below, within 12 months of the ‘change of control’, the executive director is entitled to:

- in respect of the CEO, payment of an amount equal to two and a half times GRP and in respect of the CFO payment of an amount equal to twice the GRP
- payment of an amount equal to the average of the incentive bonuses paid to the executive director during the previous two completed financial years
- any other payments and/or benefits due under the contracts
- payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete
- an entitlement to awards, in terms of the Sibanye-Stillwater Incentive Scheme, shall accelerate on the date of termination of employment and settle with the full number of shares previously awarded.

The employment contracts further provide that payments will also cover any compensation or damages the executive director may have under any applicable employment legislation.

‘Change of control’ in terms of the above is defined as the acquisition by a third party or concerned parties of 30% or more of Sibanye-Stillwater ordinary shares. In the event of the consummation of an acquisition, merger, consolidation, scheme of arrangement or other reorganisation, whether or not there is a change of control, if the Executive Director’s services are terminated, the ‘change of control’ provisions summarised above also apply.
Going forward, we will not include any contractual provisions in any employment contracts or variable pay contracts allowing for accelerated vesting without the testing of performance conditions.

NON-BINDING VOTE ON REMUNERATION POLICY
The Remuneration Policy, as set out here in Part 2 of this report, will be tabled for a separate non-binding advisory vote at the AGM.

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY – 2018
EXECUTIVE DIRECTORS’ AND PRESCRIBED OFFICERS’ SINGLE FIGURE OF REMUNERATION
The remuneration outcomes for executive directors and prescribed officers (who constitute executive management as per King IV) for 2018 are set below. We have included comparative tables for 2017.

As introduced last year, these tables have been compiled in a manner that improves clarity and transparency and aligns with the expected principles and practices of King IV.

Two perspectives are provided, the first being a Single Total Figure of Remuneration that reflects earnings attributable to the performance delivered during the relevant cycle and the second, Total Cash Remuneration, reflecting earnings received by each executive director and prescribed officer during the cycle. This should be considered in conjunction with the table of unvested awards, which provides a view of the ‘inflight’ LTI share awards for each executive during the cycle.

In this report, as for last year, both the short-term cash incentive and Forfeitable share awards, which are in proportion to the cash incentive with deferred vesting, are reported on an accrued basis in the Single Total Figure of Remuneration. Conditional shares, as before, continue to be reported on at vesting. To determine cash earnings in the cycle, amounts of shares that accrued in 2018 but were not settled are subtracted while shares accrued in previous years and which were settled in 2018 are added back in. Finally, adjustments are added on to take account of market movements on shares that were settled in 2018.
Remuneration paid to Sibanye-Stillwater executive directors and prescribed officers for the year ended 31 December 2018

<table>
<thead>
<tr>
<th>Executive directors</th>
<th>2018 (R'000)</th>
<th>Total single figure of remuneration</th>
<th>Less: Amount accrued not settled in 2018</th>
<th>Plus: Amount of previous accruals settled in 2018</th>
<th>Adjustments for market movements on accruals settled</th>
<th>Total cash remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>Pension scheme total contributions</td>
<td>Cash bonus accrued</td>
<td>Accrual of forfeitable share award</td>
<td>Other cash payment¹</td>
<td>Conditional share proceeds</td>
<td>Other benefits</td>
</tr>
<tr>
<td>Neal Froneman¹</td>
<td>8,939</td>
<td>993</td>
<td>6,729</td>
<td>4,486</td>
<td>-</td>
<td>8,431</td>
</tr>
<tr>
<td>Rand equivalent</td>
<td>2,783</td>
<td>-</td>
<td>1,890</td>
<td>1,260</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>11,722</td>
<td>993</td>
<td>8,619</td>
<td>5,746</td>
<td>-</td>
<td>8,431</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>6,033</td>
<td>862</td>
<td>4,237</td>
<td>2,824</td>
<td>-</td>
<td>3,697</td>
</tr>
<tr>
<td>Hartley Dikgale</td>
<td>3,560</td>
<td>250</td>
<td>2,022</td>
<td>1,348</td>
<td>-</td>
<td>1,571</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>3,674</td>
<td>501</td>
<td>2,352</td>
<td>1,568</td>
<td>-</td>
<td>2,017</td>
</tr>
<tr>
<td>Themba Nkosi</td>
<td>3,648</td>
<td>269</td>
<td>2,009</td>
<td>1,339</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>4,330</td>
<td>351</td>
<td>2,440</td>
<td>1,626</td>
<td>-</td>
<td>2,178</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>3,774</td>
<td>419</td>
<td>2,500</td>
<td>1,667</td>
<td>-</td>
<td>4,626</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>4,868</td>
<td>541</td>
<td>3,221</td>
<td>2,147</td>
<td>-</td>
<td>2,731</td>
</tr>
<tr>
<td>Shadwick Bessit²</td>
<td>336</td>
<td>59</td>
<td>176</td>
<td>117</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>49,889</td>
<td>4,546</td>
<td>31,736</td>
<td>21,155</td>
<td>1,717</td>
<td>25,251</td>
</tr>
</tbody>
</table>

¹ Entered into a dual service contract with effect 1 May 2018, remuneration paid in US$ was converted at the average exchange rate of R13.87/US$ applicable for the eight month period ending 31 December 2018
² Appointed in a Prescribed Officer role on 1 December 2018
³ Remuneration paid in US$ was converted at the average exchange rate of R13.24/US$ applicable for the twelve month period ending 31 December 2018
⁴ The other cash payment represents the contracted payout of benefits arising from the treatment of unvested share based remuneration in respect of the Stillwater Mining Company share plan, which comprised shares granted in the form of RSUs (retention based) and PSUs (performance based). In accordance with the change of control provisions of the Stillwater Mining Company share plan, on the acquisition of Stillwater by Sibanye-Stillwater all shares (RSUs and PSUs) were converted to a cash settlement with phased payments at US$18/share. No further performance criteria were to be applied with settlement subject to the prescribed officer remaining in the employment of Sibanye-Stillwater at 31 December of the year in question to qualify for the payment. The final tranche is payable at 31 December 2019.
### Remuneration report continued

Remuneration paid to Sibanye-Stillwater executive directors and prescribed officers for the year ended 31 December 2017

<table>
<thead>
<tr>
<th>Executive directors</th>
<th>2017 (R'000)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>Pension scheme total contributions</td>
<td>Cash bonus accrued</td>
<td>Accrual of forfeitable share award</td>
<td>Special cash bonus accrued</td>
<td>Conditional share proceeds</td>
<td>Other benefits</td>
<td>Termination/separation benefits</td>
<td>Total single figure of remuneration</td>
<td>Less: Amount accrued not settled in 2017</td>
<td>Plus: Amount of previous accruals settled in 2017</td>
<td>Plus: Adjustments for market movements on accruals settled</td>
</tr>
<tr>
<td>Neal Froneman</td>
<td>10,265</td>
<td>1,103</td>
<td>9,418</td>
<td>6,278</td>
<td>5,741</td>
<td>22,775</td>
<td>174</td>
<td>-</td>
<td>55,754</td>
<td>(21,437)</td>
<td>7,460</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>5,501</td>
<td>758</td>
<td>4,614</td>
<td>3,076</td>
<td>3,160</td>
<td>7,834</td>
<td>35</td>
<td>-</td>
<td>24,978</td>
<td>(10,850)</td>
<td>3,753</td>
</tr>
<tr>
<td>Prescribed officers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hartley Dikgale</td>
<td>3,749</td>
<td>258</td>
<td>2,291</td>
<td>1,528</td>
<td>-</td>
<td>4,455</td>
<td>-</td>
<td>-</td>
<td>12,281</td>
<td>(3,819)</td>
<td>2,130</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>3,634</td>
<td>496</td>
<td>2,578</td>
<td>1,718</td>
<td>-</td>
<td>4,495</td>
<td>-</td>
<td>-</td>
<td>12,921</td>
<td>(4,296)</td>
<td>2,242</td>
</tr>
<tr>
<td>Themba Nkosi</td>
<td>3,509</td>
<td>276</td>
<td>2,372</td>
<td>1,582</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,739</td>
<td>(3,954)</td>
<td>1,636</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>4,287</td>
<td>348</td>
<td>2,328</td>
<td>1,552</td>
<td>-</td>
<td>1,295</td>
<td>-</td>
<td>-</td>
<td>9,810</td>
<td>(3,880)</td>
<td>2,474</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>3,731</td>
<td>414</td>
<td>2,829</td>
<td>1,886</td>
<td>2,096</td>
<td>1,045</td>
<td>-</td>
<td>-</td>
<td>12,061</td>
<td>(6,811)</td>
<td>2,360</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>4,517</td>
<td>489</td>
<td>4,492</td>
<td>2,995</td>
<td>-</td>
<td>6,540</td>
<td>-</td>
<td>-</td>
<td>19,033</td>
<td>(7,487)</td>
<td>2,875</td>
</tr>
<tr>
<td>John Wallington</td>
<td>1,772</td>
<td>313</td>
<td>1,309</td>
<td>972</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,266</td>
<td>(2,181)</td>
<td>1,264</td>
</tr>
<tr>
<td>Chris Bateman²</td>
<td>4,023</td>
<td>148</td>
<td>2,628</td>
<td>1,743</td>
<td>-</td>
<td>483</td>
<td>-</td>
<td>-</td>
<td>9,025</td>
<td>(4,372)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>44,988</td>
<td>4,603</td>
<td>34,859</td>
<td>23,230</td>
<td>10,997</td>
<td>48,439</td>
<td>692</td>
<td>-</td>
<td>167,808</td>
<td>(69,087)</td>
<td>26,194</td>
</tr>
</tbody>
</table>

¹ Ceased performing a Prescribed Officer role on 30 June 2017
² Assumed a Prescribed Officer role on 1 July 2017 - Remuneration was converted at the average exchange rate of R13.41/US$ for the six month period

### GRP Adjustments during 2018

Our remuneration practice makes provision for annual salary increases typically taking effect from March of each year. As has been set out in Part 2 of this report, when reviewing base pay, whether for senior executives or for lower levels of employees, the increase in cost of living is one of the key factors taken into account, with comparative ‘market positioning’ and benchmarked remuneration for similar roles in peer group companies and individual performance also influencing the increase granted.

As stated in Part 1 of this report, the Executive Group leadership team waived remuneration increases in the 2018 increase cycle as a result of the tight economic climate at the time of the review – the US dollar gold and PGM basket prices were languishing, compounded by a relatively strong South African rand (relative to the US dollar) in the earlier part of 2018, and escalating input costs.

Nonetheless, despite this, the total salary earned in 2018 was still higher than the total salary earned in 2017, due to the level and timing of the increases in GRP granted during 2017 and accounted for in 2018.

While the annual inflationary adjustments and other increases that were made in March 2017 represent a modest contribution to this difference, much of the difference arises from the review of Executive remuneration undertaken in the middle of 2017. Peer remuneration comparisons, on which the Remuneration Committee received independent expert inputs from Mercer and PwC, were updated to take account of the expanded size and diversified operating footprint of the group with the associated increased complexity of organisational oversight arising from the very substantial transformation of the Group into a multi-jurisdictional operator with the expansion into PGM mining in the United States. The large increases in executive remuneration granted in July 2017 as a result of this review were deemed appropriate and market-related in recognition of this organisational transformation.
REMUNERATION FAIRNESS

Part 2 of this report addressed our policy and the principles applied in relation to Fair and Responsible Remuneration. This section sets out some commentary and analysis undertaken to assess our progress in this regard.

The Group in South Africa has implemented a deliberate and integrated program since 2013 to facilitate the decline in the Gini co-efficient (when applied to income inequalities), whilst retaining a competitive total reward construct at management levels.

The result is that at the operator level (i.e.: lowest levels of pay) the average level of base salaries since 2013 has increased by approximately 65% compared to 35% for supervisory employees and 30% for management over the same time period.

In addition to the deliberate action to implement higher salary increases over time at the lower employee levels, there have been deliberate efforts to also focus on job enlargement and job enrichment wherever practically possible in order to try and stimulate employee mobility and job re-grading.

Over this period the Group has extended a variety of "Total Reward" elements to the lower level employees which had traditionally been earmarked for supervisory and management levels such as:

- improved healthcare benefits
- better retirement benefits
- paid Family-Responsibility leave
- debt consolidation and work/life balance programmes
- career enhancement development aimed at improved career progression in support of our “Employment brand and value” proposition focusing on pay, benefits and careers

By way of illustration, the table below demonstrates the progress that Sibanye-Stillwater has made using the Palma ratio as an indicator when comparing differences in levels of base pay at the top and bottom of the Group in South Africa.

The Palma ratio represents the amount earned by the top 10% of a group of employees divided by the amount earned by the bottom 40% of that group. The trend over the last five years is illustrated below. This measure demonstrates a steady decline in this ratio over the past five years among Sibanye-Stillwater’s South African-domiciled employees. People in the top 10% at the SA operations were earning guaranteed pay on average about 5.8 times what people in the bottom 40% were earning in 2018 compared to 7.2 times in 2014. Over the period the differential in GPR has declined by just short of 20%.

A declining trend is also observed when assessing remuneration data using the Gini co-efficient, which is an internationally accepted measure of the distribution of income within a society or even within a group, with a value of 0 indicating complete equality, and 1 meaning that one person receives all the income. This measure also demonstrates declining differentials in GPR. While not directly comparable it is interesting to note by way of contrast, that South Africa’s Gini co-efficient, currently reported by the World Bank to be 0.65, is one of the highest, or most unequal, in the world, although this is primarily due to the high levels of unemployment in the country.

GRP ADJUSTMENTS EFFECTIVE FROM MARCH 2019

The following increases were granted to executive directors and prescribed Officers (who comprise the Group Exco) with effect from March 2019:

<table>
<thead>
<tr>
<th>Executive</th>
<th>2017/2018 GRP (R000/US$000)</th>
<th>Increase %</th>
<th>2018/2019 GRP (R000/US$000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neal Froneman1</td>
<td>12,500</td>
<td>5.3%</td>
<td>13,163</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>6,895</td>
<td>5.2%</td>
<td>7,254</td>
</tr>
<tr>
<td>Chris Bateman2</td>
<td>US$600</td>
<td>2.8%</td>
<td>US$617</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>4,175</td>
<td>5.2%</td>
<td>4,393</td>
</tr>
<tr>
<td>Hartley Dikgale</td>
<td>3,819</td>
<td>5.1%</td>
<td>4,014</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>4,193</td>
<td>5.5%</td>
<td>4,424</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>5,409</td>
<td>5.3%</td>
<td>5,696</td>
</tr>
<tr>
<td>Shadwick Besiti3</td>
<td>4,747</td>
<td>4.5%</td>
<td>4,961</td>
</tr>
<tr>
<td>Themba Nikosi</td>
<td>3,918</td>
<td>4.9%</td>
<td>4,110</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>4,682</td>
<td>5.0%</td>
<td>4,916</td>
</tr>
</tbody>
</table>

1 Neal Froneman’s approved GRP is maintained in South African rands with a portion covering the time spent in the provision of strategic and technical leadership to the Sibanye-Stillwater operations based in the United States to be paid under the dual services contract converted into US dollars at a 12-month trailing exchange rate.
As set out in Part 2 of this report, a rating scale of 1-5 is used for each factor and then a weighted average score is determined based on the outcomes for each factor. A rating of 3 corresponds to an ‘on target’ score and equates to 100% whereas a rating of 5 is afforded a score of 200%.

CEO: Achieved a score of 140% for the personal performance component of his STI payment. During the year, the CEO continued to lead the strategic transformation of Sibanye-Stillwater into a leading international precious metals producer through the acquisitive growth that is strongly value accretive in the medium term. Among the notable performance highlights for the year were:

- Leadership that was instrumental in maintaining the positive safe production momentum at all of the PGM operations acquired during the previous two years, with the production ramp up from the Blitz project at the United States operations initiated on the planned time scale
• Cemented Sibanye-Stillwater’s strategic position in the global PGM sector through preparatory work to secure a full mine to market value chain for the SA PGM operations
• Delivered effective deleveraging through the successful conclusion of the bespoke streaming transaction with Wheaton Precious Metals, complemented by additional commercial transactions
• Conclusion of the DRDGOLD and Aldebaran transactions to secure meaningful financial participation in non-core activities through business ventures that will afford dedicated focus

While the regrettable and tragic safety incidents at the South African gold operations detracted from the overall performance (which is reflected in the Group scorecard as opposed to the Personal scorecard), these are regarded as anomalous and not reflective of the values-based leadership culture that is generally practised at Sibanye-Stillwater or the quality of the safe production management systems that are in place. Management of the crisis that arose from these safety incidents was conducted in an exemplary manner through intensive and transparent interactions led personally by the CEO.

CFO: Achieved a personal performance score of 135% for the personal performance component of his STI payment. The notable performance highlights for the year were:
• Focused on the deleveraging of the balance sheet
• Concluded the gold and palladium streaming transaction with Wheaton Precious Metals
• Executed a US$395 million bond buy-back resulting in annual interest commitments reducing by US$25 million and by US$137 million over the remaining life of these instruments
• Executed a gold hedging programme of ~25% of annual planned production providing downside protection at ~R558,000/kg which was well above the realised average gold price of R535,929/kg
• Successfully executed the statutory audit tender process to appoint a new audit firm from commencement of the 2019 financial year, subject to shareholder approval at the Annual General Meeting
• Maintained a high level of governance and internal control over financial reporting

Overall STI outcomes for executive directors and prescribed officers for 2018

The following table represents the 2018 individual performance assessments made for STI award purposes, together with the applicable cash and Forfeitable (Bonus) shares allocated to the Executive Directors and the Prescribed Officers.

<table>
<thead>
<tr>
<th>Executive</th>
<th>Organisation performance</th>
<th>Individual Balanced Scorecard</th>
<th>Overall performance</th>
<th>Approved annual GRP1</th>
<th>Cash incentive1</th>
<th>Value of Bonus Shares1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neal Froneman</td>
<td>Jan-Apr 80.68%</td>
<td>140.0%</td>
<td>104.41%</td>
<td>R12,500</td>
<td>R2,789</td>
<td>R1,859</td>
</tr>
<tr>
<td></td>
<td>May-Dec (RSA) 80.68%</td>
<td>135.0%</td>
<td>102.41%</td>
<td>R6,649</td>
<td>R3,940</td>
<td>R2,627</td>
</tr>
<tr>
<td></td>
<td>May-Dec (USA) 80.68%</td>
<td>130.0%</td>
<td>95.21%</td>
<td>US$299.1</td>
<td>US$136.3</td>
<td>US$90.8</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>80.68%</td>
<td>135.0%</td>
<td>102.41%</td>
<td>R6,895</td>
<td>R4,237</td>
<td>R2,824</td>
</tr>
<tr>
<td>Chris Bateman</td>
<td>76.01%</td>
<td>140.0%</td>
<td>95.21%</td>
<td>US$600.0</td>
<td>US$314.2</td>
<td>US$209.5</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>80.68%</td>
<td>135.0%</td>
<td>102.41%</td>
<td>R4,175</td>
<td>R2,352</td>
<td>R1,568</td>
</tr>
<tr>
<td>Hartley Dikgale</td>
<td>81.78%</td>
<td>130.0%</td>
<td>96.24%</td>
<td>R3,819</td>
<td>R2,022</td>
<td>R1,348</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>80.68%</td>
<td>150.0%</td>
<td>108.41%</td>
<td>R4,193</td>
<td>R2,500</td>
<td>R1,667</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>81.78%</td>
<td>140.0%</td>
<td>99.24%</td>
<td>R5,409</td>
<td>R3,221</td>
<td>R2,147</td>
</tr>
<tr>
<td>Shadrack Bessi2</td>
<td>81.78%</td>
<td>100.0%</td>
<td>87.24%</td>
<td>R4,316</td>
<td>R3,176</td>
<td>R1,117</td>
</tr>
<tr>
<td>Themba Nkosi</td>
<td>81.78%</td>
<td>120.0%</td>
<td>93.24%</td>
<td>R3,918</td>
<td>R2,009</td>
<td>R1,339</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>81.78%</td>
<td>125.0%</td>
<td>94.74%</td>
<td>R4,682</td>
<td>R2,440</td>
<td>R1,626</td>
</tr>
</tbody>
</table>

1 The financial figures in the table are in R000 or US$000 as the case may be
2 The amounts due to Shadrack Bessi are in respect of the period during the year for which he was appointed as a member of the Group Executive Committee and a Prescribed Officer at the beginning of December 2018

LTI CONDITIONAL SHARE AWARDS MADE DURING 2018

The details for the determination of the Conditional (Performance) share awards made to Executive Directors and Prescribed Officers on 1 March 2018 are shown below. The basis on which these share awards were determined is explained in Part 2 of this report.

It is important to bear in mind that the value shown here represents the amount that was used to determine the actual number of shares to be awarded using the applicable pricing formula at the time (March 2018). However, the number of shares that will finally vest in March 2021 at the end of this three-year cycle will vary between 0% and 100%, depending on how well the performance conditions have been met by then.
Executive LTI and performance share value 2018

<table>
<thead>
<tr>
<th>Executive</th>
<th>Award for on target BSC rating</th>
<th>% of on target award based on BSC rating</th>
<th>% of annual GRP awarded</th>
<th>Value of Performance Share award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neal Froneman</td>
<td>195%</td>
<td>200%</td>
<td>390%</td>
<td>R51,919</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>180%</td>
<td>200%</td>
<td>360%</td>
<td>R26,361</td>
</tr>
<tr>
<td>Chris Bateman</td>
<td>165%</td>
<td>175%</td>
<td>289%</td>
<td>US$1,784</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>165%</td>
<td>175%</td>
<td>289%</td>
<td>R12,780</td>
</tr>
<tr>
<td>Hartley Dikgale</td>
<td>165%</td>
<td>150%</td>
<td>248%</td>
<td>R9,952</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>165%</td>
<td>200%</td>
<td>330%</td>
<td>R14,722</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>180%</td>
<td>200%</td>
<td>360%</td>
<td>R20,661</td>
</tr>
<tr>
<td>Themba Nkosi</td>
<td>165%</td>
<td>150%</td>
<td>248%</td>
<td>R10,239</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>165%</td>
<td>150%</td>
<td>248%</td>
<td>R12,236</td>
</tr>
</tbody>
</table>

1 The financial figures in the table are in R000 or US$000 as the case may be

LTI CONDITIONAL SHARE AWARDS TO BE MADE DURING 2019

The details for the determination of the Conditional (Performance) share awards made to executive directors and prescribed officers on 1 March 2019 are shown below.

While the actual number of shares that will finally vest in March 2022 will vary, the value shown here applies to the maximum value at the time of the granting of the award.

Executive LTI and bonus share value 2019

<table>
<thead>
<tr>
<th>Executive</th>
<th>Award for on target BSC rating</th>
<th>% of on target award based on BSC rating</th>
<th>% of annual GRP awarded</th>
<th>Value of Performance Share award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neal Froneman</td>
<td>195%</td>
<td>175%</td>
<td>341%</td>
<td>R44,917</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>180%</td>
<td>150%</td>
<td>270%</td>
<td>R19,585</td>
</tr>
<tr>
<td>Chris Bateman</td>
<td>165%</td>
<td>175%</td>
<td>289%</td>
<td>US$1,781</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>165%</td>
<td>150%</td>
<td>248%</td>
<td>R10,671</td>
</tr>
<tr>
<td>Hartley Dikgale</td>
<td>165%</td>
<td>150%</td>
<td>248%</td>
<td>R9,954</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>165%</td>
<td>175%</td>
<td>289%</td>
<td>R12,773</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>180%</td>
<td>175%</td>
<td>315%</td>
<td>R17,942</td>
</tr>
<tr>
<td>Shadwick Bessit²</td>
<td>165%</td>
<td>100%</td>
<td>165%</td>
<td>R8,185</td>
</tr>
<tr>
<td>Themba Nkosi</td>
<td>165%</td>
<td>150%</td>
<td>248%</td>
<td>R10,171</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>165%</td>
<td>150%</td>
<td>248%</td>
<td>R12,166</td>
</tr>
</tbody>
</table>

1 The financial figures in the table are in R000 or US$000 as the case may be

² The amounts due to Shadwick Bessit are in respect of the period during the year for which he was appointed as a member of the Group Executive Committee and a Prescribed Officer at the beginning of December 2018

VESTING OUTCOMES FOR THE 2015 CONDITIONAL SHARE AWARDS VESTING IN 2018

For the Conditional shares awarded on 2 March 2015, the performance condition applied differed from those applicable to awards made since 2016.

The applicable conditions for these share awards only had one criterion, which was based on the change in the average daily closing Sibanye-Stillwater share price over the three-year performance period as compared to two peer companies, Harmony and Pan African, as follows:

<table>
<thead>
<tr>
<th>Sibanye-Stillwater rank</th>
<th>Performance condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>200%</td>
</tr>
<tr>
<td>2</td>
<td>Linear interpolation between first and third ranked companies</td>
</tr>
<tr>
<td>3</td>
<td>100%</td>
</tr>
</tbody>
</table>

The average daily share price appreciation achieved by the three companies was as follows over the vesting period.

<table>
<thead>
<tr>
<th>Company</th>
<th>Average daily share price appreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harmony Gold Mining Co. Ltd</td>
<td>0.0568%</td>
</tr>
<tr>
<td>Sibanye-Stillwater</td>
<td>(0.0110%)</td>
</tr>
<tr>
<td>Pan African Resources</td>
<td>(0.0396%)</td>
</tr>
</tbody>
</table>

On this basis, Sibanye-Stillwater was the second ranked company in the peer group, and the resultant vesting percentage applied to the awards was 129.59%.
As a result, the number of shares that vested in 2018 for each of the relevant executives was as follows:

<table>
<thead>
<tr>
<th>Executive</th>
<th>Number of shares vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hartley Dikgale</td>
<td>134,883</td>
</tr>
<tr>
<td>Neal Froneman</td>
<td>696,047</td>
</tr>
<tr>
<td>Charli Keyter</td>
<td>317,476</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>173,202</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>186,988</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>156,246</td>
</tr>
<tr>
<td>Robert Van Niekerk</td>
<td>234,514</td>
</tr>
</tbody>
</table>

VESTING OUTCOMES FOR 2016 CONDITIONAL (PERFORMANCE) SHARE AWARDS VESTING IN MARCH 2019

The vesting conditions for the Conditional shares awarded in 2016 onwards have changed considerably from the above performance conditions. These performance conditions are the same as those currently applicable to the awards made in 2018 and 2019 and can be referenced in Part 2 of this report.

In summary, they depend on the relative performance of Sibanye-Stillwater as measured on a TSR basis against a comparator group and on a determination of the Group’s ROCE relative to the required return on equity.

The share awards granted in March 2016 will now vest in March 2019 following the application of these new performance conditions.

When assessing the TSR factor, which is applicable to 70% of the shares awarded, Sibanye-Stillwater’s performance was the lowest of the comparator group over the three-year assessment period. Accordingly this factor achieved a vesting percentage score of 0%. While still subject to audit review, indications are that the ROCE exceeded the threshold Return on Equity for the period by 2.07% resulting in a vesting percentage score of 34.4%.

Since the ROCE condition is applicable to 30% of the shares awarded then, before the consideration of any discretion by the Remuneration Committee, 10.3% of the Conditional shares awarded in March 2016 would vest in 2019.

However, given the increased number of fatalities in comparison with previous years as a result of the two anomalous safety incidents during the first half of 2018, the Remuneration Committee considered this to be a significant negative impact on Sibanye-Stillwater’s ESG performance and thus exercised its discretion to reduce the vesting outcome by 20%. Consequently, subject to final audit review, only 8.24% of the Conditional shares awarded in March 2016 will vest in March 2019.
EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS’ EQUITY-SETTLED INSTRUMENTS

The tables below present the details of the awards made under share-based incentive schemes in 2018 and in prior years that have not yet vested and the income received for awards settled during the 2018 financial year.

### Share equity summary

<table>
<thead>
<tr>
<th>Award</th>
<th>Award date</th>
<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Number of shares awarded inclusive of performance condition award</th>
<th>Equity-settled instruments forfeited during the year</th>
<th>Equity-settled instruments exercised during the year</th>
<th>Equity-settled instruments at 31 December 2018</th>
<th>Face value at award date</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXECUTIVE DIRECTORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Neal Froneman</td>
<td>Conditional Share Awards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PS - 2 March 2015</td>
<td>02 Mar 2015</td>
<td>R0.00</td>
<td>02 Mar 2018</td>
<td>537,115</td>
<td>186,772</td>
<td>-</td>
<td>723,887</td>
<td>-</td>
<td>10,400</td>
<td>12,983</td>
<td>-</td>
</tr>
<tr>
<td>PS - 1 March 2016</td>
<td>01 Mar 2016</td>
<td>R0.00</td>
<td>01 Mar 2019</td>
<td>910,086</td>
<td>36,403</td>
<td>-</td>
<td>-</td>
<td>946,489</td>
<td>33,166</td>
<td>12,540</td>
<td>2,849</td>
</tr>
<tr>
<td>PS - 1 March 2017</td>
<td>01 Mar 2017</td>
<td>R0.00</td>
<td>02 Mar 2020</td>
<td>2,011,752</td>
<td>80,470</td>
<td>-</td>
<td>-</td>
<td>2,092,222</td>
<td>35,716</td>
<td>31,280</td>
<td>7,616</td>
</tr>
<tr>
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<td>01 Mar 2018</td>
<td>R0.00</td>
<td>01 Mar 2021</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>4,440,824</td>
<td>48,750</td>
<td>29,292</td>
<td>25,890</td>
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<td>R0.00</td>
<td>01 Sep 2018</td>
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<td>2,069</td>
<td>-</td>
<td>53,785</td>
<td>-</td>
<td>1,394</td>
<td>1,224</td>
<td>-</td>
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<tr>
<td>BS - 1 March 2018</td>
<td>01 Mar 2018</td>
<td>R0.00</td>
<td>03 Dec 2018</td>
<td>-</td>
<td>285,957</td>
<td>-</td>
<td>285,957</td>
<td>-</td>
<td>3,139</td>
<td>3,143</td>
<td>-</td>
</tr>
<tr>
<td>BS - 1 March 2018</td>
<td>01 Mar 2018</td>
<td>R0.00</td>
<td>02 Sep 2019</td>
<td>-</td>
<td>285,959</td>
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<td>-</td>
<td>285,959</td>
<td>3,139</td>
<td>3,143</td>
<td>2,865</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,510,669</td>
<td>5,318,454</td>
<td>-</td>
<td>1,063,829</td>
<td>7,765,494</td>
<td>135,703</td>
<td>93,605</td>
<td>39,220</td>
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</tr>
<tr>
<td>Award</td>
<td>Award date</td>
<td>Award price</td>
<td>Vesting date</td>
<td>Equity-settled instruments at 31 December 2017</td>
<td>Equity-settled instruments forfeited during the year</td>
<td>Equity-settled instruments exercised during the year</td>
<td>Equity-settled instruments at 31 December 2018</td>
<td>Face value at award date</td>
<td>Fair value at award date</td>
<td>Fair value at 31 December 2018</td>
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<tr>
<td><strong>Charl Keyter</strong></td>
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<tr>
<td><strong>Conditional Share Awards</strong></td>
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<td>PS - 2 March 2015</td>
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<td>02 Mar 2018</td>
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<td>-</td>
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<td>5,922</td>
<td>-</td>
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<tr>
<td>PS - 1 March 2016</td>
<td>01 Mar 2016</td>
<td>R0.00</td>
<td>01 Mar 2019</td>
<td>413,540</td>
<td>16,542</td>
<td>-</td>
<td>-</td>
<td>430,082</td>
<td>15,070</td>
<td>5,698</td>
<td>1,295</td>
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<td>-</td>
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<td>18,099</td>
<td>15,852</td>
<td>3,859</td>
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<td>PS - 1 March 2018</td>
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<td>01 Mar 2021</td>
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<td>-</td>
<td>-</td>
<td>2,261,131</td>
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<td>13,182</td>
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<td><strong>Forfeitable Share Awards</strong></td>
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<tr>
<td>BS - 1 March 2017</td>
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<td>BS - 1 March 2018</td>
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<td>R0.00</td>
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<td>-</td>
<td>140,114</td>
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<td>140,114</td>
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<td>1,538</td>
<td>1,540</td>
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<tr>
<td>BS - 1 March 2018</td>
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<td>R0.00</td>
<td>02 Sep 2019</td>
<td>-</td>
<td>140,114</td>
<td>-</td>
<td>140,114</td>
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<td>1,538</td>
<td>1,540</td>
<td>1,404</td>
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<tr>
<td><strong>Total</strong></td>
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</tbody>
</table>
### Conditional Share Awards

<table>
<thead>
<tr>
<th>Award</th>
<th>Award date</th>
<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Equity-settled instruments forfeited during the year</th>
<th>Equity-settled instruments exercised during the year</th>
<th>Equity-settled instruments at 31 December 2018</th>
<th>Face value at award date</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS - 2 March 2015</td>
<td>02 Mar 2015</td>
<td>R0.00</td>
<td>02 Mar 2018</td>
<td>104,084</td>
<td>30,799</td>
<td>-</td>
<td>134,883</td>
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<td>2,015</td>
<td>2,516</td>
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<tr>
<td>PS - 1 March 2016</td>
<td>01 Mar 2016</td>
<td>R0.00</td>
<td>01 Mar 2019</td>
<td>192,536</td>
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<td>200,237</td>
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<td>01 Mar 2017</td>
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<td>580,521</td>
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<td>01 Mar 2021</td>
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### Forfeitable Share Awards

<table>
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<tr>
<th>Award</th>
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<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Equity-settled instruments forfeited during the year</th>
<th>Equity-settled instruments exercised during the year</th>
<th>Equity-settled instruments at 31 December 2018</th>
<th>Face value at award date</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BS - 1 March 2017</td>
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<td>01 Sep 2018</td>
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<td>BS - 1 March 2018</td>
<td>01 Mar 2018</td>
<td>R0.00</td>
<td>03 Dec 2018</td>
<td>-</td>
<td>69,579</td>
<td>-</td>
<td>69,579</td>
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<td>764</td>
<td>765</td>
</tr>
<tr>
<td>BS - 1 March 2018</td>
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<td>02 Sep 2019</td>
<td>-</td>
<td>69,579</td>
<td>-</td>
<td>69,579</td>
<td>-</td>
<td>764</td>
<td>765</td>
</tr>
</tbody>
</table>

### Total

<p>| | | | | | | | | | | |</p>
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<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>892,545</td>
<td>1,062,536</td>
<td>-</td>
<td>220,482</td>
<td>1,734,599</td>
<td>30,733</td>
<td>21,769</td>
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### Dawie Mostert - Conditional Share Awards

<table>
<thead>
<tr>
<th>Award</th>
<th>Award date</th>
<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Equity-settled instruments forfeited during the year</th>
<th>Equity-settled instruments exercised during the year</th>
<th>Equity-settled instruments at 31 December 2018</th>
<th>Face value at award date</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS - 2 March 2015</td>
<td>02 Mar 2015</td>
<td>R0.00</td>
<td>02 Mar 2018</td>
<td>133,653</td>
<td>39,549</td>
<td>-</td>
<td>173,202</td>
<td>-</td>
<td>2,588</td>
<td>3,231</td>
</tr>
<tr>
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<td>01 Mar 2016</td>
<td>R0.00</td>
<td>01 Mar 2019</td>
<td>247,938</td>
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<td>-</td>
<td>257,856</td>
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<td>-</td>
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<td>9,043</td>
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<td>PS - 1 March 2018</td>
<td>01 Mar 2018</td>
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<td>01 Mar 2021</td>
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<td>-</td>
<td>-</td>
<td>1,098,264</td>
<td>12,056</td>
<td>7,244</td>
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### Forfeitable Share Awards

<table>
<thead>
<tr>
<th>Award</th>
<th>Award date</th>
<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Equity-settled instruments forfeited during the year</th>
<th>Equity-settled instruments exercised during the year</th>
<th>Equity-settled instruments at 31 December 2018</th>
<th>Face value at award date</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
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</thead>
<tbody>
<tr>
<td>BS - 1 March 2017</td>
<td>01 Mar 2017</td>
<td>R0.00</td>
<td>01 Sep 2018</td>
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<td>638</td>
<td>-</td>
<td>16,576</td>
<td>-</td>
<td>429</td>
<td>377</td>
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<tr>
<td>BS - 1 March 2018</td>
<td>01 Mar 2018</td>
<td>R0.00</td>
<td>03 Dec 2018</td>
<td>-</td>
<td>78,266</td>
<td>-</td>
<td>78,266</td>
<td>-</td>
<td>859</td>
<td>860</td>
</tr>
<tr>
<td>BS - 1 March 2018</td>
<td>01 Mar 2018</td>
<td>R0.00</td>
<td>02 Sep 2019</td>
<td>-</td>
<td>78,266</td>
<td>-</td>
<td>78,266</td>
<td>-</td>
<td>859</td>
<td>860</td>
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### Total

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## REMUNERATION REPORT continued

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<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Number of shares awarded inclusive of performance condition award</th>
<th>Equity-settled instruments forfeited during the year</th>
<th>Equity-settled instruments exercised during the year</th>
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<th>Face value at award date</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
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<td>70,692</td>
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## Remuneration Report

### Sibanye-Stillwater

### Conditional Share Awards

<table>
<thead>
<tr>
<th>Award</th>
<th>Award date</th>
<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS - 2 March 2015</td>
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### Forfeitable Share Awards

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<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
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<th>Fair value at 31 December 2018</th>
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<td>R0.00</td>
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<td>-</td>
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<td>542</td>
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<tr>
<td>BS - 1 March 2018</td>
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<td>R0.00</td>
<td>03 Dec 2018</td>
<td>-</td>
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<td>1,499</td>
</tr>
<tr>
<td>BS - 1 March 2018</td>
<td>01 Mar 2018</td>
<td>R0.00</td>
<td>02 Sep 2019</td>
<td>-</td>
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<td>1,367</td>
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### Total

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### Robert van Niekerk

### Conditional Share Awards

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<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
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### Forfeitable Share Awards

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<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Fair value at award date</th>
<th>Fair value at 31 December 2018</th>
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<td>R0.00</td>
<td>01 Sep 2018</td>
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<td>805</td>
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<td>1,499</td>
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<td>BS - 1 March 2018</td>
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### Total

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### Award Date and Award Price Summary for 2018

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<th>Award price</th>
<th>Vesting date</th>
<th>Equity-settled instruments at 31 December 2017</th>
<th>Fair value at award date</th>
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<td><strong>Chris Bateman</strong></td>
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<td>9,109</td>
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<td>01 Mar 2019</td>
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<td>259,954</td>
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¹ Became a prescribed officer on 1 December 2018. The initial holdings reflect all awards made but not settled as at the date he assumed the role of prescribed officer, with awards, forfeitures and exercises only provided for the period for which he was a prescribed officer.

---

Sibanye-Stillwater Integrated Annual Report 2018
NON-EXECUTIVE DIRECTOR FEES

Fees and reimbursements paid in respect of Directors’ 2018 Board and Committee duties are presented in the table below exclusive of the VAT component that is included in the fees schedule as approved by shareholders.

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<tr>
<th>Non-executive director¹</th>
<th>Directors Fees</th>
<th>Committee Fees</th>
<th>Expense allowance</th>
<th>Total</th>
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<td>589</td>
<td>155</td>
<td>1,698</td>
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<td>Savannah Danson</td>
<td>953</td>
<td>528</td>
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<td>1,480</td>
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<tr>
<td>Barry Davison</td>
<td>953</td>
<td>696</td>
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<td>1,649</td>
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<td>Rick Menell</td>
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<td><strong>4,643</strong></td>
<td><strong>257</strong></td>
<td><strong>14,291</strong></td>
</tr>
</tbody>
</table>

¹Financial figures in table are in R000

In reviewing the fees for non-executive directors, the Remuneration Committee considered a detailed report and comparative analysis of the level of fees paid relative to other comparator companies.

The various levels of fees – for Board members, committee members, chairs of boards / committees – were compared against 12 comparator companies. Only three of those 12 companies were dual listed with the remainder having only a South African listing.

Against this group, all categories of Sibanye-Stillwater’s board fees, with the exception of the ‘main board membership’ fee, were at, or just above, the median of the comparator group (using the compa-ratio approach). However, when the ‘main board membership’ fee for Sibanye-Stillwater was compared to the three dual listed companies (considered fair comparisons to Sibanye-Stillwater) the Group’s fees were lower than all three of the comparators and about 30% below the median of that group of three.

In summary, if Sibanye-Stillwater was only listed in South Africa and had pre-dominantly local operations then its Non-Executive Director fees – bar the main board fee – would be appropriate. However, as the Group is both dual-listed and multinational, with exception of the main board fees, all the fees appear to be well below appropriate levels.

The Remuneration Committee has had insufficient time to gather further information after their initial deliberation on this matter in February 2019, but will do so and will reconsider the matter further during the course of 2019.

Accordingly, it is proposed to apply a nominal 5% cost-of-living increase across the board to all fee categories for Non-Executive Directors.

The proposed fees, set out in Special resolution number 1 in the Notice of AGM and cited on a VAT inclusive basis, reflect this 5% adjustment, which is slightly lower than the expected change in the South African CPI over the coming year and in line with the increase approved in the previous year.

<table>
<thead>
<tr>
<th>Per annum (Rand)</th>
<th>2019</th>
<th>2018</th>
<th>5% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Chair of the Board</td>
<td>2,215,697</td>
<td>2,110,188</td>
<td>105,509</td>
</tr>
<tr>
<td>The Chair of the Audit Committee</td>
<td>423,938</td>
<td>403,750</td>
<td>20,188</td>
</tr>
<tr>
<td>The Chairs of the Nominating and Governance Committee, Risk Committee, Remuneration Committee, Social and Ethics Committee, and Safety and Health Committee (excluding the Chairman of the Board)</td>
<td>261,453</td>
<td>249,003</td>
<td>12,450</td>
</tr>
<tr>
<td>Members of the Board (excluding the Chairman of the Board)</td>
<td>1,171,366</td>
<td>1,115,587</td>
<td>55,779</td>
</tr>
<tr>
<td>Members of the Audit Committee (excluding the Chairman of the Board)</td>
<td>220,094</td>
<td>209,613</td>
<td>10,481</td>
</tr>
<tr>
<td>Members of the Nominating and Governance Committee, Risk Committee, Remuneration Committee, Social and Ethics Committee, and Safety and Health Committee (excluding the Chairman of the Board)</td>
<td>165,439</td>
<td>157,561</td>
<td>7,878</td>
</tr>
</tbody>
</table>

NON-BINDING VOTE ON IMPLEMENTATION REPORT

The Remuneration Implementation report, as set out here in Part 3 of this report, will be tabled for a separate non-binding advisory vote at the AGM. (See Ordinary resolution number 15 in the Notice of AGM).
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The audited consolidated financial statements for the year ended 31 December 2018 have been prepared by Sibanye-Stillwater’s group financial reporting team headed by Alicia Brink. This process was supervised by the Group’s CFO, Charl Keyter and authorised for issue by Sibanye-Stillwater’s Board of Directors on 29 March 2019.

ANCILLARY INFORMATION
267 Shareholder information
269 Administration and corporate information
FIVE-YEAR FINANCIAL REVIEW

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Group operating statistics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SA gold operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore milled 000t</td>
<td>27,199</td>
<td>19,030</td>
<td>20,181</td>
<td>19,861</td>
<td>18,235</td>
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<tr>
<td>Gold produced kg</td>
<td>36,600</td>
<td>43,634</td>
<td>47,034</td>
<td>47,775</td>
<td>49,432</td>
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<tr>
<td>Gold sold kg</td>
<td>36,489</td>
<td>43,763</td>
<td>46,905</td>
<td>47,775</td>
<td>49,432</td>
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<tr>
<td><strong>Price and costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold price R/kg</td>
<td>535,929</td>
<td>536,378</td>
<td>586,319</td>
<td>475,508</td>
<td>440,615</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,259</td>
<td>1,254</td>
<td>1,242</td>
<td>1,160</td>
<td>1,267</td>
</tr>
<tr>
<td>Operating cost1 R/t</td>
<td>648</td>
<td>937</td>
<td>862</td>
<td>825</td>
<td>785</td>
</tr>
<tr>
<td>US$/t</td>
<td>49</td>
<td>70</td>
<td>59</td>
<td>65</td>
<td>73</td>
</tr>
<tr>
<td>R/kg</td>
<td>490,209</td>
<td>408,773</td>
<td>369,707</td>
<td>342,857</td>
<td>289,509</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,151</td>
<td>956</td>
<td>784</td>
<td>836</td>
<td>832</td>
</tr>
<tr>
<td>Adjusted EBITDA2 Rm</td>
<td>1,362</td>
<td>5,309</td>
<td>9,920</td>
<td>6,235</td>
<td>7,360</td>
</tr>
<tr>
<td>Adjusted EBITDA margin3</td>
<td>7</td>
<td>23</td>
<td>36</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>All-in sustaining cost4</td>
<td>R/kg</td>
<td>557,530</td>
<td>482,693</td>
<td>450,152</td>
<td>422,472</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,309</td>
<td>1,128</td>
<td>954</td>
<td>1,031</td>
<td>1,071</td>
</tr>
<tr>
<td>%</td>
<td>(4)</td>
<td>10</td>
<td>23</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>All-in sustaining cost margin4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All-in cost4 R/kg</td>
<td>583,409</td>
<td>501,620</td>
<td>472,585</td>
<td>430,746</td>
<td>375,854</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,370</td>
<td>1,173</td>
<td>1,002</td>
<td>1,051</td>
<td>1,080</td>
</tr>
<tr>
<td>%</td>
<td>(9)</td>
<td>6</td>
<td>19</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total capital expenditure Rm</td>
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<td>3,410</td>
<td>3,824</td>
<td>3,345</td>
<td>3,251</td>
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<td><strong>SA PGM operations</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore milled 000t</td>
<td>25,841</td>
<td>26,196</td>
<td>11,612</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Platinum produced 000 4Eoz</td>
<td>685</td>
<td>695</td>
<td>239</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Palladium produced 000 4Eoz</td>
<td>364</td>
<td>372</td>
<td>136</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PGM produced 000 4Eoz</td>
<td>1,176</td>
<td>1,194</td>
<td>421</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PGM sold 000 4Eoz</td>
<td>1,176</td>
<td>1,194</td>
<td>421</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Price and costs6</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average basket price R/4Eoz</td>
<td>13,838</td>
<td>12,534</td>
<td>12,209</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>US$/4Eoz</td>
<td>1,046</td>
<td>942</td>
<td>832</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating cost1 R/t</td>
<td>474</td>
<td>467</td>
<td>373</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>US$/t</td>
<td>36</td>
<td>35</td>
<td>25</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R/4Eoz</td>
<td>11,019</td>
<td>10,831</td>
<td>7,993</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>US$/4Eoz</td>
<td>832</td>
<td>814</td>
<td>545</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Adjusted EBITDA2 Rm</td>
<td>2,882</td>
<td>1,594</td>
<td>350</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBITDA margin3</td>
<td>19</td>
<td>12</td>
<td>9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>All-in sustaining cost4</td>
<td>R/4Eoz</td>
<td>10,417</td>
<td>10,399</td>
<td>10,404</td>
<td>-</td>
</tr>
<tr>
<td>US$/4Eoz</td>
<td>832</td>
<td>782</td>
<td>709</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>%</td>
<td>28</td>
<td>16</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>All-in sustaining cost margin4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All-in cost4 R/4Eoz</td>
<td>10,472</td>
<td>10,401</td>
<td>10,404</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>US$/4Eoz</td>
<td>791</td>
<td>782</td>
<td>709</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>%</td>
<td>27</td>
<td>16</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total capital expenditure Rm</td>
<td>1,000</td>
<td>1,035</td>
<td>327</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
The US PGM operations’ underground production is converted to metric tonnes and kilograms, and performance is translated into SA rand. In addition to the US

All-in sustaining cost margin is defined as revenue minus All-in sustaining costs divided by revenue. All-in cost margin is defined as revenue minus All-in costs

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.  

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue. 

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

Sibanye-Stillwater presents the financial measures “All-in sustaining costs”, “All-in costs”, “All-in sustaining cost per kilogram”, “All-in sustaining cost per ounce”, “All-in cost per kilogram” and “All-in cost per ounce”, which were introduced during the year ended 31 December 2013 by the World Gold Council (the Council). Despite not being a member of the Council at the time, Sibanye-Stillwater adopted the principles prescribed by the Council. The Council is a non-profit association of the world’s leading gold mining companies established in 1987 to promote the use of gold from industry, consumers and investors and is not a regulatory organisation. The Council has worked with its member companies to develop a metric that expands on International Financial Reporting Standards (IFRS) measures such as cost of goods sold and currently accepted non-IFRS measures to provide relevant information to investors, governments, local communities and other stakeholders in understanding the economics of gold mining operations related to expenditures, operating performance and the ability to generate cash flow from operations. This is intended to provide additional information only, do not have any standardised meaning prescribed by IFRS and should not be considered in isolation or as alternatives to cost of sales, profit before tax, profit for the year, cash from operating activities or any other measure of financial performance presented in accordance with IFRS. All-in sustaining costs, All-in costs, All-in sustaining cost per kilogram, All-in cost per kilogram and All-in cost per ounce as presented in this document may not be comparable to other similarly titled measures of performance of other companies. Other companies may calculate these measures differently as a result of differences in the underlying accounting principles, policies applied and accounting frameworks such as in US GAAP. Differences may also arise related to definitional differences of sustaining versus development capital activities based upon each company’s internal policies.  

All-in costs excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in costs is made up of All-in sustaining costs, being the cost to sustain current operations, given as a sub-total in the All-in costs calculation, together with corporate and major capital expenditure growth.

For a reconciliation of cost of sales, before amortisation and depreciation to All-in costs, see –Overview–Management’s discussion and analysis of the financial statements–2018 financial performance compared with 2017 and 2016–Cost of sales–All-in costs.  

All-in sustaining cost margin is defined as revenue minus All-in sustaining costs divided by revenue. All-in cost margin is defined as revenue minus All-in costs divided by revenue.  

The total SA PGM operations unit cost benchmarks (including capital expenditure) exclude the financial results of Mimosa, which is equity accounted, and excluded from revenue and cost of sales. 

The US PGM operations’ underground production is converted to metric tonnes and kilograms, and performance is translated into SA rand. In addition to the US PGM operations’ underground production, the operation processes recycling material which is excluded from the 2E PGM production, average basket price, operating cost, All-in sustaining cost and All-in cost statistics shown. PGM recycling represents palladium, platinum, and rhodium ounces fed to the furnace.
The closing exchange rate at period end. The closing exchange on 26 March 2019, as reported by IRESS, was R14.41/US$. Fluctuations in the exchange rate between the rand and the US dollar will affect the US dollar equivalent of the price of the ordinary shares on the JSE, which may affect the market price of the American Depositary Receipts (ADRs) on the NYSE. These fluctuations will also affect the US dollar amounts received by owners of ADRs on the conversion of any dividends paid in rand on the ordinary shares.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

The following discussion and analysis should be read together with Sibanye-Stillwater’s consolidated financial statements including the notes, which appear elsewhere in this annual financial report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties. See Forward-looking statements for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this annual financial report.

Introduction

Sibanye-Stillwater is an independent, global, precious metals mining company producing a mix of metals that includes PGMs and gold. Domiciled and with its head office in South Africa, Sibanye-Stillwater owns and operates a portfolio of high-quality operations and projects that are located as follows:

**US PGM operations**
The East Boulder and the Stillwater (including Blitzz) mines are located in Montana, in the United States. The Columbus Metallurgical Complex, which smelts the material mined to produce PGM-rich filter cake, also conducts PGM recycling activities.

**SA PGM operations**
The Kroondal, Rustenburg and Platinum Mile operations are located on the western limb of the Bushveld Complex in South Africa, while Mimosa is on the southern portion of the Great Dyke in Zimbabwe. Platinum Mile is a retreatment facility. Mimosa is a 50:50 joint venture with Impala Platinum Holdings Limited, which manages this operation.

**SA gold operations**
In South Africa, Driefontein, Kloof and Cooke surface operations are located on the West Rand of the Witwatersrand Basin, while Beatrix is in the southern Free State goldfields of the Basin. Sibanye-Stillwater also has an interest in surface tailings retreatment facilities located from the East Rand to the West Rand through our 38.05% stake in DRDGOLD Limited (DRDGOLD).

**Projects**
Our projects are:
- Marathon, a PGM project in Ontario, Canada
- Altar and Rio Grande, copper-gold projects in the Andes in north-west Argentina, close to the Chilean border
- Hoedspruit, Zondernaam and Vygenhoeck, PGM projects in South Africa
- Burnstone and the southern Free State gold projects in South Africa

At our PGM operations in South Africa and Zimbabwe, the primary PGMs produced are platinum, palladium and rhodium, which together with gold, are referred to as 4E (3PGM+Au). Production by ratio is approximately 58% platinum (Pt), 32% palladium (Pd), 8% rhodium (Rh) and 2% gold (Au). The PGM-bearing ore mined here is processed to produce PGMs-in-concentrate, which is currently processed and refined by third parties.

The US PGM operations primarily produce palladium and platinum (78% palladium and 22% platinum), referred to as 2E (or 2PGM). The PGM-bearing ore mined is processed and smelted to produce a PGM-rich filter cake. A third party refines the filter cake to produce refined PGMs.

The major sources of demand for PGMs are for use in autocatalysts and jewellery. Combined, these two areas accounted for around 69% of gross platinum demand in 2018. Autocatalysts alone accounted for 40% of gross platinum demand and for 85% of gross palladium demand in 2018.

Sibanye-Stillwater mines, extracts and processes gold-bearing ore at its SA gold operations to produce a beneficiated product, doré, which is then refined at Rand Refinery Proprietary Limited (Rand Refinery) into gold bars with a purity of at least 99.5% in accordance with the London Bullion Market Association’s standards of Good Delivery. Sibanye-Stillwater holds a 44% interest in Rand Refinery, one of the largest refiners of gold globally, and the largest in Africa. Rand Refinery markets and sells the refined gold on international markets to customers around the world.

The main sources of demand for gold are as a store of value (such as central bank holdings), as an investment (exchange traded funds, bars and coins), jewellery and for various industrial purposes.

In 2018, Sibanye-Stillwater delivered attributable PGM production of 0.59Moz (2E) (2017: 0.38Moz (2E)) and 1.18Moz (4E) (2017: 1.19Moz (4E) and 2016: 0.42Moz (4E)), and produced 36,600kg (1.18Moz) (2017: 43,634kg (1.40Moz) and 2016: 47,034kg (1.51Moz)) of gold.

During the year, Sibanye-Stillwater recognised a loss of R2,521 million (2017: loss of R4,433 million and 2016: profit of R3,043 million), of which R2,500 million loss (2017: R4,437 million loss and 2016: R3,473 million profit) is attributable to the owners of Sibanye-Stillwater.


The following financial review provides stakeholders with greater insight into the financial performance and position of the Group during the periods indicated.

Factors affecting Sibanye-Stillwater’s performance

**Commodity prices**

Sibanye-Stillwater’s revenues are primarily derived from the sale of the PGMs and gold that it produces, from its own mines and its recycling facilities. For mined production, Sibanye-Stillwater does not generally enter into forward sales, commodity derivatives or other hedging arrangements in order to establish a price in advance of the sale of its production, unless these derivatives are used for risk mitigation and project funding initiatives. As a result, Sibanye-Stillwater is normally fully exposed to changes in commodity prices for its mined production. For recycled...
throughput, which is solely produced at the Columbus metallurgical facilities in Montana, all trades are hedged on the day the recycled material is acquired. This negates commodity price volatility and exposure during an extended outturn period.

As detailed previously, PGM and gold hedging is considered under one or more of the following circumstances: to protect cash flows at times of significant capital expenditures; financing projects; or to safeguard the viability of higher cost operations, see —Consolidated financial statements—Notes to the consolidated financial statements—Note 31.2: Risk management activities.

Historically, platinum, palladium and rhodium prices have been subject to wide fluctuations and are affected by numerous factors beyond Sibanye-Stillwater’s control, including international macroeconomic conditions and outlook, levels of supply and/or demand, any actual or potential threats to the stability of supply and/or demand, inventory levels maintained by users and producers, liquidity of above ground excess inventories, actions of participants in the commodities markets and currency exchange rates, particularly the rand to the US dollar.

In addition, platinum, palladium and rhodium exchange-traded funds (ETFs) have added a further element of unpredictability and volatility to the pricing environment and may increase volatility in PGM prices, particularly during structurally tight markets. ETF investors may exhibit procyclical behavior, purchasing shares in ETFs during times of rising prices and selling holdings during periods of declining prices. This behavior may exacerbate short term price volatility. The market prices of platinum, palladium, rhodium and other PGMs have been, and may in the future be, subject to rapid short-term changes.

Between 2016 and 2018, the average platinum price has decreased from US$990/oz to US$879/oz. The volatility of, and recent decline in, the price of platinum is illustrated in the platinum price table below (which shows the annual high, low and average of the London market price of platinum).

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,514</td>
<td>1,181</td>
<td>1,385</td>
</tr>
<tr>
<td>2015</td>
<td>1,287</td>
<td>831</td>
<td>1,053</td>
</tr>
<tr>
<td>2016</td>
<td>1,178</td>
<td>821</td>
<td>990</td>
</tr>
<tr>
<td>2017</td>
<td>1,046</td>
<td>884</td>
<td>950</td>
</tr>
<tr>
<td>2018</td>
<td>1,025</td>
<td>770</td>
<td>879</td>
</tr>
<tr>
<td>2019 (through 26 March 2019)</td>
<td>874</td>
<td>777</td>
<td>820</td>
</tr>
</tbody>
</table>

*Rounded to the nearest US dollar.

On 26 March 2019, the London market price of platinum was US$852/oz.

The volatility of the price of palladium is illustrated in the palladium price table below (which shows the annual high, low and average of the London market price of palladium).

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>911</td>
<td>702</td>
<td>805</td>
</tr>
<tr>
<td>2015</td>
<td>831</td>
<td>524</td>
<td>680</td>
</tr>
<tr>
<td>2016</td>
<td>770</td>
<td>470</td>
<td>624</td>
</tr>
<tr>
<td>2017</td>
<td>1,067</td>
<td>706</td>
<td>886</td>
</tr>
<tr>
<td>2018</td>
<td>1,285</td>
<td>857</td>
<td>1,038</td>
</tr>
<tr>
<td>2019 (through 26 March 2019)</td>
<td>1,550</td>
<td>1,280</td>
<td>1,455</td>
</tr>
</tbody>
</table>

*Rounded to the nearest US dollar.

On 26 March 2019, the London market price of palladium was US$1,544/oz.

The volatility of the price of rhodium is illustrated in the rhodium price table below (which shows the annual high, low and average of the London market price of rhodium).

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,475</td>
<td>1,025</td>
<td>1,185</td>
</tr>
<tr>
<td>2015</td>
<td>1,245</td>
<td>640</td>
<td>923</td>
</tr>
<tr>
<td>2016</td>
<td>825</td>
<td>625</td>
<td>696</td>
</tr>
<tr>
<td>2017</td>
<td>1,715</td>
<td>770</td>
<td>1,155</td>
</tr>
<tr>
<td>2018</td>
<td>2,600</td>
<td>1,690</td>
<td>2,255</td>
</tr>
<tr>
<td>2019 (through 26 March 2019)</td>
<td>2,760</td>
<td>2,460</td>
<td>2,630</td>
</tr>
</tbody>
</table>

*Rounded to the nearest US dollar.

On 26 March 2019, the London market price of rhodium was US$2,760/oz.

The market price of gold has historically been volatile and is affected by numerous factors over which Sibanye-Stillwater has no control, such as general supply and demand, speculative trading activity and global economic drivers. Further, over the period from 2016 to 2018, the gold price has fluctuated between a high price of US$1,366/oz and a low price US$1,077/oz. Should the gold price decline below the SA gold operations’ unit production cost the Group may experience losses and, should this situation remain for an extended period, Sibanye-Stillwater may be forced
MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

to curtail or suspend some or all of its SA gold operations, projects and/or reduce sustaining capital expenditure. Sibanye-Stillwater might not be able to recover any losses incurred during, or after, such events. A sustained period of significant gold price volatility may also adversely affect Sibanye-Stillwater’s ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

The volatility of, and recent decline in, the price of gold is illustrated in the gold price table below (which shows the annual high, low and average of the London afternoon fixing price of gold).

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,385</td>
<td>1,142</td>
<td>1,265</td>
</tr>
<tr>
<td>2015</td>
<td>1,296</td>
<td>1,049</td>
<td>1,159</td>
</tr>
<tr>
<td>2016</td>
<td>1,366</td>
<td>1,077</td>
<td>1,250</td>
</tr>
<tr>
<td>2017</td>
<td>1,351</td>
<td>1,149</td>
<td>1,257</td>
</tr>
<tr>
<td>2018</td>
<td>1,360</td>
<td>1,177</td>
<td>1,269</td>
</tr>
<tr>
<td>2019 (through 26 March 2019)</td>
<td>1,346</td>
<td>1,279</td>
<td>1,304</td>
</tr>
</tbody>
</table>

1 Rounded to the nearest US dollar.

On 26 March 2019, the London afternoon fixing price of gold was US$1,316/oz.

Exchange rate

Sibanye-Stillwater’s SA PGM and gold operations (with the exception of Mimosa) are all located in South Africa, and its revenues are equally sensitive to changes in the US dollar PGM (4E) basket and gold prices, and the rand/US dollar exchange rate (the exchange rate). Depreciation of the rand against the US dollar results in Sibanye-Stillwater’s revenues and operating margins increasing. Conversely, should the rand appreci ate against the US dollar, revenues and operating margins would decrease. The impact on profitability of any change in the exchange rate can be substantial. Furthermore, the exchange rates obtained when converting US dollars to rand are set by foreign exchange markets, over which Sibanye-Stillwater has no control. The relationship between currencies and commodities, which includes the PGM (4E) basket and gold prices, is complex, and changes in exchange rates can influence commodity prices, and vice versa.

As a general rule, Sibanye-Stillwater does not enter into long-term currency hedging arrangements and is mainly exposed to the spot market exchange rate. Sibanye-Stillwater’s SA PGM and gold operations’ costs are primarily denominated in rand (with the exception of Mimosa), and forward cover could be considered for significant expenditures based in foreign currency or those items which have long lead times to production or delivery, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 31.2: Risk management activities.

Costs

Sibanye-Stillwater’s cost of sales, before amortisation and depreciation comprise mainly labour and contractor costs, power and water, and consumable stores which include, inter alia, explosives, timber, cyanide and other consumables. Sibanye-Stillwater expects that its cost of sales, particularly the input costs noted above, are likely to continue to increase in the near future and will be driven by inflation, general economic trends, market dynamics and other regulatory changes. In order to restrict these cost inputs, there is a continuous restructuring programme throughout the Group to improve efficiencies and productivity. Cost saving initiatives, especially with reference to reducing the impact of electricity consumption at the SA gold operations, have been specifically successful.

The South African inflation rate or Consumer Price Index (CPI) was 4.7% in 2018 (2017: 5.2% and 2016: 6.6%). Inflation in the mining industry has historically been higher than CPI driven by above inflation wage increases and more recently increases in electricity tariffs.

Sibanye-Stillwater’s operations are labour intensive. Labour represented 38%, 42% and 45% of cost of sales, before amortisation and depreciation during 2018, 2017 and 2016, respectively.

On 14 November 2018, Sibanye-Stillwater signed a three-year wage agreement at the SA gold operations with the National Union of Mineworkers (NUM), Solidarity and UASA in respect of wages and conditions of service for the period from 1 July 2018 to 30 June 2021. The agreement allows for increases to the basic wage of Category 4-8 surface and underground employees of R700 per month in the first and second years, and R825 per month in the third year. Miners, artisans and officials will receive increases of 5.5% in year one and 5.5% or CPI (whichever is greater) in years two and three of the agreement. In addition to the basic wage, the parties agreed to an increase in the current living-out allowance and Sibanye-Stillwater also agreed to increase incrementally the current minimum medical incapacity benefit.

On 19 November 2018, the Association of Mineworkers and Construction Union (AMCU) gave notice that its members would embark on protected strike action at our gold operations from the evening shift on 21 November 2018. Despite ongoing attempts by Sibanye-Stillwater to reach a fair and reasonable outcome during the negotiations, AMCU national leadership intervened and persisted with its original, unaffordable demands. Acts of violence and intimidation, including the murder of an employee and serious injury to several others, have been recorded. By the end of the reporting period, the strike had not ceased.

While still owned by Anglo American Platinum Limited (Anglo American Platinum), a three-year wage agreement was signed at the Rustenburg operation and became effective from 1 July 2016 prior to the acquisition. This agreement expires on 30 June 2019 and the next round of wage negotiations in the sector is due to begin shortly.

During 2017, wage negotiations were successfully concluded at Kroondal and at the US PGM operations.

At Kroondal, a three-year wage agreement was signed with all three unions (AMCU, NUM and Solidarity). The agreement, effective from 1 July 2017, includes an annual increase of R1,000 a month for three years for Category B employees (lower category employees) with inflation-related annual increases agreed for Category A employees. Medical aid subsidies will also increase. Combined, these increases represent an average increase of 3.7% in each of the three years.
escalation of about 7% in Kroondal’s total wage bill and helped to align wage scales with those at Bathopele – both Kroondal and Bathopele are mechanised operations. This will contribute to business continuity and promote certainty regarding Kroondal’s integration within Sibanye-Stillwater.

In the US region, a two-year wage agreement was signed with the United Steel Workers International Union (USW), the representative union at the Stillwater Mine in Montana. In terms of the agreement there was a 2% general wage increase for all job categories effective from 2 June 2017 to 1 January 2018, and a 1% increase, effective from 1 January 2018 to 1 June 2018. An annual increase of 2% was agreed for the second year of the agreement, from 2 June 2018 to 1 June 2019. Negotiations with the USW regarding East Boulder were concluded towards year-end 2017. A new four-year wage contract was signed that included a two-year extension. The next wage negotiations will be in December 2021. The agreed wage increases were a 1% increase effective 1 January 2018 and a US$1,000 bonus that was paid by 1 February 2018, followed by annual increases of 2% for 2019, 2.5% in 2020 and 2% in 2021.

Despite above inflation increases in electricity tariffs, power and water comprised 12%, 14% and 18% of cost of sales, before amortisation and depreciation in 2018, 2017 and 2016, respectively.

The effect of the abovementioned increases, especially being above the average inflation rate, has adversely affected and, may continue to adversely affect, the profitability of Sibanye-Stillwater’s SA PGM and gold operations. Further, Sibanye-Stillwater’s SA PGM and gold operations’ costs are primarily denominated in rand, while revenues from PGM and gold sales are in US dollars. Generally when inflation is high the rand tends to devalue, thereby increasing rand revenues, and potentially offsetting any 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.

Production

Sibanye-Stillwater’s revenues are driven by its production levels and the price it realises from the sale of PGMs, gold and associated co- and by-products, as discussed above. Production can be affected by a number of factors including mining grades, safety related work stoppages, industrial action, and other mining related incidents. These factors could have an impact on production levels in the future.

The Sibanye-Stillwater’s SA gold operations are in their mature life stage and have encountered lower mining grades and yields. Sibanye-Stillwater’s SA PGM operations are at steady state production levels.

Sibanye-Stillwater’s SA PGM and gold operations are subject to South African health and safety laws and regulations that impose various duties on Sibanye-Stillwater’s mines while granting the authorities’ powers to, among other things, close or suspend operations and order corrective action relating to health and safety matters. During 2018, Sibanye-Stillwater’s SA PGM operations experienced 44 work stoppages (2017: 26 and 2016: 55) and the SA gold operations experienced 219 work stoppages (2017: 204 and 2016: 171).

In recent years, the South African mining industry has experienced increased union unrest. The entry of new unions such as AMCU, which has become a significant rival to the traditionally dominant NUM, has resulted in more frequent industrial disputes, including violent protests, intra-union violence and clashes with police authorities. On 21 November 2018, a strike was called by AMCU at the SA gold operations. Response plans have been put in place to maintain peace and stability in order to ensure the safety of Sibanye-Stillwater’s employees as far as possible, and mitigate financial losses by optimising production through the concentration of underground mining activity to specific operating areas, and reducing fixed costs by switching off services and utilities across areas where production activity has been suspended. While these strike plans have been implemented across the operations, the strike action continues to impact on our operations to varying extents. The AMCU strike action has continued into 2019.

Sibanye-Stillwater’s key focus is to maintain profitable operations and sustain current production levels for a longer period than had previously been envisaged, through an increased focus on productivity. Furthermore, focus will be on realising the extensive reserves and resources potential that still exists.

Royalties and mining tax

South African mining operations pay a royalty tax. The formula for calculating royalties takes into account the profitability of individual operations. The royalty formula is detailed in –Consolidated financial statements–Notes to the consolidated financial statements–Note 9.1: Royalties.

Under South African tax legislation, gold mining companies and non-gold mining companies are taxed at different rates. Sibanye-Stillwater’s SA gold operations are subject to the gold tax formula on their respective mining incomes. The formula calculating tax payable, which is detailed in –Consolidated financial statements–Notes to the consolidated financial statements–Note 9.2: Mining and income tax, is affected by the profitability of the applicable mining operation. In addition, these operations are ring fenced, so each operation is taxed separately and, as a result, taxable losses and capital expenditure at one of the operations cannot be used to reduce taxable income from another operation. Depending on the profitability of the operations, the tax rate can vary significantly from year to year.

Stillwater is operating a trading company in New Jersey. During the six months ended 31 December 2018, the New Jersey Governor signed a number of bills that implement numerous tax changes which affected the US PGM operations. The most significant change in the law resulted in tax being calculated together on all US entities under common control (i.e. greater than 50% voting ownership). This resulted in an increase in the estimated deferred tax rate relating to the US PGM operations and a deferred tax charge of R1,545 million (US$108 million).

On 22 December 2017, new federal tax reform legislation was enacted in the United States, resulting in significant changes from previous tax law effective 1 January 2018 the federal corporate income tax rate reduced to 21% from 35%. The rate change resulted in a decrease in our US region net deferred tax liabilities at 31 December 2017 of R2,532 million (US$205 million) with a corresponding deferred tax benefit. There has been no further changes in the federal corporate income tax rates or federal tax legislation during the 2018 year. Our federal income tax expense for 2018 period was based on the new tax rate, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 9.2: Mining and income tax.
Capital expenditure

Sibanye-Stillwater will continue to invest capital in new and existing infrastructure and possible growth opportunities. Therefore, management will be required to consider, on an ongoing basis, the capital expenditure necessary to achieve its sustainable production objectives against other demands on cash.

As part of its strategy, Sibanye-Stillwater may investigate the potential exploitation of mineralisation below its current infrastructure limits as well as other capital-intensive projects.

In 2018, Sibanye-Stillwater’s total capital expenditure was R7,081 million (2017: R6,099 million and 2016: R4,151 million). Sibanye-Stillwater expects to spend approximately R8.0 billion on capital in 2019, which excludes the capital expenditure of DRDGOLD, Lonmin and any future acquisitions.

The actual amount of capital expenditure will depend on a number of factors, such as production volumes, the commodity prices and general economic conditions and may differ from the amount forecast above. Some of these factors are outside of the control of Sibanye-Stillwater.

Recent acquisitions

DRDGOLD acquisition

On 22 November 2017, Sibanye-Stillwater announced that it had entered into various agreements with DRDGOLD in terms of which, Sibanye-Stillwater would exchange selected surface gold processing assets and tailings storage facilities (TSF) (the "Far West Gold Recoveries", previously known as the West Rand Tailing Retreatment Project (WRTRP)) for approximately 265 million newly issued DRDGOLD shares (the DRDGOLD Transaction), or 38.05% of the issued share capital of DRDGOLD. In addition, pursuant to the DRDGOLD Transaction, Sibanye-Stillwater has an option to subscribe for a sufficient number of DRDGOLD ordinary shares to attain a 50.1% shareholding in DRDGOLD at a 10% discount to the 30 day volume weighted average traded price.

Sibanye-Stillwater received approval for the DRDGOLD Transaction from the South African competition authorities in accordance with the Competition Act and on 19 July 2018 all the conditions precedent to the DRDGOLD Transaction were fulfilled. Sibanye-Stillwater obtained control (38.05%) of and consolidated DRDGOLD from this date (as a result of the option which is in the money and is considered substantive). Results of DRDGOLD are presented for the five months ended 31 December 2018 following completion of the acquisition, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 13.1: DRDGOLD acquisition.

Stillwater acquisition

On 9 December 2016, Sibanye-Stillwater announced it had reached a definitive agreement to acquire Stillwater Mining Company (Stillwater) for US$18 per share in cash, or US$2,200 million in aggregate (the Stillwater Transaction). On 25 April 2017, at the shareholders meeting of Sibanye-Stillwater, the Sibanye-Stillwater shareholders approved the proposed Stillwater Transaction by voting in favour of the various resolutions to give effect to the Stillwater Transaction and at the shareholders meeting of Stillwater, the requisite majority of Stillwater shareholders resolved to approve the Stillwater Transaction. Sibanye-Stillwater obtained control (100%) of Stillwater on this date.

Results of Stillwater were presented for the eight months ended 31 December 2017 following the completion of the acquisition, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 13.2: Stillwater acquisition.

The Rustenburg operation acquisition

On 9 September 2015, Sibanye-Stillwater announced that it had entered into written agreements with Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum to acquire the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) mining operations, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant, associated surface infrastructure and related assets and liabilities on a going concern basis, including normalised levels of working capital (the Rustenburg operation) (the Rustenburg operation Transaction).

The purchase consideration comprises an upfront payment of R1.5 billion at the closing of the Rustenburg operation Transaction (Closing) and a deferred payment calculated as being equal to 35% of the distributable free cash flow generated by the Rustenburg operation over a six year period from the later of Closing or 1 January 2017 (Deferred Payment), subject to a minimum payment of R3.0 billion. In addition to the Deferred Payment, which allows for a favourable extended payment period; should the Rustenburg operation generate negative distributable free cash flows in either 2016, 2017 or 2018, RPM will be required to pay up to R267 million per annum to ensure that the free cash flow for the relevant year is equal to zero.

On 19 October 2016, Sibanye-Stillwater obtained consent in terms of section 11 of the Mineral and Petroleum Resources Development Act (MPRDA) for the transfer of the mining right and prospecting right pursuant to the Rustenburg operation Transaction, and control of the Rustenburg operation on this date.

Results of the Rustenburg operation were presented for the two months ended 31 December 2016 following the completion of the acquisition.

Acquisition costs


Sibanye-Stillwater has pursued and may continue to pursue growth opportunities that allow it to leverage its existing processing capacity and infrastructure and to extend its operating life. Such growth may continue to occur through the acquisition of other companies and assets,
development projects, or by entering into joint ventures. Sibanye-Stillwater may incur acquisition and integration related costs with regard to any operations or entities that it acquires or seeks to acquire in the future.

2018 financial performance compared with 2017 and 2016

Group loss for the year decreased by 43% to a loss of R2,521 million in 2018 from a loss of R4,433 million in 2017 (2016: R3,043 million profit). The reasons for this decrease are discussed below.

The primary factors explaining the movements in (loss)/profit are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>50,656</td>
<td>45,912</td>
<td>10</td>
<td>31,241</td>
<td>47</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(48,129)</td>
<td>(42,182)</td>
<td>14</td>
<td>(24,751)</td>
<td>70</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(3,135)</td>
<td>(2,972)</td>
<td>5</td>
<td>(903)</td>
<td>229</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(299)</td>
<td>(232)</td>
<td>29</td>
<td>(496)</td>
<td>(53)</td>
</tr>
<tr>
<td>Loss on financial instruments</td>
<td>1,704</td>
<td>(1,114)</td>
<td>(253)</td>
<td>(1,033)</td>
<td>8</td>
</tr>
<tr>
<td>Gain/(loss) on foreign exchange differences</td>
<td>1,169</td>
<td>292</td>
<td>300</td>
<td>220</td>
<td>33</td>
</tr>
<tr>
<td>Share of results of equity-accounted investees after tax</td>
<td>344</td>
<td>292</td>
<td>18</td>
<td>13</td>
<td>2,146</td>
</tr>
<tr>
<td>Impairments</td>
<td>(3,041)</td>
<td>(4,411)</td>
<td>(31)</td>
<td>(1,381)</td>
<td>219</td>
</tr>
<tr>
<td>Gain on derecognition of borrowings and derivative financial instrument</td>
<td>230</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupational healthcare expense</td>
<td>(15)</td>
<td>(1,107)</td>
<td>(99)</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,179</td>
<td>(100)</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(143)</td>
<td>(730)</td>
<td>(80)</td>
<td>(188)</td>
<td>288</td>
</tr>
<tr>
<td>Transaction costs</td>
<td>(403)</td>
<td>(552)</td>
<td>(27)</td>
<td>(157)</td>
<td>252</td>
</tr>
<tr>
<td>Net other</td>
<td>(162)</td>
<td>(177)</td>
<td>(8)</td>
<td>68</td>
<td>(360)</td>
</tr>
<tr>
<td>(Loss)/profit before royalties and tax</td>
<td>(1,224)</td>
<td>(6,961)</td>
<td>(82)</td>
<td>4,812</td>
<td>(245)</td>
</tr>
<tr>
<td>Royalties</td>
<td>(213)</td>
<td>(399)</td>
<td>(47)</td>
<td>(567)</td>
<td>(30)</td>
</tr>
<tr>
<td>(Loss)/profit before tax</td>
<td>(1,437)</td>
<td>(7,380)</td>
<td>(81)</td>
<td>4,245</td>
<td>(274)</td>
</tr>
<tr>
<td>Mining and income tax</td>
<td>(1,084)</td>
<td>2,947</td>
<td>(137)</td>
<td>(1,202)</td>
<td>(345)</td>
</tr>
<tr>
<td>(Loss)/profit for the year</td>
<td>(2,521)</td>
<td>(4,433)</td>
<td>(43)</td>
<td>3,043</td>
<td>(246)</td>
</tr>
</tbody>
</table>

The consolidation of DRDGOLD’s operational and financial results for five months in 2018, inclusion of the US PGM operations for the full year in 2018 (compared with eight months in 2017), and the cessation of the Cooke underground operations in November 2017, makes direct comparison of the 2018 with 2017 and 2016 difficult.

Revenue

Revenue increased by 10% to R50,656 million in 2018 from R45,912 million in 2017. The solid production results from both the US and SA PGM operations and higher PGM basket prices, offset lower revenue from the SA gold operations, due to the operational disruptions and a flat rand gold price year-on-year.

Revenue from the US PGM operations increased by 73% to R15,873 million in 2018 from R9,162 million in 2017, due to the inclusion of revenue for the full year in 2018 compared with eight months in 2017, additional production from Blitz, and a 9% increase in the average basket price received to US$1,007/2Eoz in 2018 from US$927/2Eoz in 2017.

Revenue from the SA PGM operations increased by 14% to R15,154 million in 2018 from R13,276 million in 2017, mainly due to the higher average basket price received, which increased by 10% to R13,838/4Eoz in 2018 from R12,534/4Eoz in 2017.

The increase in revenue from the PGM operations offset a 16% decline in revenue from the SA operations (including DRDGOLD) to R19,657 million in 2018 from R23,474 million in 2017. Revenue from the SA gold operations, excluding DRDGOLD of R1,048 million, declined by 21% due to the significant operational challenges experienced during the first half of 2018, additional safety interventions and the AMCU strike at the end of 2018, which affected production.

Revenue increased by 47% to R45,912 million in 2017 from 31,241 million in 2016. This included revenue of R9,162 million from the US PGM operations, acquired during 2017 and R13,276 million from the SA PGM operations, acquired during 2016. Revenue from the SA PGM operations increased by 255% to R13,276 million in 2017 from R3,739 million in 2016 due to the inclusion of revenue from Kroondal and the Rustenburg operation for the full year in 2017. The revenue from Kroondal increased to R2,962 million in 2017 from R1,973 million for nine months in 2016 and the Rustenburg operation increased to R10,221 million in 2017 from R1,656 million for two months in 2016. Revenue from the SA gold operations decreased by 15% to R23,474 million in 2017 from R27,501 million in 2016 driven by the average rand gold price, which decreased by 9% and the level of gold sold, which decreased by 7%. The decrease in the gold sold to 43,763kg in 2017 from 46,905kg in 2016, was mainly due to the cessation of the underground operations at Cooke, and lower mined volumes and grades at Beatrice West and Driefontein. The decrease in the average rand gold price was due to the 9% stronger rand of R13.31/US$ in 2017 compared with R14.68/US$ in 2016.

Cost of sales

Cost of sales increased by 14% to R48,129 million in 2018 from R42,182 million in 2017, with the incorporation of DRDGOLD for five months which accounted for R1,078 million of this increase. Cost of sales increased by 70% to R42,182 million in 2017 from R24,751 million in 2016, with
The primary drivers of cost of sales are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>15,710</td>
<td>15,323</td>
<td>3</td>
<td>9,276</td>
<td>65</td>
</tr>
<tr>
<td>Consumable stores</td>
<td>9,328</td>
<td>8,789</td>
<td>6</td>
<td>5,243</td>
<td>68</td>
</tr>
<tr>
<td>Utilities</td>
<td>5,049</td>
<td>4,930</td>
<td>2</td>
<td>3,709</td>
<td>33</td>
</tr>
<tr>
<td>Mine contracts</td>
<td>3,198</td>
<td>2,957</td>
<td>8</td>
<td>2,105</td>
<td>40</td>
</tr>
<tr>
<td>Recyling</td>
<td>7,196</td>
<td>4,377</td>
<td>64</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Other</td>
<td>4,564</td>
<td>3,398</td>
<td>34</td>
<td>2,770</td>
<td>23</td>
</tr>
<tr>
<td>Ore reserve development costs capitalised</td>
<td>(3,530)</td>
<td>(3,292)</td>
<td>7</td>
<td>(2,394)</td>
<td>38</td>
</tr>
<tr>
<td>Cost of sales, before amortisation and depreciation</td>
<td>41,515</td>
<td>36,482</td>
<td>14</td>
<td>20,709</td>
<td>76</td>
</tr>
<tr>
<td>- SA gold operations, excluding Cooke and DRDGOLD</td>
<td>15,985</td>
<td>15,918</td>
<td>0</td>
<td>14,361</td>
<td>11</td>
</tr>
<tr>
<td>- Cooke</td>
<td>693</td>
<td>1,961</td>
<td>(65)</td>
<td>2,985</td>
<td>(34)</td>
</tr>
<tr>
<td>- DRDGOLD</td>
<td>1,020</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- SA PGM operations</td>
<td>12,096</td>
<td>11,591</td>
<td>4</td>
<td>3,363</td>
<td>245</td>
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<tr>
<td>- US PGM operations</td>
<td>11,721</td>
<td>7,012</td>
<td>67</td>
<td>-</td>
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</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>6,614</td>
<td>5,700</td>
<td>16</td>
<td>4,042</td>
<td>41</td>
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<tr>
<td>- SA gold operations, excluding Cooke and DRDGOLD</td>
<td>3,241</td>
<td>3,252</td>
<td>(0)</td>
<td>3,044</td>
<td>7</td>
</tr>
<tr>
<td>- Cooke</td>
<td>6</td>
<td>256</td>
<td>(98)</td>
<td>771</td>
<td>(67)</td>
</tr>
<tr>
<td>- DRDGOLD</td>
<td>58</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
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<tr>
<td>- SA PGM operations</td>
<td>1,075</td>
<td>761</td>
<td>41</td>
<td>227</td>
<td>235</td>
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<td>- US PGM operations</td>
<td>2,234</td>
<td>1,431</td>
<td>56</td>
<td>-</td>
<td>100</td>
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<tr>
<td>Total cost of sales</td>
<td>48,129</td>
<td>42,182</td>
<td>14</td>
<td>24,751</td>
<td>70</td>
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<tr>
<td>- SA gold operations, excluding Cooke and DRDGOLD</td>
<td>19,226</td>
<td>19,170</td>
<td>0</td>
<td>17,405</td>
<td>10</td>
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<tr>
<td>- Cooke</td>
<td>699</td>
<td>2,217</td>
<td>(68)</td>
<td>3,756</td>
<td>(41)</td>
</tr>
<tr>
<td>- DRDGOLD</td>
<td>1,078</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- SA PGM operations</td>
<td>13,171</td>
<td>12,352</td>
<td>7</td>
<td>3,590</td>
<td>244</td>
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<tr>
<td>- US PGM operations</td>
<td>13,955</td>
<td>8,443</td>
<td>65</td>
<td>-</td>
<td>100</td>
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</table>

The analysis that follows provides a more detailed discussion of cost of sales, together with the total cash cost, All-in sustaining cost and All-in cost.

Cost of sales, before amortisation and depreciation

Cost of sales, before amortisation and depreciation increased by 14% to R41,515 million in 2018 from R36,482 million in 2017. This included cost of sales, before amortisation and depreciation of R11,721 million from the US PGM operations, which increased by 67% due to the inclusion for the full year in 2018 compared with eight months in 2017 and additional production from Blitz. Cost of sales, before amortisation and depreciation from the SA PGM operations increased by 4% to R12,096 million in 2018 from R11,591 million in 2017 due to above inflation increases in wages and electricity partly offset by synergies realised. Cost of sales, before amortisation and depreciation at the SA gold operations decreased by 1% to R17,698 million in 2018 from R17,879 million in 2017, and excluding DRDGOLD of R1,020 million, decreased by 7% mainly as a direct result of the strike action plans implemented to limit the impact of the AMCU strikes as well as the no work no pay principle that applies to striking workers’ salaries and wages.

Cost of sales, before amortisation and depreciation increased by 76% to R36,482 million in 2017 from R20,709 million in 2016. This included cost of sales, before amortisation and depreciation of R7,012 million from the US PGM operations, acquired during 2017 and R5,858 million from DRDGOLD, acquired during 2018. The amortisation from the SA PGM operations increased by 41% to R1,075 million in 2018 from R761 million in 2017 as the useful lives of the individual assets were reassessed at 1 January 2018. Amortisation and depreciation at the SA gold operations excluding DRDGOLD of R58 million decreased by 7% due to lower production and the cessation of the underground operations at Cooke in November 2017.

Amortisation and depreciation

Amortisation and depreciation increased by 16% to R6,614 million in 2018 from R5,700 million in 2017. This included amortisation and depreciation of R2,234 million from the US PGM operations, acquired during 2017 and R58 million from DRDGOLD, acquired during 2018. The amortisation from the SA PGM operations increased by 41% to R1,075 million in 2018 from R761 million in 2017 as the useful lives of the individual assets were reassessed at 1 January 2018. Amortisation and depreciation at the SA gold operations excluding DRDGOLD of R58 million decreased by 7% due to lower production and the cessation of the underground operations at Cooke in November 2017.

Amortisation and depreciation increased by 41% to R5,700 million in 2017 from R4,042 million in 2016. This included amortisation and depreciation of R761 million from the SA PGM operations, acquired during 2016 and R1,431 million from the US PGM operations, acquired during 2017. Amortisation and depreciation at the SA gold operations decreased by 8% to R3,508 million in 2017 from R3,815 million in 2016 due to lower production and impairment of the Cooke underground and Beatrix West mining assets at 30 June 2017.
All-in cost

All-in cost per ounce, was introduced in 2013 by the members of the World Gold Council. Sibanye-Stillwater has adopted the principle prescribed by the Council. This non-IFRS measure provides more transparency into the total costs associated with gold mining.

The All-in cost per ounce metric provides relevant information to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. This is especially true with reference to capital expenditure associated with developing and maintaining gold mines, which has increased significantly in recent years and is reflected in this metric.

All-in costs exclude income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings.

All-in costs is made up of All-in sustaining costs, being the cost to sustain current operations, given as a sub-total in the All-in costs calculation, together with corporate and major capital expenditure associated with growth.
### MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENT (continued)

### 2018

**Cost of sales, before amortisation and depreciation**

<table>
<thead>
<tr>
<th>Group</th>
<th>Total SA gold operations</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>DRD-GOLD</th>
<th>Total SA PGM operations</th>
<th>Kroondal</th>
<th>Platinum</th>
<th>Mimosa</th>
<th>Rustenburg operation</th>
<th>Corporate and reconciling items</th>
<th>Total US PGM operations Stillwater</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rm</strong></td>
<td><strong>4,524.4</strong></td>
<td><strong>17,698.4</strong></td>
<td><strong>5,709.3</strong></td>
<td><strong>6,364.8</strong></td>
<td><strong>3,910.8</strong></td>
<td><strong>693.4</strong></td>
<td><strong>1,020.1</strong></td>
<td><strong>12,096.0</strong></td>
<td><strong>2,739.4</strong></td>
<td><strong>152.7</strong></td>
<td><strong>1,235.7</strong></td>
<td><strong>9,203.9</strong></td>
<td><strong>(1,235.7)</strong></td>
</tr>
</tbody>
</table>

**Plus:**

- Community costs\(^3\) **Rm** 46.8
- Inventory change **Rm** -
- Share-based payments\(^2\) **Rm** 3.4
- Royalties\(^3\) **Rm** 93.6
- Rehabilitation\(^4\) **Rm** 21.8
- ORD\(^5\) **Rm** 2,053.6
- Sustaining capital expenditure\(^6\) **Rm** 546.6
- By-product credit\(^7\) **Rm** (18.8)

**All-in sustaining costs\(^8\)**

| **Rm** | **5,330.2** | **20,445.4** | **6,771.7** | **7,423.9** | **4,454.8** | **741.7** | **1,065.7** | **12,096.0** | **2,739.4** | **152.7** | **1,235.7** | **9,203.9** | **(1,235.7)** |

**Plus:**

- Community costs\(^3\) **Rm** 46.8
- Inventory change **Rm** -
- Share-based payments\(^2\) **Rm** 3.4
- Royalties\(^3\) **Rm** 93.6
- Rehabilitation\(^4\) **Rm** 21.8
- ORD\(^5\) **Rm** 2,053.6
- Sustaining capital expenditure\(^6\) **Rm** 546.6
- By-product credit\(^7\) **Rm** (18.8)

**All-in costs\(^8\)**

| **Rm** | **6,904.2** | **21,389.6** | **6,772.1** | **7,565.7** | **4,456.5** | **741.7** | **1,369.0** | **484.6** | **11,066.9** | **2,513.2** | **209.7** | **1,129.8** | **8,283.9** | **(1,129.7)** |

### Gold sold/4E PGM produced/2E PGM produced

| kg \(^000\)oz | **36,489** | **9,573** | **15,164** | **8,536** | **1,346** | **1,870** | **32,693** | **7,937** | **547** | **3,875** | **24,209** | **(3,875)** | **18,432** |

### All-in sustaining cost\(^8\)

| R/kg | **557,530** | **707,375** | **489,587** | **521,884** | **476,603** | **569,893** | **10,417** | **9,849** | **8,676** | **9,069** | **10,642** | **8,994** |

### All-in cost\(^8\)

| US$/oz | **1,309** | **1,661** | **1,150** | **1,226** | **1,118** | **1,338** | **10,472** | **9,849** | **11,924** | **9,069** | **10,643** | **11,651** |

| R/oz | **583,409** | **707,417** | **498,938** | **522,083** | **476,003** | **732,086** | **10,472** | **9,849** | **11,924** | **9,069** | **10,643** | **11,651** |

| US$/oz | **1,370** | **1,661** | **1,172** | **1,226** | **1,118** | **1,719** | **791** | **744** | **900** | **685** | **804** | **880** |
### Figures in million - SA rand

<table>
<thead>
<tr>
<th>Group</th>
<th>Total SA gold operations</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate and reconciling items</th>
<th>Total SA PGM operations</th>
<th>Kroondal</th>
<th>Platinum Mile</th>
<th>Mimosa</th>
<th>Rustenburg operations</th>
<th>Corporate and reconciling items</th>
<th>Total US PGM operations</th>
<th>Stillwater</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Cost of sales, before amortisation and depreciation</td>
<td>Rm 17,879.2</td>
<td>6,203.5</td>
<td>5,762.7</td>
<td>3,952.5</td>
<td>1,960.5</td>
<td>-</td>
<td>11,591.8</td>
<td>2,395.9</td>
<td>129.8</td>
<td>1,200.5</td>
<td>9,066.1</td>
<td>(1,200.5)</td>
<td>2,634.8</td>
<td>103.8</td>
</tr>
<tr>
<td></td>
<td>Plus:</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>103.8</td>
<td>4.9</td>
</tr>
<tr>
<td>Community costs(^1)</td>
<td>Rm 31.1</td>
<td>8.8</td>
<td>16.0</td>
<td>7.3</td>
<td>1.0</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>9.9</td>
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</tr>
<tr>
<td>Inventory change</td>
<td>Rm 5.9</td>
<td>2.8</td>
<td>1.8</td>
<td>1.3</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Share-based payments(^2)</td>
<td>Rm 325.3</td>
<td>77.8</td>
<td>189.3</td>
<td>44.5</td>
<td>13.7</td>
<td>-</td>
<td>73.2</td>
<td>5.6</td>
<td>-</td>
<td>60.4</td>
<td>67.6</td>
<td>(60.4)</td>
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<td>23.2</td>
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<tr>
<td>Royalties(^3)</td>
<td>Rm 101.0</td>
<td>(31.5)</td>
<td>40.1</td>
<td>25.6</td>
<td>65.2</td>
<td>1.6</td>
<td>31.4</td>
<td>48.9</td>
<td>-</td>
<td>4.2</td>
<td>(17.8)</td>
<td>(4.2)</td>
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<td>6.2</td>
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<tr>
<td>ORD(^4)</td>
<td>Rm 2,288.0</td>
<td>876.1</td>
<td>876.2</td>
<td>482.0</td>
<td>53.7</td>
<td>-</td>
<td>465.0</td>
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<td>-</td>
<td>465.0</td>
<td>-</td>
<td>-</td>
<td>538.6</td>
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<tr>
<td>Sustaining capital expenditure(^5)</td>
<td>Rm 516.8</td>
<td>235.0</td>
<td>210.2</td>
<td>63.1</td>
<td>8.5</td>
<td>-</td>
<td>567.6</td>
<td>190.5</td>
<td>11.0</td>
<td>222.5</td>
<td>366.1</td>
<td>(222.5)</td>
<td>-</td>
<td>226.9</td>
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<td>Less:</td>
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<tr>
<td>By-product credit(^6)</td>
<td>Rm (23.3)</td>
<td>(8.3)</td>
<td>(6.5)</td>
<td>(5.7)</td>
<td>(2.8)</td>
<td>-</td>
<td>(1,600.1)</td>
<td>(186.1)</td>
<td>(10.6)</td>
<td>(273.2)</td>
<td>(1,403.4)</td>
<td>273.2</td>
<td>(238.1)</td>
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<tr>
<td>All-in sustaining costs(^8)</td>
<td>Rm 21,124.0</td>
<td>7,362.2</td>
<td>7,089.8</td>
<td>4,570.6</td>
<td>2,099.8</td>
<td>1.6</td>
<td>11,128.6</td>
<td>2,454.8</td>
<td>130.2</td>
<td>1,214.4</td>
<td>8,543.6</td>
<td>(1,214.4)</td>
<td>3,277.1</td>
<td>123.9</td>
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<td>Plus:</td>
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<tr>
<td>Group exploration growth and other capital expenditure</td>
<td>Rm 828.3</td>
<td>44.4</td>
<td>147.1</td>
<td>2.5</td>
<td>11.7</td>
<td>622.6</td>
<td>2.3</td>
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<td>899.6</td>
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<tr>
<td>All-in costs(^8)</td>
<td>Rm 21,952.3</td>
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<td>7,236.9</td>
<td>4,573.1</td>
<td>2,111.5</td>
<td>624.2</td>
<td>11,130.9</td>
<td>2,454.8</td>
<td>132.5</td>
<td>1,214.4</td>
<td>8,543.6</td>
<td>(1,214.4)</td>
<td>4,176.7</td>
<td>123.9</td>
</tr>
<tr>
<td>Gold sold/4E PGM produced/2E</td>
<td>kg 43,763</td>
<td>15,088</td>
<td>16,466</td>
<td>9,091</td>
<td>3,118</td>
<td></td>
<td>33,287</td>
<td>7,503</td>
<td>605</td>
<td>3,862</td>
<td>25,179</td>
<td>(3,862)</td>
<td>17,076</td>
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<td>PGM produced</td>
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<td>529.4</td>
<td>292.3</td>
<td>100.3</td>
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<td>241.2</td>
<td>19.4</td>
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<td>809.5</td>
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<td>All-in sustaining cost(^8)</td>
<td>R/kg 482,693</td>
<td>487,951</td>
<td>430,572</td>
<td>502,761</td>
<td>673,445</td>
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<td>10,399</td>
<td>10,176</td>
<td>6,696</td>
<td>9,781</td>
<td>10,554</td>
<td>8,707</td>
<td>651</td>
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<tr>
<td></td>
<td>US$/oz 1,128</td>
<td>1,141</td>
<td>1,007</td>
<td>1,175</td>
<td>1,574</td>
<td></td>
<td>782</td>
<td>765</td>
<td>503</td>
<td>735</td>
<td>793</td>
<td>651</td>
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<tr>
<td>All-in cost(^8)</td>
<td>R/kg 501,620</td>
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<td>10,401</td>
<td>10,176</td>
<td>6,815</td>
<td>9,781</td>
<td>10,554</td>
<td>11,097</td>
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<td></td>
<td>US$/oz 1,173</td>
<td>1,148</td>
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<td>1,176</td>
<td>1,583</td>
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<td>782</td>
<td>765</td>
<td>512</td>
<td>735</td>
<td>793</td>
<td>821</td>
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</table>
### Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Total SA gold operations</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate and reconciliation items</th>
<th>Total SA PGM operations</th>
<th>Kroondal</th>
<th>Platinum Mile</th>
<th>Mimosa</th>
<th>Rustenburg operations</th>
<th>Corporate and reconciliation items</th>
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<tr>
<td><strong>2016</strong></td>
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</tr>
<tr>
<td>Cost of sales, before amortisation and depreciation</td>
<td>Rm</td>
<td>17,346.0</td>
<td>5,566.6</td>
<td>5,041.0</td>
<td>3,753.4</td>
<td>2,985.0</td>
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<td>3,363.1</td>
<td>1,689.8</td>
<td>90.8</td>
<td>969.0</td>
<td>1,582.5</td>
<td>(969.0)</td>
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<td><strong>Plus:</strong></td>
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<td></td>
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</tr>
<tr>
<td>Community costs¹</td>
<td>Rm</td>
<td>80.4</td>
<td>16.5</td>
<td>20.3</td>
<td>27.0</td>
<td>16.6</td>
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<td>-</td>
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<tr>
<td>Share-based payments²</td>
<td>Rm</td>
<td>39.3</td>
<td>16.5</td>
<td>13.7</td>
<td>9.1</td>
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<tr>
<td>Royalties³</td>
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<td>528.0</td>
<td>204.8</td>
<td>194.3</td>
<td>113.2</td>
<td>15.7</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Rehabilitation⁴</td>
<td>Rm</td>
<td>141.1</td>
<td>(28.6)</td>
<td>44.1</td>
<td>23.2</td>
<td>100.1</td>
<td></td>
<td>2.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ORD⁵</td>
<td>Rm</td>
<td>2,394.4</td>
<td>779.0</td>
<td>912.9</td>
<td>542.9</td>
<td>159.6</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sustaining capital expenditure⁶</td>
<td>Rm</td>
<td>613.4</td>
<td>218.5</td>
<td>261.2</td>
<td>84.8</td>
<td>48.9</td>
<td>-</td>
<td>325.8</td>
<td>175.8</td>
<td>1.3</td>
<td>159.8</td>
<td>148.7</td>
<td>(159.8)</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By-product credit⁷</td>
<td>Rm</td>
<td>(28.2)</td>
<td>(9.6)</td>
<td>(6.8)</td>
<td>(7.6)</td>
<td>(4.2)</td>
<td></td>
<td>-</td>
<td>(371.9)</td>
<td>(98.1)</td>
<td>3.0</td>
<td>(192.7)</td>
<td>(276.8)</td>
</tr>
<tr>
<td><strong>All-in sustaining costs</strong>⁸</td>
<td>Rm</td>
<td>21,114.4</td>
<td>6,763.5</td>
<td>6,480.7</td>
<td>4,546.0</td>
<td>3,321.7</td>
<td>2.5</td>
<td>3,429.9</td>
<td>1,829.2</td>
<td>95.1</td>
<td>1,022.2</td>
<td>1,505.5</td>
<td>(1,022.1)</td>
</tr>
<tr>
<td><strong>Plus:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group exploration growth and other capital expenditure</td>
<td>Rm</td>
<td>1,052.2</td>
<td>54.1</td>
<td>130.1</td>
<td>4.8</td>
<td>40.7</td>
<td>822.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>All-in costs</strong>⁸</td>
<td>Rm</td>
<td>22,166.6</td>
<td>6,817.6</td>
<td>6,610.8</td>
<td>4,550.8</td>
<td>3,362.4</td>
<td>825.0</td>
<td>3,429.9</td>
<td>1,829.2</td>
<td>95.1</td>
<td>1,022.2</td>
<td>1,505.5</td>
<td>(1,022.1)</td>
</tr>
<tr>
<td>Gold sold</td>
<td>kg</td>
<td>46,905</td>
<td>16,046</td>
<td>15,176</td>
<td>10,041</td>
<td>5,642</td>
<td>10,254</td>
<td>5,543</td>
<td>425</td>
<td>2,833</td>
<td>4,286</td>
<td>4,286</td>
<td>(2,833)</td>
</tr>
<tr>
<td>1000oz</td>
<td>kg</td>
<td>1,508</td>
<td>516</td>
<td>488</td>
<td>323</td>
<td>181</td>
<td>330</td>
<td>178</td>
<td>14</td>
<td>91</td>
<td>138</td>
<td>138</td>
<td>(91)</td>
</tr>
<tr>
<td>All-in sustaining cost⁹</td>
<td>R/kg</td>
<td>450.152</td>
<td>421,501</td>
<td>427,036</td>
<td>452,754</td>
<td>588,745</td>
<td>10,404</td>
<td>10,264</td>
<td>6,947</td>
<td>11,222</td>
<td>10,925</td>
<td>10,925</td>
<td></td>
</tr>
<tr>
<td>US$/oz</td>
<td>US$/oz</td>
<td>954</td>
<td>993</td>
<td>905</td>
<td>905</td>
<td>1,248</td>
<td>709</td>
<td>699</td>
<td>473</td>
<td>765</td>
<td>744</td>
<td>744</td>
<td></td>
</tr>
<tr>
<td>All-in cost⁶</td>
<td>R/kg</td>
<td>472,585</td>
<td>424,872</td>
<td>435,609</td>
<td>453,232</td>
<td>595,959</td>
<td>10,404</td>
<td>10,264</td>
<td>6,947</td>
<td>11,222</td>
<td>10,925</td>
<td>10,925</td>
<td></td>
</tr>
<tr>
<td>US$/oz</td>
<td>US$/oz</td>
<td>1,002</td>
<td>901</td>
<td>923</td>
<td>961</td>
<td>1,263</td>
<td>709</td>
<td>699</td>
<td>473</td>
<td>765</td>
<td>744</td>
<td>744</td>
<td></td>
</tr>
</tbody>
</table>


¹ Community costs includes costs related to community development.

² Share-based payments include share-based payments compensation cost to support Sibanye-Stillwater’s corporate structure not directly related to current production. Share-based payments are calculated based on the fair value at initial recognition and do not include the fair value adjustment of the cash-settled share-based payment liability to the reporting date fair value.

³ Royalties are the current royalty on refined and unrefined minerals payable to the South African government.

⁴ Rehabilitation includes the interest charge related to the environmental rehabilitation obligation and the amortisation of the related capitalised rehabilitation costs recorded as an asset. The interest charge related to the environmental rehabilitation obligation and the amortisation of the capitalised rehabilitation costs do not reflect annual cash outflows and are calculated in accordance with IFRS. The interest charge and amortisation reflect the periodic costs of rehabilitation associated with current production and are, therefore, included in the measure.

⁵ ORD are those capital expenditures that allow access to reserves that are economically recoverable in the future, including, but not limited to, crosscuts, footwalls, return airways and box holes which will allow gold production or reserves.

⁶ Sustaining capital expenditure are those capital expenditures that are necessary to maintain current production and execute the current mine plan. Sustaining capital costs are relevant to the All-in cost metric as these are needed to maintain Sibanye-Stillwater’s current operations and provide improved transparency related to Sibanye-Stillwater’s ability to finance these expenditures.

⁷ By-product credit—The All-in cost metric is focused on the cost associated with producing and selling a kilogram of gold 4E/2E PGMs, and therefore the metric captures the benefit of mining other metals when gold and 4E/2E PGMs are produced and sold. In determining the All-in cost, the costs associated with producing and selling a kilogram of gold or an ounce of 4E/2E PGMs are reduced by the benefit received from the sale of co-products and by-products, recognised as product sales, which is extracted and processed along with the gold and 4E/2E PGMs produced. At the SA gold operations, the sale of silver is recognised as product sales, and at the PGM operations in both regions, the minor PGMs – iridium and ruthenium – are produced as co-products, which together with the three primary PGMs, are referred to as 6E (5PGM+Au). In addition, nickel, copper and chrome, among other minerals, are by-products at these operations. This is relevant to the All-in cost metric as it aids in the investor’s analysis of the profitability of producing a kilogram of gold or an ounce of 4E/2E PGMs, without the need to consider multiple metal prices.

⁸ For information on how Sibanye-Stillwater has calculated All-in sustaining costs, All-in costs, All-in sustaining cost per kilogram, All-in sustaining cost per ounce, All-in cost per kilogram and All-in cost per ounce, see—Overview—Five year financial performance—Group operating statistics—Footnote 3.
The All-in sustaining cost at the SA PGM operations of R10,417/4Eoz in 2018 was in line with the cost performance in 2017 of R10,399/4Eoz. The All-in sustaining cost at the US PGM operations increased by 4% to US$677/2Eoz in 2018 mainly due to the frontloading of skills for the Blitz project, increased royalties due to the improved basket price, higher maintenance cost and planned outages in the metallurgical complex. Unit costs at the SA gold operations were primarily affected by the safety incidents and other unanticipated operational disruptions as well as the strike, increasing to R557,530/kg in 2018 from R482,693/kg in 2017.

The All-in sustaining cost at Kroondal, Platinum Mile and the Rustenburg operation reduced in 2017 following an intensive effort to drive the synergy cost savings identified. After accounting for inflation, the All-in sustaining cost at Kroondal, Platinum Mile and the Rustenburg operation reduced in 2017 by R570/4Eoz, R578/4Eoz and R886/4Eoz, respectively. All-in sustaining cost at Mimosa reduced to US$735/4Eoz in 2017 from US$769/4Eoz in 2016. All-in sustaining cost at the SA gold operations were primarily affected by the unsustainably high costs associated with the Cooke operations, which were placed on care and maintenance during the second half of 2017, following a labour rationalisation process in terms of Section 189A of the Labour Relations Act, 66 of 1995 (Section 189A). The All-in sustaining cost amounted to R488,060/kg in 2017, excluding the Cooke operations, compared with R450,162/kg in 2016, a 4% increase year on year.

Adjusted EBITDA

Adjusted EBITDA of R8,369 million in 2018 decreased by 7% from R9,045 million in 2017, despite adjusted EBITDA from the US and SA PGM operations increasing by 94% and 81%, respectively. The 16% decline in gold production resulted in a 74% decrease in adjusted EBITDA from the SA gold operations.

Adjusted EBITDA includes other cash costs and care and maintenance expenditures. Care and maintenance at Cooke and Marikana were R564 million and R12 million for 2018, respectively, compared with R236 million and R13 million, respectively in 2017. Other costs include corporate and social expenditure of R70 million and non-production royalties of R105 million for 2018.

The adjusted EBITDA margin for the US PGM underground operations, increased from 43% in 2017 to 46% in 2018, primarily due to the surging dollar palladium price and strong operational performance. The adjusted EBITDA margin for the SA PGM operations increased year-on-year from 12% to 19% again, aided by the increase in palladium price. The SA gold adjusted EBITDA margin decreased from 23% in 2017 to 7% in 2018 following the operational disruptions.

Finance expense


The decrease in interest on borrowings in 2018 followed the close out of the bridge financing utilised for the Stillwater Operations acquisition in 2017. This, however, was offset by the unwinding of the amortised cost on the 2022 and 2025 Notes and US$ Convertible Bond following the US$395 million buy-back and the non-cash finance charge on the US$500 million streaming arrangement. Sibanye-Stillwater’s average gross debt outstanding, excluding the Burnstone Debt and including the derivative financial instrument, was approximately R23.8 billion in 2018 compared with approximately R16.2 billion in 2017.

The increase in interest on borrowings in 2017 was due to the increase in the average indebtedness and effective interest rate year on year. Sibanye-Stillwater’s average gross debt outstanding, excluding the Burnstone Debt and including the derivative financial instrument, was approximately R16.2 billion in 2017 compared with approximately R4.6 billion in 2016. The increase in borrowings was mainly to fund the acquisition of Stillwater. The increase in environmental rehabilitation liability accretion expense was primarily due to the inclusion of the SA PGM operations for the full year and the US PGM operation for eight months, which added R49 million.

Share-based payments

The share-based payments expense increased by 29% to R299 million in 2018 from R232 million in 2017 and decreased by 53% to R232 million in 2017 from R496 million in 2016, or 9% excluding the share-based payment on the BEE transaction. The share-based payments expense includes R282 million relating to equity-settled share options granted under the Sibanye-Stillwater Share Plans (2017: R217 million and 2016: R172 million). The share-based payments expense in 2016 also included R240 million relating to share-based payment on BEE transaction which was recognised as part of the Rustenburg operation acquisition.
Gain on financial instruments

The gain on financial instruments of R1,704 million in 2018 compared with a loss on financial instruments of R1,114 million in 2017 and R1,033 million in 2016. The net gain on financial instruments in 2018 was mainly due to a gain on revised cash flows of the Burnstone Debt of R805 million, a fair value gain on the derivative financial instrument of R678 million, revised cash flows of the Rustenburg operation resulting in a decreased purchase price based on 35% of future cash flows (R151 million) and a decreased dividend expectation for the Rustenburg operation BEE partners (R250 million).

The loss on financial instruments of R1,114 million in 2017 compared with R1,033 million in 2016 and R230 million in 2015. The loss on financial instruments in 2017 was mainly impacted by increased profitability at the Rustenburg operation resulting in an increased purchase price based on 35% of future cash flows (loss of R469 million), increased dividend expectations for the 26% BEE partners (loss of R153 million) and a decrease in the Anglo American Platinum receivable which afforded us up to R800 million downside protection (loss of R468 million).

Gain on foreign exchange differences

The gain on foreign exchange differences of R1,169 million in 2018 compared with R292 million in 2017 and R220 million in 2016. The gain on foreign exchange differences in 2018 was mainly due to foreign exchange gains on financial assets R2,216 million as the closing exchange rate at 31 December 2018 of R14.35/US$ was 16% weaker than R12.36/US$ at 31 December 2017. This gain was partly offset by foreign exchange losses on the US dollar borrowings, including the US$600 million revolving credit facility (RCF), US$350 million RCF, US$ Convertible Bond, derivative financial instrument and Burnstone Debt, of R1,194 million.

The gain on foreign exchange differences in 2017 was mainly due to exchange rate gains on the US dollar borrowings, including the US$350 million revolving credit facility (RCF), US$ Convertible Bond, derivative financial instrument and Burnstone Debt, of R685 million (2016: R415 million) partly offset by the exchange rate losses on other financial assets and financial liabilities of R339 million (2016: R196 million).

Share of results of equity-accounted investees after tax

The profit from share of results of associates of R344 million in 2018 (2017: R292 million and 2016: R13 million) was primarily due to share of profits of R211 million relating to Sibanye-Stillwater’s attributable share in Mimosa and R144 million relating to its 44.4% interest in Rand Refinery.

Gain on derecognition of borrowings and derivative financial instrument

On 5 September 2018, Sibanye-Stillwater concluded the tender process to repurchase a portion of the US$ Convertible Bond. An aggregate principal amount of US$66 million for a total repurchase price of approximately US$50 million was repurchased. On 16 September 2018, Sibanye-Stillwater concluded the tender process to repurchase a portion of the 2022 and 2025 Notes. The total repurchase price was approximately US$345 million (with a nominal value of US$349 million). Sibanye-Stillwater funded the repurchases from existing cash resources, including the US$500 million advance proceeds of the streaming transaction with Wheaton Precious Metals International Limited (Wheaton International).

As a result, a gain on early settlement of the borrowings of R230 million was recognised in profit or loss.

Impairments

Impairments were R3,041 million in 2018, R4,411 million in 2017 and R1,381 million in 2016.

Ore body constraints, above inflation electricity price and wage increases at the SA gold operations have impacted the sustainability of certain shafts and resulted in these shafts being marginal to loss making. Ongoing efforts to restore these to profitability have proven to be unsuccessful. These profitability challenges were compounded during the year by operational disruptions in 2018 including the interruption of Eskom power at the Beatrix operations in February and seismic events at Driefontein and Kloof which affected access to mining areas, thereby impacting operational flexibility. Ongoing losses experienced at the Driefontein and Beatrix operations negatively affected group cash flow and as well as the sustainability and economic viability of other operations in South Africa. As a result a decision was taken at 31 December 2018, to impair the Driefontein and Beatrix mining assets by R2,172 million and R167 million, respectively, and the goodwill allocated to the SA gold operations by R436 million. In addition, no expenditure on further exploration for and evaluation of the De Bron-Merriespruit mineral resources was budgeted or planned for 2018. As a result, a decision was taken to impair this exploration and evaluation asset by R227 million (at 31 December 2017).

For additional information on the impairments, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 8: Impairments.
Occupational healthcare expense

As a result of the progress made by the Occupational Lung Disease Working Group since 31 March 2017 on a variety of issues, at 31 December 2017, management was in a position to reliably estimate, within an acceptable range, the Group’s potential share of a possible settlement of the class action claims and related costs. As a result, the Group has provided R1,107 million before tax, for this obligation which impacted negatively on earnings for 2017. On 3 May 2018, the Working Group agreed to a class action settlement with the claimants. The estimated costs were reviewed at 31 December 2018 and as a result, a change in estimate of R15 million was recognised in profit or loss. For additional information on the occupational healthcare expense, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 26: Occupational healthcare obligation.

Restructuring costs

Maintaining loss-making operations is not sustainable over an extended period. Cross-subsidising loss making operations erodes value, is a drain on cash flow and, as a result, threatens the sustainability and economic viability of other operations. The Group, therefore, continually reviews and assesses the operating and financial performance of the assets.

Restructuring costs, including voluntary separation packages of R143 million, were incurred in 2018 (2017: R730 million and 2016: R188 million). In 2017, after the initial restructuring at the SA PGM operations was concluded (during June 2017) and following the decision to commence restructuring at the SA gold operations pursuant to ongoing losses experienced at the Cooke operations and Beatrix West it became necessary to enter into Section 189A consultations with relevant stakeholders regarding restructuring at the SA gold operations.

Transaction costs

The transaction costs were R403 million in 2018 compared with R552 million in 2017 and R157 million in 2016. The transaction costs in 2018 mainly related to the DRDGOLD acquisition, which was implemented on 31 July 2018, the proposed Lonmin acquisition, which is expected to close before 30 June 2019, and the dissenting shareholder liability legal costs. The transaction costs in 2017 mainly related to the Stillwater acquisition, of R529 million.

Gain on acquisition

A gain on acquisition of R2,179 million arose on the acquisition of the Rustenburg operation in 2016 and is attributable to the fact that Anglo American Platinum has repositioned its portfolio by among others exiting certain assets. The Rustenburg operation Transaction represented an attractively priced entry for Sibanye-Stillwater into the PGM sector.

Royalties

Royalties decreased by 47% to R213 million in 2018 from R399 million in 2017 and decreased by 30% to R399 million in 2017 from R567 million in 2016. The decrease in 2018 and 2017 was mainly due to the respective decrease in gold revenue and profitability.

The rate of royalty tax payable as a percentage of revenue is set out in the table below.

<table>
<thead>
<tr>
<th>%</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driefontein</td>
<td>-</td>
<td>1.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Kloof</td>
<td>0.4</td>
<td>2.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Beatrix</td>
<td>0.4</td>
<td>0.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Cooke</td>
<td>0.5</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Kroondal</td>
<td>0.2</td>
<td>0.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Rustenburg operation</td>
<td>1.4</td>
<td>0.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Group</td>
<td>0.4</td>
<td>1.1</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Mining and income tax

Mining and income tax increased by 137% to R1,084 million in 2018 compared with a credit of R2,947 million in 2017 and decreased by 345% from a charge of R1,202 million in 2016. The table below indicates Sibanye-Stillwater’s effective tax expense rate in 2018, 2017 and 2016.

<table>
<thead>
<tr>
<th>%</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and income tax</td>
<td>1,083.8</td>
<td>(2,946.6)</td>
<td>1,202.1</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>(75.4)</td>
<td>39.9</td>
<td>28.3</td>
</tr>
</tbody>
</table>

In 2018, the tax credit on the loss before tax at the South African statutory company tax rate of 28.0%, or R402 million, compared with a charge of R1,084 million mainly due to the tax effect of the following:

- R137 million non-taxable gain on financial instruments; and
- R250 million non-taxable gain on foreign exchange differences.

The above were offset by the following:

- R118 million non-deductible finance charges;
- R123 million non-deductible impairments;
• R110 million non-deductible transaction costs;
• R250 million deferred tax benefit on decrease of the SA gold operations’ long-term expected tax rate;
• R1,545 million deferred tax charge on increase of the US PGM operations’ long-term expected tax rate; and
• R326 million assessed losses and other deductible temporary differences not recognised.

In 2017, the effective tax rate of 39.9% was higher than the South African statutory company tax rate of 28.0% mainly due to the tax effect of the following:
• R158 million related to the mining tax formula rate adjustment; and
• R2,571 million deferred tax credit on decrease of the long-term expected tax rate.

The above were offset by the following:
• R166 million non-deductible finance charges;
• R1,055 million non-deductible impairments;
• R155 million non-deductible transaction costs;
• R303 million assessed losses and other deductible temporary differences not recognised; and
• R170 million net non-taxable income and non-deductible expenditure.

In 2016, the effective tax expense rate of 28.3% was marginally higher than the South African statutory company tax rate of 28.0% mainly due to the tax effect of the following:
• R116 million non-deductible charges related to share-based payments;
• R52 million non-deductible loss on foreign exchange differences;
• R66 million non-deductible impairments;
• R60 million deferred tax charge on increase of the long-term expected tax rate;
• R430 million assessed losses and other deductible temporary differences not recognised; and
• R62 million net non-taxable income and non-deductible expenditure.

The above were offset by the following:
• R161 million reduction related to the mining tax formula rate adjustment; and
• R610 million non-taxable gain on acquisition.

(Loss)/profit for the year

As a result of the factors discussed above, the loss in 2018 was R2,521 million compared with the loss in 2017 of R4,433 million and profit in 2016 of R3,043 million.

The following table depicts contributions from various segments to the (loss)/profit.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SA gold operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driefontein</td>
<td>(2,334)</td>
<td>(5,804)</td>
<td>1,197</td>
</tr>
<tr>
<td>Kloof</td>
<td>(3,522)</td>
<td>413</td>
<td>1,745</td>
</tr>
<tr>
<td>Beatrix</td>
<td>295</td>
<td>957</td>
<td>1,615</td>
</tr>
<tr>
<td>Cooke</td>
<td>(186)</td>
<td>(419)</td>
<td>760</td>
</tr>
<tr>
<td>DRDGOLD</td>
<td>(627)</td>
<td>(4,602)</td>
<td>(1,957)</td>
</tr>
<tr>
<td>Corporate and reconciling items</td>
<td>2,296</td>
<td>(2,153)</td>
<td>(976)</td>
</tr>
<tr>
<td><strong>SA PGM operations</strong></td>
<td>1,532</td>
<td>(658)</td>
<td>1,856</td>
</tr>
<tr>
<td>Kroondal</td>
<td>315</td>
<td>(63)</td>
<td>89</td>
</tr>
<tr>
<td>Platinum Mile</td>
<td>33</td>
<td>38</td>
<td>18</td>
</tr>
<tr>
<td>Mimosa</td>
<td>211</td>
<td>175</td>
<td>115</td>
</tr>
<tr>
<td>Rustenburg operation</td>
<td>3,348</td>
<td>(643)</td>
<td>2,050</td>
</tr>
<tr>
<td>Corporate and reconciling items</td>
<td>(2,374)</td>
<td>(165)</td>
<td>(415)</td>
</tr>
<tr>
<td><strong>US PGM operations</strong></td>
<td>(1,531)</td>
<td>2,028</td>
<td>-</td>
</tr>
<tr>
<td>Stillwater</td>
<td>(1,531)</td>
<td>2,028</td>
<td>-</td>
</tr>
<tr>
<td>Corporate and reconciling items</td>
<td>187</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Liquidity and capital resources

Cash flow analysis

Net increase in cash and cash equivalents in 2018 was R352 million compared with R1,403 million in 2017 and R408 million in 2016.
MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

The principal factors explaining the changes in net cash flow for the year are set out in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating activities</td>
<td>12,197</td>
<td>2,741</td>
<td>345</td>
<td>4,406</td>
<td>(38)</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>1</td>
<td>560</td>
<td>100</td>
<td>1,612</td>
<td>65</td>
</tr>
<tr>
<td>Net interest paid</td>
<td>1,426</td>
<td>1,935</td>
<td>26</td>
<td>329</td>
<td>(488)</td>
</tr>
<tr>
<td>Deferred revenue advance received</td>
<td>(6,555)</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(7,081)</td>
<td>(6,099)</td>
<td>(16)</td>
<td>(4,151)</td>
<td>(47)</td>
</tr>
<tr>
<td>Adjusted free cash flow1</td>
<td>(12)</td>
<td>(863)</td>
<td>(99)</td>
<td>2,196</td>
<td>(139)</td>
</tr>
<tr>
<td>Acquisition of subsidiaries, net of cash acquired</td>
<td>283</td>
<td>(25,594)</td>
<td>101</td>
<td>(5,307)</td>
<td>(100)</td>
</tr>
<tr>
<td>Payments to dissenting shareholders</td>
<td>(1,376)</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds on loss of control of subsidiaries and disposal of investments</td>
<td>257</td>
<td>3,605</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net proceeds from shares issued</td>
<td>-</td>
<td>12,932</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net borrowings (repaid)/repaid</td>
<td>(4,101)</td>
<td>13,874</td>
<td>(130)</td>
<td>5,446</td>
<td>155</td>
</tr>
</tbody>
</table>

1 One of the most important drivers to sustain and increase shareholder value is free cash flow generation as that determines the cash available for dividends and other investing activities. Adjusted free cash flow is defined as net cash from operating activities before dividends paid, net interest paid and deferred revenue advance received, less additions to property, plant and equipment.

Cash flows from operating activities

Net cash from operating activities increased by R9,456 million to R12,197 million in 2018 from R2,741 million in 2017 and decreased in 2017 from R4,406 million in 2016. The items contributing to the increase in 2018 and 2017 are indicated in the table below.

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(decrease) in cash generated by operations1</td>
<td>1,611</td>
<td>(2,738)</td>
</tr>
<tr>
<td>Increase in deferred revenue advance received2</td>
<td>6,555</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in cash-settled share-based payments paid3</td>
<td>412</td>
<td>1,085</td>
</tr>
<tr>
<td>Increase in change in working capital</td>
<td>(548)</td>
<td>(285)</td>
</tr>
<tr>
<td>Decrease/(increase) in interest paid</td>
<td>433</td>
<td>(1,613)</td>
</tr>
<tr>
<td>Decrease in royalties and tax paid4</td>
<td>357</td>
<td>833</td>
</tr>
<tr>
<td>Decrease in dividends paid5</td>
<td>560</td>
<td>1,052</td>
</tr>
<tr>
<td>Other</td>
<td>77</td>
<td>1</td>
</tr>
<tr>
<td>Increase/(decrease) in cash flows from operating activities</td>
<td>9,457</td>
<td>(1,665)</td>
</tr>
</tbody>
</table>

1 The increase in cash generated by operations in 2018 was mainly due to the increase in the average realised US and SA PGM basket prices, and negatively impacted by the operational disruptions experienced by the SA gold operations. The decrease in cash generated by operations in 2017 was mainly due to the decrease in the average realised rand gold price to R536,378/kg in 2017 from R586,319/kg in 2016.
2 On 16 July 2018, Sibanye-Stillwater announced that it had secured a US$500 million upfront cash payment through a streaming agreement with Wheaton International, a wholly-owned subsidiary of Wheaton Precious Metals Corp. In return, Sibanye-Stillwater has committed to deliver a percentage of gold and palladium produced from its US PGM operations. Wheaton International advanced an upfront cash payment of R6,555 million (US$500 million) to Sibanye-Stillwater on closing of the transaction.
3 Approximately 70% of cash-settled instruments vested during 2016 and the remaining vested during 2017, resulting in a decrease in the cash-settled share-based payments paid in 2017.
4 The decrease in royalties and tax paid in 2018 and 2017 was due to the decrease in taxable mining income.
5 There was no dividend declared and paid in 2018. The dividend declared and paid in 2017 related to the final dividend of 60 cents per share (cps) of R558 million in respect of the six months ended 31 December 2016.
Adjusted free cash flow

Adjusted free cash flow was similarly impacted by the operational disruptions experienced by the SA gold operations. The Group recorded negative adjusted free cash flow of R12 million in 2018, which was an improvement of R851 million compared with 2017. In 2018, negative adjusted free cash flow of R1,093 million from the SA gold operations was offset by a tenfold increase in adjusted free cash flow from the SA PGM operations to R881 million and adjusted free cash flow from the US PGM operations of R387 million, which was significantly higher than negative adjusted free cash flow of R483 million in 2017.

Cash flows from investing activities

Net cash used in investing activities decreased to R7,744 million in 2018 from R28,144 million in 2017 and increased in 2017 from R9,444 million in 2016. The increase in cash from investing activities in 2017 was mainly due to the acquisition of Stillwater in 2017 for R27,386 million, partly offset by the proceeds on disposal of Stillwater’s marketable securities investments of R3,605 million.

Capital expenditure increased by 16% to R7,081 million in 2018 from R6,099 million in 2017 and increased by 47% in 2017 from R4,151 million in 2016. Capital expenditure at the individual mines is shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SA gold operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driefontein</td>
<td>3,248</td>
<td>3,410</td>
<td>3,824</td>
</tr>
<tr>
<td>Kloof</td>
<td>1,046</td>
<td>1,156</td>
<td>1,052</td>
</tr>
<tr>
<td>Beatrix</td>
<td>1,202</td>
<td>1,234</td>
<td>1,304</td>
</tr>
<tr>
<td>Cooke</td>
<td>481</td>
<td>546</td>
<td>628</td>
</tr>
<tr>
<td>DRDGOLD</td>
<td>427</td>
<td>318</td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td>2,011</td>
<td>402</td>
<td>591</td>
</tr>
<tr>
<td>SA PGM operations</td>
<td>1,000</td>
<td>1,035</td>
<td>-</td>
</tr>
<tr>
<td>Kroondal</td>
<td>141</td>
<td>191</td>
<td>-</td>
</tr>
<tr>
<td>Rustenburg operation</td>
<td>792</td>
<td>831</td>
<td>-</td>
</tr>
<tr>
<td>Platinum Mile</td>
<td>67</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>US PGM operations</td>
<td>2,833</td>
<td>1,654</td>
<td>-</td>
</tr>
<tr>
<td>Stillwater</td>
<td>2,833</td>
<td>1,654</td>
<td>-</td>
</tr>
</tbody>
</table>

Capital expenditure increased from R6,099 million in 2017 to R7,081 million in 2018 mainly due to the inclusion of a full year from the US PGM expenditure compared with eight months in 2017. Capital expenditure at the SA gold operations excluding DRDGOLD declined from R3,410 million in 2017 to R2,930 million mainly due to the cessation of mining at the Cooke operations, reduced expenditure at the Burnstone project which is on care and maintenance and the impact of the strike. Capital expenditure at DRDGOLD included for 2018 was R318 million. Capital expenditure at the SA PGM operations reduced from R1,035 million in 2017 to R1,000 million in 2018, mainly due to the deferral of capital in the first half of 2018, following a period of low rand basket prices. Capital expenditure at the US PGM operations for 2018 was R2,833 million of which R1,574 million was spent on the Blitz project. This compares to capital expenditure in 2017 of R1,654 million of which R888 million was spent on the Blitz project.

Capital expenditure increased from R4,151 million in 2016 to R4,151 million in 2017. Capital expenditure at the SA gold operations declined from R3,824 million in 2016 to R3,410 million, mainly due to lower expenditure at the Burnstone project, and a decision to stop capital expenditure at the Cooke operations based on their profitability. Capital expenditure at the SA PGM operations increased from R327 million in 2016 to R1,035 million in 2017, mainly due to the inclusion of the Aquarius and Rustenburg operation for the full year. Capital expenditure at the US PGM operations for the eight months in 2017 was US$124 million (R1,654 million) of which US$67 million (R892 million) was spent on the Blitz project.

Cash flows from financing activities

Net cash used in financing activities of R4,101 million in 2018 compared with cash from financing activities of R26,807 million in 2017 and R5,446 million used in 2016.

On 6 April 2018, Sibanye-Stillwater refinanced its US dollar RCF. The new facility increased from US$350 million to US$600 million. During September 2018, Sibanye-Stillwater concluded and repurchased a portion of the:

- US$ Convertible Bond with aggregate principal amount of US$66 million for a total repurchase price of approximately US$50 million; and
- 2022 and 2025 Notes issued by Stillwater for the total repurchase price was approximately US$345 million (with a nominal value of US$349 million).
During 2017, the acquisition of Stillwater was financed by a US$2.65 billion bridge loan (Stillwater Bridge Facility). The Stillwater Bridge Loan was partially repaid through the US$1 billion rights offer. On 27 June 2017, Sibanye-Stillwater completed a two tranche US$1.05 billion international corporate bond offering. The proceeds of the bond offering were applied to the partial repayment of the Stillwater Bridge Facility raised for the acquisition of Stillwater. The balance was repaid through the issuance of a US$ Convertible Bond, which was launched and priced on 19 September 2017. The US$ Convertible Bond includes an option component, which is recognised as a derivative financial instrument.

**Net increase/(decrease) in cash and cash equivalents**

As a result of the above, net cash generated in 2018 amounted to R352 million compared with R1,403 million in 2017 and R408 million in 2016. Total Group cash and cash equivalents amounted to R2,549 million at 31 December 2018 (2017: R2,062 million and 2016: R968 million).

**Statement of financial position**

**Borrowings**

Total borrowings (short- and long-term) excluding R1,145 million attributable to Burnstone, which has no recourse to Sibanye-Stillwater’s balance sheet, and including the R409 million derivative financial instrument decreased to R23,769 million at 31 December 2018 from R25,206 million at 31 December 2017 (2016: R7,221 million).

At 31 December 2018, Sibanye-Stillwater had committed unutilised banking facilities of R5,987 million available under the US$600 million RCF and R6.0 billion RCF.

For a description of borrowings, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 24: Borrowings and derivative financial instrument.

**Working capital and going concern assessment**

For the year ended 31 December 2018, the Group incurred a loss of R2,520.7 million (31 December 2017: R4,433.1 million). As at 31 December 2018 the Group’s current assets exceeded its current liabilities by R562.7 million (31 December 2017: R3,566.7 million) and during the year then ended the Group generated cash from operating activities of R12,197.2 million (31 December 2017: R12,197.2 million). The Group’s cash generated from operating activities during the year ended 31 December 2018 includes the R6,555.4 million (US$500 million) advance proceeds of the streaming transaction (see –Consolidated financial statements–Notes to the consolidated financial statements–Note 27: Deferred revenue).

Gold and PGMs are sold in US dollars, and while the majority of the gold operations costs and a substantial amount of the SA PGM operations costs are denominated in rand, the Group’s results and financial condition will be impacted if there is a material change in the rand/US dollar exchange rate.

On 21 November 2018, AMCU, one of Sibanye-Stillwater’s unions, initiated a strike action at the gold operations. The AMCU union members are still not reporting for work in terms of a protected strike. The gold operations have continued during this period to produce approximately 40% of planned production and have implemented procedures to reduce operating cost during the strike action. It is unclear when employees will return to work and when the operations will return to full production. The gold operations have as a result operated at, and could continue to operate at, an adjusted EBITDA and cash flow loss during this period. While the PGM operations have to date generated sufficient cash flow to mostly mitigate the cash flow impacts of the strike action, the impact of the adjusted EBITDA losses from the gold operations will have a negative impact on future reported adjusted EBITDA and future reported covenant ratios.

With effect from 1 January 2019, in line with our mine to market strategy for the PGM operations, the offtake contract between the Rustenburg operation and Anglo American Platinum changed from a “Sale and Purchase of Concentrate” agreement to a tolling agreement. This means that Anglo American Platinum will no longer purchase concentrate from the Rustenburg operation on delivery of the concentrate, but will rather return the 4E refined metals to the Rustenburg operation approximately four months after delivery of the concentrate. Sibanye-Stillwater will then sell the refined metals in the market. The impact on future cash flows is not material, as Anglo American Platinum in terms of the previous Purchase of Concentrate agreement will continue to pay for the concentrate delivered up to December 2018 during quarter ending 31 March 2019. The change, however, will result in no adjusted EBITDA reported for the 4E metals produced by the Rustenburg operation during the quarter ending 31 March 2019. This will have a negative impact on the future 12 months adjusted EBITDA and future covenant ratios for the Group, until quarter ending 31 March 2020.

Sibanye-Stillwater’s leverage ratio (net debt to adjusted EBITDA) at 31 December 2018 is 2.5. The US$600 million RCF and the R6.0 billion RCF (together RCFs), permit a leverage ratio of at most 3.5:1 through to 31 December 2019, and thereafter 2.5:1, calculated on a quarterly basis. Sibanye-Stillwater’s interest coverage ratio (or adjusted EBITDA to net finance charges) at 31 December 2018 is 4.9:1. The RCFs require an interest coverage ratio of at least 4.0:1 calculated on a quarterly basis. In order to accommodate a potential breach in covenant ratios resulting from the impact of the gold operations strike and the Rustenburg operation contract change occurring in the same period, a temporary covenant amendment allowing for no covenant measurements for the quarter ending 31 March 2019 has been requested from and approved by the lenders. At this time, management believe that the covenant ratio levels agreed will be complied with for the quarter ending 30 June 2019 and onwards. Sibanye-Stillwater will continue to monitor and ensure compliance with the covenants, as well as maintain sufficient committed undrawn debt facilities to ensure satisfactory liquidity for the Group.

The Group currently has committed undrawn debt facilities of R5,987.1 million at 31 December 2018 (2017: R3,652.5 million) following the US$250 million upsizing of the US dollar RCF in 2018. In order to maintain adequate liquidity, the refinancing of the R6.0 billion RCF, maturing on 15 November 2019, will be initiated during the first half of 2019. Utilising debt facilities may have a negative impact on the leverage ratio if drawn...
to fund operating losses. Consistent with its long-term strategy, Sibanye-Stillwater intends to deleverage, over time to its targeted leverage ratio of 1:1.

The Group is considering increasing operational flexibility by adjusting mine plans, reducing capital expenditure and/or selling assets. A consultation process in terms of Section 189A was launched on 14 February 2019. The Group may also, if necessary, consider options to increase funding flexibility which may include, among others, streaming facilities, prepayment facilities, facility restructuring or, in the event that other options are not deemed preferable or achievable by the Board, an equity capital raise. This gives management the operational and financing flexibility to continue to manage the operations and capital structure to ensure compliance with debt covenants.

The Lonmin plc (Lonmin) transaction may be completed during the quarter ending 30 June 2019. Management believe Lonmin has sufficient liquidity and will not have a negative impact on Sibanye-Stillwater’s debt levels post acquisition. Furthermore, management believe that Lonmin will contribute positively to consolidated adjusted EBITDA which will have a positive impact on Sibanye-Stillwater covenant levels post acquisition. The directors believe that the cash generated by its operations, cash on hand, the committed unutilised debt facilities as well as additional funding opportunities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2018, therefore, have been prepared on a going concern basis.

Off balance sheet arrangements and contractual commitments
At 31 December 2018, Sibanye-Stillwater had no off balance sheet items. For a description of Sibanye-Stillwater’s contractual commitments, see the following notes to the consolidated financial statements:

<table>
<thead>
<tr>
<th>Contractual commitments</th>
<th>Note to the consolidated financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>25 – Environmental rehabilitation obligation and other provisions</td>
</tr>
<tr>
<td>Occupational healthcare obligation</td>
<td>26 – Occupational healthcare obligation</td>
</tr>
<tr>
<td>Commercial commitments</td>
<td>32 – Commitments</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>33 – Contingent liabilities</td>
</tr>
<tr>
<td>Debt</td>
<td></td>
</tr>
<tr>
<td>– capital</td>
<td>24 – Borrowings and derivative financial instrument</td>
</tr>
<tr>
<td>– interest</td>
<td>24 – Borrowings and derivative financial instrument</td>
</tr>
</tbody>
</table>

These contractual commitments for expenditure will be met from internal cash flow and, to the extent necessary, from the existing facilities.

Critical accounting policies and estimates
Sibanye-Stillwater’s significant accounting policies are fully described in the various notes to its consolidated financial statements. Some of Sibanye-Stillwater’s accounting policies require the application of significant judgements and estimates by management that can affect the amounts reported in the consolidated financial statements.

These judgements and estimates are based on management’s best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the consolidated financial statements.

For Sibanye-Stillwater’s significant accounting policies that are subject to significant judgements, estimates and assumptions, see the following notes to the consolidated financial statements:

<table>
<thead>
<tr>
<th>Significant accounting policy</th>
<th>Note to the consolidated financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3 – Revenue</td>
</tr>
<tr>
<td>Royalties, mining and income tax, and deferred tax</td>
<td>9 – Royalties, mining and income tax, and deferred tax</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>12 – Property, plant and equipment</td>
</tr>
<tr>
<td>Business combinations</td>
<td>13 – Acquisitions</td>
</tr>
<tr>
<td>Goodwill</td>
<td>14 – Goodwill</td>
</tr>
<tr>
<td>Equity-accounted investments</td>
<td>15 – Equity accounted investments</td>
</tr>
<tr>
<td>Other receivables and other payables</td>
<td>18 – Other receivables and other payables</td>
</tr>
<tr>
<td>Borrowings</td>
<td>24 – Borrowings and derivative financial instrument</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>25 – Environmental rehabilitation obligation and other provisions</td>
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<td>Occupational healthcare obligation</td>
<td>26 – Occupational healthcare obligation</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>27 – Deferred revenue</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>33 – Contingent liabilities</td>
</tr>
</tbody>
</table>

IFRS 16 Leases is effective for annual periods beginning on or after 1 January 2019 and replaces the previous lease standard IAS 17 Leases and related interpretations. Upon the adoption of IFRS 16, the Group expects to recognise additional right of use assets and lease liabilities. The Group expects an increase in amortisation and depreciation and finance expense, a decrease in cost of sales before amortisation and depreciation, and an increase in cash flow from operating activities as these lease payments will be recognised as financing outflows in the statement of cash flows. The quantitative impact of adopting IFRS 16 will be provided in the condensed consolidated interim financial statements for the six months ended 30 June 2019.
STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Sibanye-Stillwater, comprising the consolidated statement of financial position as at 31 December 2018, and consolidated income statement and consolidated statements of other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies, and other explanatory notes, in accordance with IFRS, as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act, 71 of 2008 (the Companies Act) and the JSE Listings Requirements.

In addition, the directors are responsible for preparing the directors’ report.

The directors consider that, in preparing the consolidated financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS standards that they consider to be applicable have been complied with for the financial year ended 31 December 2018. The directors are satisfied that the information contained in the consolidated financial statements fairly presents the results of operations for the year and the financial position of the Group at year end. The directors are responsible for the information included in the annual financial report, and are responsible for both its accuracy and its consistency with the consolidated annual financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group to enable the directors to ensure that the consolidated annual financial statements comply with the relevant legislation.

The Group operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable assurance that assets are safeguarded and the material risks facing the business are being controlled.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns and have no reason to believe that Sibanye-Stillwater and its subsidiaries will not be going concerns in the year ahead.

The Group’s external auditors, KPMG Inc. (KPMG) audited the consolidated annual financial statements. For their report, see Accountability–Report of independent registered public accounting firm.

The consolidated annual financial statements were approved by the Board of Directors and are signed on its behalf by:

Neal Froneman
Chief Executive Officer

Charl Keyter
Chief Financial Officer
29 March 2019

COMPANY SECRETARY’S CONFIRMATION

In terms of section 88(2)(e) of the Companies Act, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required to be lodged by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

Lerato Matlosa
Company Secretary
29 March 2019
REPORT OF THE AUDIT COMMITTEE

Introduction
The Audit Committee has formal terms of reference which are updated on an annual basis. The Board is satisfied that the Audit Committee has complied with these terms, and with its legal and regulatory responsibilities as set out in the Companies Act, King IV and the JSE Listings Requirements.
The Audit Committee consisted of six independent non-executive directors for the period from 1 January 2018 to 31 December 2018. For membership, see —Accountability—Directors’ report—Directorate—Composition of the Board and sub-committees.
The Board believes that the members collectively possess the knowledge and experience to supervise Sibanye-Stillwater's financial management, internal and external auditors, the quality of Sibanye-Stillwater’s financial controls, the preparation and evaluation of Sibanye-Stillwater’s audited consolidated financial statements and Sibanye-Stillwater’s periodic financial reporting.
The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage the risk of business failures and to provide reasonable assurance against such failures. However, this is not a guarantee that such risks are eliminated.

Responsibility
It is the duty of the Audit Committee, inter alia, to monitor and review:
- the effectiveness of the internal audit function, see —Internal Audit (below);
- auditor suitability and recommendation for appointment, see —Auditor suitability review (below);
- auditor independence and fees, see —Auditor independence and fees (below);
- reports of both internal and external auditors;
- evaluation of the expertise and experience of the chief financial officer (CFO);
- financial reporting systems and ensure that reporting procedures are functioning properly;
- the governance of information technology (IT) and the effectiveness of the Group’s information systems;
- interim results and report, quarterly operating reports, company and consolidated annual financial statements and all other widely distributed financial documents;
- the Form 20-F filing with the SEC;
- accounting policies of the Group and proposed revisions;
- compliance with applicable legislation, requirements of appropriate regulatory authorities and Sibanye-Stillwater’s Code of Ethics;
- the integrity of the integrated annual report and associated reports (by ensuring that its content is reliable and recommending it to the Board for approval); and
- policies and procedures for preventing and detecting fraud.

Access and meetings
Internal and external auditors have unrestricted access to the Audit Committee, the Audit Committee chairman and the chairman of the Board, ensuring that auditors are able to maintain their independence. Both the internal and external auditors report at Audit Committee meetings. The Audit Committee meets with both internal and external auditors separately on a quarterly basis without other invitees being present. Management attend Audit Committee meetings by invitation.

Annual financial statements
The Committee has reviewed and is satisfied that the consolidated annual financial statements, including accounting policies are appropriate and comply with IFRS, the JSE Limited Listings Requirements and the requirements of the Companies Act.
The significant audit matters considered by the Committee during the financial year were:
- the impairment assessment of property, plant and equipment, goodwill arising from business combinations, and the equity-accounted investment in Mimosa;
- the DRDGOLD acquisition and related purchase price accounting;
- changes in the US tax legislation;
- the accounting treatment and rationale of the streaming transaction with Wheaton International;
- the reduction in group financing costs through, inter alia, the repurchase of certain high yield notes and convertible bonds; and
- liquidity and solvency risk to ensure that the Group has the ability to access, service and repay all liabilities in the short-, medium- and long-term.
In terms of section 90(1) of the Companies Act, each year at its annual general meeting (AGM), the Company must appoint an external audit firm and designated individual partner that comply with the requirements of section 90(2) of the Companies Act and with the JSE Listings Requirements. The Board delegated to the Audit Committee the authority to conduct a formal tender process and make a recommendation on the new audit firm and designated individual audit partner to be appointed as the Company’s external auditors.

Following the ongoing and more recent VBS Bank developments and in the interests of good corporate governance, the Board advised shareholders that the Company was to embark on a process of selecting a new independent external audit firm for the Group, with respect to the financial year ending 31 December 2019. The Board delegated to the Audit Committee the authority to conduct a formal tender process and make a recommendation on the new audit firm and designated individual audit partner to be appointed as the Company’s external auditors.
Accordingly, in compliance with paragraph 3.84(g)(iii) and 3.86 of the JSE Listings Requirements, the Audit Committee conducted a formal tender process.

The Audit Committee appointed a selection panel to undertake much of the detailed work and invited Deloitte & Touche, Ernst & Young (EY), and PricewaterhouseCoopers (PwC) to tender.

In the process, the tendering firms met separately with the Audit Committee chairman, the Audit Committee, executive and senior finance management, and submitted detailed written proposals before presenting to the selection panel. The selection panel and Audit Committee assessed the firms against the key criteria listed below.

The criteria of the formal tender process performed by the Audit Committee used to reach this decision included:
- reputation, independence, quality and experience of the firm with respect to knowledge of the Sibanye-Stillwater Group;
- transformation status and processes;
- independence and quality of the audit team;
- capability to provide comprehensive and high-quality audit services;
- approach to ensuring a smooth transition process;
- commitment to sharing ideas and insights on best practice developments in accounting and reporting;
- approach to the tender process.

Following the completion of the tender process the Audit Committee recommended to the Board that EY be appointed as the Group’s external auditors, with Lance Tomlinson as the designated individual audit partner for the financial year ending 31 December 2019.

EY’s appointment as external auditor will be effective immediately after KPMG’s appointment ends, subject to receiving the requisite shareholder approval in the next AGM, expected to be held during May 2019.

In respect of the 2018 financial year, the Audit Committee was satisfied with the quality and effectiveness of KPMG’s audit process and that KPMG and the designated audit partner, Henning Opperman, were accredited as such on the JSE list of auditors and their advisors.

The Audit Committee would like to thank KPMG for their significant contribution as the Group’s external auditor over the years, and look forward to working with EY.

Auditor independence and fees

The Audit Committee is also responsible for determining that the external audit firm and designated individual audit partner have the necessary independence, experience, qualifications and skills, and that audit and other fees are reviewed and approved.

The Audit Committee has reviewed and assessed the independence of the external auditor, and has confirmed in writing that the criteria for independence, as set out in the rules of the Independent Regulatory Board for Auditors and international bodies, have been followed. The Audit Committee is satisfied that KPMG is independent of the Group. The following aggregate audit fees, audit-related fees, tax fees and all other fees were approved by the Audit Committee and billed by our external auditors (KPMG) for 2018, 2017 and 2016 as follows:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Audit fees¹</td>
<td>39.7</td>
<td>40.1</td>
<td>24.8</td>
</tr>
<tr>
<td>Audit-related fees²</td>
<td>5.2</td>
<td>7.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Tax fees³</td>
<td>1.0</td>
<td>1.6</td>
<td>0.1</td>
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<tr>
<td>All other fees⁴</td>
<td>0.3</td>
<td>1.4</td>
<td>8.9</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>46.2</strong></td>
<td><strong>60.2</strong></td>
<td><strong>37.9</strong></td>
</tr>
</tbody>
</table>

¹ Audit fees consist of fees billed for the annual audit of Sibanye-Stillwater’s consolidated financial statements, audit of the Group’s internal controls over financial reporting in accordance with section 404 of the Sarbanes-Oxley Act and the audit of statutory financial statements of the Company’s subsidiaries, including fees billed for assurance and related services that are reasonably related to the performance of the audit or reviews of the Company’s financial statements that are services that only an external auditor can reasonably provide.

² Audit-related fees consist of the review of documents filed with regulatory authorities, consultations concerning financial accounting and reporting standards, review of security controls and operational effectiveness of systems, and due diligence related to acquisitions.

³ Tax fees include fees billed for tax compliance, tax advice, tax planning and other tax-related services.

⁴ All other fees consist of fees for all other services not included under audit fees, audit related fees or tax fees.

The Audit Committee determines the nature and extent of non-audit services that the firm can provide and pre-approves all permitted non-audit assignments by the Group’s independent auditor. In accordance with the SEC 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 Sibanye-Stillwater and its consolidated subsidiaries engaging any accounting firms for audit services and the auditor who audits the accounts filed with the SEC (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.

The Audit Committee approves the annual audit plan presented by the external auditors and monitors progress against the plan. The audit plan provides the Audit Committee with the necessary assurance on risk management, internal control environments and IT governance.

Internal Audit

The internal control systems of the Group are monitored by Internal Audit, which reports findings and recommendations to the Audit Committee and to senior management. The Audit Committee determines the purpose, authority and responsibility of the Internal Audit function in an Internal
REPORT OF THE AUDIT COMMITTEE

Audit Charter. The Internal Audit function is headed by the Vice President: Internal Audit, who may be appointed or dismissed by the Audit Committee. The Audit Committee is satisfied that the incumbent Vice President: Internal Audit has the requisite skills and experience and that she is supported by a sufficient staff complement with appropriate skills and training.

Sibanye-Stillwater’s Internal Audit operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors. Internal Audit activities carried out during the year were identified and planned through a combination of the Sibanye-Stillwater Risk Management framework and the risk-based methodologies adopted by Internal Audit. The Audit Committee approves the annual internal audit assurance plan presented by Internal Audit and monitors progress against the plan.

Internal Audit reports deficiencies to the Audit Committee every quarter together with recommended remedial actions, which are then followed up. Internal Audit provided the Audit Committee with a written report, which assessed as adequate the internal controls over financial reporting, IT governance and the risk management process during 2018.

The Audit Committee is responsible for IT governance on behalf of the Board and reviews the report of the IT Senior Manager at each Audit Committee meeting.

JSE Limited Listings Requirements

In accordance with the JSE Limited Listings Requirements, the Audit Committee reports and confirms that it has:

- evaluated the expertise, experience and performance of the Company and Group CFO during 2018 and is satisfied that he has the appropriate expertise and experience to carry out his duties, and is supported by qualified and competent senior staff;
- ensured that the Company and Group has established appropriate financial reporting procedures in place and that those procedures are operating correctly and that there has been no breach of any required financial reporting for the 2018 financial year; and
- has performed the Auditor Suitability Review of both the current appointed external audit firm and designated individual partner as detailed above.

Audit Committee statement

Based on information from, and discussions with, management and external auditors, the Audit Committee is of the opinion that the financial records may be relied upon as the basis for preparation of the audited consolidated annual financial statements.

With respect to the financial year ended 31 December 2018, a material weakness was identified that related to an undocumented specific control for the review of changes in the deferred tax balance associated with the US PGM operations purchase price allocation (PPA) consolidation pack that could have resulted in a misstatement of deferred taxes in the consolidated financial statements. Management relied on an informal management review process, that identified an adjustment to deferred taxes, and not on a formally documented control to identify the impact of changes to local, state and federal taxes and the impact on deferred taxes in the US PGM operations PPA consolidation pack. The control design deficiency did not result in any misstatements to the deferred tax amount in these consolidated financial statements, as the changes to local, state and federal taxes, and the related impact on deferred taxes were identified by management and adjusted in the consolidated financial statements as at 31 December 2018. Management strives to continuously improve the diligence in the identification and documentation of key controls. The controls relating to the identification of the impact of changes to local, state and federal taxes and the impact on deferred taxes in the US PGM operations PPA consolidation pack were tested in the first quarter of 2019 and management has concluded, through this testing, that this control is operating effectively.

The Audit Committee has considered and discussed the consolidated annual financial statements and associated reports with both management and the external auditors.

During this process, the Audit Committee:

- evaluated significant judgements and reporting decisions;
- determined that the going-concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact on the annual financial report and associated reports;
- evaluated the completeness of the financial and sustainability discussion and disclosures; and
- discussed the treatment of significant and unusual transactions with management and the external auditors.

The Audit Committee considers that the consolidated annual financial statements comply in all material respects with the statutory requirements of the various laws and regulations governing disclosure and reporting of the consolidated annual financial statements and that the consolidated annual financial statements comply in all material respects with IFRS, as issued by the IASB, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and the JSE Listings Requirements. The Audit Committee has recommended to the Board that the consolidated financial statements be adopted and approved by the Board.

Keith Rayner CA(SA)
Chairman: Audit Committee
29 March 2019
DIRECTORS’ REPORT

The directors have pleasure in submitting this report and the consolidated annual financial statements of Sibanye-Stillwater for the year ended 31 December 2018.

Group profile and location of our operations
Sibanye-Stillwater, an independent, global, precious metals mining company, produces a mix of metals that includes PGMs and gold. Domiciled and with its head office in South Africa, Sibanye-Stillwater owns and operates a portfolio of high-quality operations and projects that are located as follows:

- **US PGM operations**: The East Boulder and the Stillwater (including Blitz) mines are located in Montana, in the United States. The Columbus Metallurgical Complex, which smelts the material mined to produce PGM-rich filter cake, also conducts PGM recycling activities.

- **SA PGM operations**: The Kroondal, Rustenburg and Platinum Mile operations are located on the western limb of the Bushveld Complex in South Africa, while Mimosa is on the southern portion of the Great Dyke in Zimbabwe. Platinum Mile is a retreatment facility.

- **SA gold operations**: In South Africa, Driefontein, Kloof and Cooke surface operations are located on the West Rand of the Witwatersrand Basin, while Beatrix is in the southern Free State goldfields of the Basin. Sibanye-Stillwater also has an interest in surface tailings retreatment facilities located from the East Rand to the West Rand through our 38.06% stake in DRDGOLD.

Financial affairs

Results for the year
The Group loss was R2,521 million in 2018 compared with R4,433 million in 2017. The major source of earnings for 2018 was the US PGM operations, which accounted for approximately 50% of Group adjusted EBITDA in 2018. The contribution from the SA PGM operations has also increased substantially, due the improved rand PGM basket price and solid, sustained operational performance. In 2018, the SA PGM operations contributed 34% of Group adjusted EBITDA, up from 18% in 2017. Despite a flat average rand gold price received year-on-year, the impact of the safety incidents and other unanticipated operational disruptions as well as the strike, caused production from the core SA gold operations to decrease by 7,034kg (226,157oz), resulting in adjusted EBITDA from the SA gold operations declining by 74% to R1,362 million. The SA gold operations contributed only 16% of Group adjusted EBITDA in 2018, compared with 58% in 2017. For a review of Sibanye-Stillwater’s financial performance for 2018, see –Overview–Management's discussion and analysis of the financial statements–2018 financial performance compared with 2017 and 2016.

Dividends
Sibanye-Stillwater’s dividend policy is to return at least 25% to 35% of normalised earnings to shareholders and after due consideration of future requirements the dividend may be increased beyond these levels. Normalised earnings is defined as earnings attributable to the owners of Sibanye-Stillwater excluding gains and losses on financial instruments and foreign exchange differences, gain on disposal of property, plant and equipment, impairments, gain on derecognition of borrowings and derivative financial instrument, occupational healthcare expense, restructuring costs, transactions costs, share-based payment on BEE transaction, gain on acquisition, other business development costs, share of results of equity-accounted investees, after tax, and changes in estimated deferred tax rate.

For the year under review, the Group did not declare or pay a dividend.

Borrowing powers
In terms of Clause 4 of the Company’s MOI, the borrowing powers of the Sibanye Gold Limited (the Company) are unlimited. As at 31 December 2018, the borrowings of the Company and the Group, excluding the Burnstone Debt and including the derivative financial instrument, was R11,372 million (2017: R11,709 million and 2016: R7,219 million) and R23,769 million (2017: R25,206 million and 2016: R7,221 million), respectively, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 24: Borrowings and derivative financial instrument.

Sibanye-Stillwater is subject to financial and other covenants and restrictions under its credit facilities from time to time. Such covenants may include restrictions on Sibanye-Stillwater incurring additional financial indebtedness and obligations to maintain certain financial covenant ratios for as long as any amount is outstanding under such facilities.

Events after reporting date
There were no events that could have a material impact on the financial results of the Group after 31 December 2018, other than those disclosed in the consolidated financial statements, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 35: Events after reporting date.

Working capital and going concern assessment
The consolidated financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The directors believe that the Group has adequate resources to continue as a going concern for the foreseeable future.

In order to accommodate a potential breach in covenant ratios resulting from the impact of the gold operations strike and the Rustenburg operation contract change occurring in the same period, a temporary covenant amendment allowing for no covenant measurements for the quarter ending 31 March 2019 has been requested from and approved by the lenders.
DIRECTORS' REPORT

continued

The directors believe that the cash generated by its operations, cash on hand, the committed unutilised debt facilities as well as additional funding opportunities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2018, therefore, have been prepared on a going concern basis, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 31.2: Risk management activities–Liquidity risk–Working capital and going concern assessment.

Significant announcements

Sibanye-Stillwater refinances and upsizes its US dollar RCF – 6 April 2018

On 6 April 2018, Sibanye-Stillwater announced that it has refinanced its US dollar RCF on improved terms. The new facility has been increased from US$350 million to US$600 million thereby providing enhanced liquidity for the enlarged Group. The new US$600 million RCF replaces the US$350 million RCF that was due to mature on 23 August 2018. For additional information on the key terms of the facility agreement with a syndicate of international banks, led by Bank of America Merrill Lynch International Limited and HSBC Bank Plc, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 24.1: US$600 million RCF.

Cash fraction applicable to the capitalisation issue – 12 April 2018

On 12 April 2018, the Board resolved to issue and allot fully paid ordinary shares of no par value (ordinary shares) as a capitalised issue to Sibanye-Stillwater shareholders and ADR holders pro rata on the current holding as a ratio of 4 (four) ordinary shares for every 100 ordinary shares held on the record date, being 13 April 2018. If the application of this ratio gave rise to a fraction of an ordinary share, such fraction would be rounded down to the nearest whole number, resulting in whole ordinary shares being allocated with an equivalent cash payment in compensating for the fraction. At 31 December 2017, the EPS and weighted average number of shares calculations were adjusted retrospectively as required by IAS 33 Earnings per Share to reflect the bonus element of the capitalisation issues.

Sibanye-Stillwater concludes streaming agreement with Wheaton International – 25 July 2018

On 25 July 2018, Sibanye-Stillwater announced that all outstanding conditions required to complete the gold and palladium streaming arrangement with Wheaton International, a wholly-owned subsidiary of Wheaton Precious Metals Corp. In return, Sibanye-Stillwater has committed to deliver a percentage of gold and palladium produced from its US PGM operations (comprising its East Boulder and Stillwater mining operations).

Wheaton International advanced an upfront cash payment of US$500 million to Sibanye-Stillwater on closing of the transaction.

In addition to the Advance Amount, Wheaton International will pay Sibanye-Stillwater 18% of the spot palladium and gold prices for each ounce delivered under the streaming agreement until the Advance Amount has been reduced to nil through metal deliveries. Thereafter, Sibanye-Stillwater will receive 22% of spot US dollar palladium and gold prices for each ounce of palladium and gold delivered. Sibanye-Stillwater has committed to deliver to Wheaton International the equivalent of:

- 100% of gold production from the US PGM operations over the life of the US PGM operations;
- Annual palladium production from the US PGM operations equivalent to:
  - 4.5% of production, until (i) a cumulative amount of 375koz having been delivered, and (ii) the portion of the Advance Amount which is attributable to palladium deliveries having been reduced to nil through such deliveries;
  - thereafter, the equivalent of 2.25% of production, until (i) a further 175koz having been delivered (or cumulatively 550koz having been delivered), and (ii) the Advance Amount having been reduced to nil through metal deliveries; and
  - thereafter and continuing for the life of the operations, 1.0% of palladium production.

On 25 July 2018, Sibanye-Stillwater announced that all outstanding conditions required to complete the gold and palladium stream arrangement with wheaton International had been fulfilled. The upfront cash deposit received from Wheaton International on the gold and palladium streaming transaction has been accounted for as a contract liability (deferred revenue), see –Consolidated financial statements–Notes to the consolidated financial statements–Note 27: Deferred revenue.

Sibanye-Stillwater implements transaction with DRDGOLD – 1 August 2018

On 1 August 2018, Sibanye-Stillwater announced that it has entered into various agreements with DRDGOLD to exchange the Far West Gold Recoveries for approximately 265 million newly issued DRDGOLD shares (the DRDGOLD Transaction). In addition, pursuant to the DRDGOLD Transaction, Sibanye-Stillwater has an option to subscribe for a sufficient number of DRDGOLD ordinary shares to attain a 50.1% shareholding in DRDGOLD at a 10% discount to the 30 day volume weighted average traded price.

On 19 July 2018, all the conditions precedent to the DRDGOLD Transaction have been fulfilled and the DRDGOLD Transaction was implemented on 31 July 2018. For additional information on the DRDGOLD Transaction, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 13.1: DRDGOLD acquisition.
Sibanye-Stillwater concludes tender process to retire certain of its US$ million Convertible Bond – 5 September 2018
On 4 September 2018, Sibanye-Stillwater announced the launch of a tender process to reduce debt from existing cash resources, including the US$500 million advance proceeds of its recently concluded streaming transaction with Wheaton International.

Sibanye-Stillwater announces the early tender results of the buy back of a portion of its outstanding High Yield Bond Notes – 18 September 2018
On 11 September 2018, Sibanye-Stillwater concluded the repurchase of a portion of the US$ Convertible Bond. An aggregate principal amount of US$66 million for a total purchase price of approximately US$50 million was repurchased.
On 19 September 2018, Sibanye-Stillwater concluded the repurchase of a portion of the 6.125% Notes due on 27 June 2022 (the 2022 Notes) and 7.125% Notes due on 27 June 2025 (the 2025 Notes) issued by Stillwater. The total purchase price was approximately US$345 million (with a nominal value of US$349 million). For additional information see –Consolidated financial statements–Notes to the consolidated financial statements–Note 24.4: 2022 and 2025 Notes.

Sibanye-Stillwater's indirect holding in Aldebaran following completion of the Altar transaction – 5 November 2018
On 29 June 2018, Sibanye-Stillwater announced that it has entered into an Arrangement Agreement with Regulus Resources Inc. (Regulus) and a newly formed subsidiary of Regulus, Aldebaran Resources Inc. (Aldebaran), creating a strategic partnership in order to unlock value at its Altar copper-gold project (the Altar Project) in San Juan Province, Argentina.

The consideration to Sibanye-Stillwater, for Aldebaran’s option to acquire up to an 80% interest in the Altar Project, comprises:

- an upfront cash payment of US$15 million to Sibanye-Stillwater upon closing of the Arrangement;
- 19.9% of the shares of Aldebaran; and
- a commitment from Aldebaran to carry the next US$30 million of spend at the Altar Project over a maximum of five years, as an initial earn-in of a 60% interest in the Altar Project (the Initial Earn-in).

On 5 November 2018, Sibanye-Stillwater advised that subsequent to the closure of the Altar transaction on 25 October 2018, the common shares of Aldebaran were listed and commenced trading on the TSX Venture Exchange (TSXV) on 2 November 2018 under the ticker symbol “ALDE”.

Sibanye-Stillwater holds 19.9% or 15,449,555 shares in Aldebaran through its subsidiary (Sibanye Canada). For additional information on the Altar Project transaction, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 15.3: Peregrine.

Sibanye-Stillwater signs three-year gold wage agreement with three unions – 14 November 2018
On 14 November 2018, Sibanye-Stillwater announced that it has concluded a three-year wage agreement with the National Union of Mineworkers, Solidarity and UASA in respect of wages and conditions of service for the period 1 July 2018 to 30 June 2021. The agreement allows for increases to the basic wage of Category 4-8 surface and underground employees of R700 per month in the first and second years, and R825 per month in the third year. Miners, artisans and officials will receive increases of 5.5% in year one and the greater of 5.5% or CPI in years two and three of the agreement.

Directors' and officers disclosure of interest in contracts
As of the date of this report, none of the directors, officers or major shareholders of Sibanye-Stillwater or, to the knowledge of Sibanye-Stillwater’s management, their families, had any interest, direct or indirect, in any transaction during the last fiscal year or in any proposed transaction which would represent a conflict of interest.

Directors retiring in terms of the Company’s Memorandum of Incorporation (MOI). All the directors are eligible and offer themselves for re-election.

1 On 30 June 2018, Sibanye-Stillwater announced the resignation and retirement of Keith Rayner as an independent non-executive director. Keith is eligible and available for election.
2 On 15 March 2019, Sibanye-Stillwater announced the resignation and retirement of Barry Davison as an independent non-executive director at the upcoming AGM scheduled for 28 May 2019.
3 Harry Kenyon-Slaney was appointed as an independent non-executive director with effect from 16 January 2019. Harry has over 34 years of experience in the mining industry, principally with Rio Tinto PLC. He is a geologist by training and his experience spans operations, marketing, projects and business development. Harry is currently non-executive chairman of Gem Diamonds Limited, a non-executive Director of Petropavlovsk plc and a senior advisor to McKinsey & Co. where he uses his wide experience to support operational, health and safety and business transformation programmes. Harry is eligible and available for election.

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has affected or will materially affect Sibanye-Stillwater or its investment interests or subsidiaries. None of the directors or officers of Sibanye-Stillwater or any associate of such director or officer is currently or has been at any time during the past fiscal year materially indebted to Sibanye-Stillwater.

For related party information, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 34: Related-party transactions.

Subsidiary companies
For details of major subsidiary companies in which the Company has a direct or indirect interest, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 1.3: Consolidation.

Special resolutions passed by subsidiary companies
The following special resolutions were passed by subsidiary companies during the year ended 31 December 2018:

1. Special resolution passed by a subsidiary company
   Special resolution passed by the majority shareholder of Newshelf 1114 Proprietary Limited, approving that the directors of the company may at any time and from time to time during the two years from the passing hereof authorise the company, in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the directors may determine.

2. Special resolutions passed by various subsidiary companies
   Special resolutions passed by the sole shareholder of the subsidiary companies listed below, approving that the directors of the company may at any time and from time to time during the two years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the directors may determine.
   - Ezulwini Mining Company Proprietary Limited;
   - Golden Oils Proprietary Limited;
   - Kroondal Operations Proprietary Limited;
   - K2013164354 Proprietary Limited;
   - M Janse van Rensburg Proprietary Limited;
   - Milen Mining Proprietary Limited;
   - Puma Gold Proprietary Limited;
   - Rand Uranium Proprietary Limited;
   - Sibanye Gold Academy Proprietary Limited;
   - Sibanye Gold Eastern Operations Proprietary Limited;
   - Sibanye Gold Protection Services Limited;
   - Sibanye Gold Shared Services Proprietary Limited;
   - Sibanye Resources Proprietary Limited;
   - Sibanye Rustenburg Platinum Mines Resources Proprietary Limited;
   - Sibanye Solar PV Proprietary Limited;
   - Sibanye Uranium Proprietary Limited;
   - St Helena Hospital Proprietary Limited;
   - Witwatersrand Consolidated Gold Resources Proprietary Limited; and
   - Witwatersrand Deep Investments Proprietary Limited.

Litigation
Occupational healthcare obligation
During 2012 and 2014, two court applications were served on Sibanye-Stillwater and its subsidiaries (as well as other mining companies) by various applicants who represent classes of mine workers (and where deceased, their dependents) who were previously employed by or who are employees of, among others, Sibanye-Stillwater or any of its subsidiaries and who allegedly contracted silicosis and/or tuberculosis. The two class actions were consolidated into one application on 17 October 2014. In terms of the consolidated application, the court was asked to allow the class actions to be certified.
On 13 May 2016, the High Court ordered, among other things: (1) the certification of two classes: (a) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependents of deceased mine workers who have died of silicosis; and (b) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and the dependents of deceased mine workers who died of pulmonary tuberculosis; and (2) that the common law be developed to provide that, where a claimant commences suing for general damages and subsequently dies before close of pleadings, the claim for general damages will transmit to the estate of the deceased claimant.

The progression of the classes certified will be done in two phases: (i) a determination of common issues, on an opt-out basis, and (ii) the hearing and determination of individualised issues, on an opt-in basis. In addition, costs were awarded in favour of the claimants. The High Court ruling did not represent a ruling on the merits of the cases brought by the Claimants.

Sibanye-Stillwater and the other respondents believed that the judgment addressed a number of highly complex and important issues, including a far reaching amendment of the common law, that have not previously been considered by other courts in South Africa. The High Court itself found that the scope and magnitude of the proposed claims is unprecedented in South Africa and that the class action would address novel and complex issues of fact and law. The respondents applied for leave to appeal against the judgement because they believed that the court’s ruling on some of these issues is incorrect and that another court may come to a different decision. On 21 September 2016, the Supreme Court of Appeal granted the respondents leave to appeal against all aspects of the class certification judgment of the South Gauteng High Court delivered in May 2016, however the appeal case has since been postponed indefinitely as Sibanye-Stillwater, the other respondents and the claimants representatives have, after protracted negotiations, concluded a settlement agreement on 3 May 2018. In terms of the May 2016 certification judgement, any settlement agreement reached between the parties shall only be of any force and effect if approved by the High Court. The first step in the approval application was brought ex parte by the parties and approved by the High Court on 13 December 2018. There shall be a return date during the quarter ending 30 June 2019 where interested and affected parties shall be given an opportunity to show cause why the interim order granted on 13 December 2019 should not be made a final order of court. This two-stage approach seeks to protect the proposed class members by ensuring that they have sufficient time to familiarise themselves with the terms of the settlement agreement and to raise objections in an appropriate forum.

For additional information of occupational healthcare obligation recognised, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 26: Occupational healthcare obligation.

**Purported Class Action Lawsuits**

Two purported class action lawsuits have been filed against Sibanye Gold Limited (Sibanye-Stillwater), Neal Froneman and Charl Keyter (collectively the Defendants) in the US District Court for the Eastern District of New York, alleging violations of the US securities laws. The first lawsuit, Case No. 18-cv-03721, was filed on 27 June 2018 by Kevin Brandel, individually and on behalf of all other persons who purchased Sibanye-Stillwater securities between 7 April 2017 and 26 June 2018, inclusive (the Class Period). The second lawsuit, Case No. 18-cv-03902, was filed on 6 July 2018 by Lester Heuschen, Jr., also individually and on behalf of members of the Class Period (collectively, the Class Actions). The Class Actions allege that certain statements by Sibanye-Stillwater in its annual reports filed with the US Securities and Exchange Commission were false and/or misleading. Specifically, the Class Actions allege that Sibanye-Stillwater made false and/or misleading statements about its safety practices and record and thereby violated the US securities laws. The Class Actions seek an unspecified amount of damages.

The two lawsuits were consolidated into a single action, and lead plaintiff and lead counsel were appointed by the court, on 17 December 2018. Lead plaintiffs must file a consolidated amended complaint by 1 April 2019, and the Defendants must file an answer or otherwise request a pre-motion conference (which is procedurally required by the Court’s rules before a motion to dismiss may be filed by 16 May 2019). As the cases are still in the early stages, it is not possible to determine the likelihood of success on the merits or any potential liability from the Class Actions nor estimate the duration of the litigation. Sibanye-Stillwater intends to defend the cases vigorously.

**Company secretary**

Cain Farrel retired as company secretary with effect from 31 May 2018. Lerato Matlosa was appointed as company secretary on 1 June 2018. Lerato holds a Bachelor of Law (LLB) degree from the National University of Lesotho and is an advocate of the High Court of Lesotho. She is a qualified Chartered Secretary with the South African Institute of Corporate Secretaries and she also completed a certificate in Prospecting and Mining Law with the University of Witwatersrand Mandela Institute. Lerato’s memberships include the Chartered Secretaries of South Africa, the Institute of Directors South Africa and a member of the Canadian Society of Corporate Secretaries. She was previously the Company Secretary of Atlantsa Resources Corporation, a Toronto Stock Exchange and JSE listed company.

**Auditors**

During 2018, Sibanye-Stillwater embarked on a process of selecting a new independent external audit firm for the Group, with respect to the financial year ending 31 December 2019. Following a recommendation from the Audit Committee, after a formal tender process to appoint a new firm of external auditors, Ernst & Young Inc. (EY) have been appointed as the Group’s external auditors, with Lance Tomlinson as the designated audit partner for the financial year ending 31 December 2019.

KPMG’s appointment as external auditors will end on conclusion of its responsibilities relating to the 31 December 2018 financial year audit, which is expected to be concluded during the first half of 2019. EY’s appointment as external auditor will be effective immediately after KPMG’s appointment ends, subject to receiving the requisite shareholder approval in the next annual general meeting, expected to be held on 28 May 2019.
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors
Sibanye Gold Limited, trading as Sibanye-Stillwater

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Sibanye Gold Limited and subsidiaries (the Company) as of 31 December 2018, 2017 and 2016, the related consolidated income statements, and statements of other comprehensive income, changes in equity, and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2018, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of 31 December 2018, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated 8 April 2019, expressed an adverse opinion on the effectiveness of the Company’s internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG Inc.

We have served as the Company’s auditor since 2010.
85 Empire Road
Parktown
Johannesburg
South Africa
8 April 2019
To the Shareholders and Board of Directors
Sibanye Gold Limited, trading as Sibanye-Stillwater

Opinion on Internal Control Over Financial Reporting
We have audited Sibanye Gold Limited and subsidiaries’ (the Company) internal control over financial reporting as of 31 December 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, because of the effect of the material weaknesses, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of 31 December 2018, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of 31 December 2018, 2017, and 2016, the related consolidated income statements, and statements of other comprehensive income, changes in equity, and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements), and our report dated 8 April 2019 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses resulting from an ineffective risk assessment process in respect of deferred taxes in the US Operations and an ineffective exchange of information and communication between certain functional areas within the Corporate office and with the US tax department, in respect of deferred taxes and certain period end closing entries, have been identified and included in management’s assessment. The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2018 consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

Basis for Opinion
The Company’s management is responsible 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. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. 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 audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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.

85 Empire Road
Parktown
Johannesburg
South Africa
8 April 2019
### CONSOLIDATED INCOME STATEMENT

#### FOR THE YEAR ENDED 31 DECEMBER

**Figures in million - SA rand**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>50,656.4</td>
<td>45,911.6</td>
<td>31,240.7</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(48,129.0)</td>
<td>(42,182.4)</td>
<td>(24,751.0)</td>
</tr>
<tr>
<td>Interest income</td>
<td>482.1</td>
<td>415.5</td>
<td>331.4</td>
</tr>
<tr>
<td>Finance expense</td>
<td>3,134.7</td>
<td>2,971.8</td>
<td>903.1</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(299.4)</td>
<td>(231.9)</td>
<td>(496.2)</td>
</tr>
<tr>
<td>Gain/(loss) on financial instruments</td>
<td>6,4, 17, 18, 24.5, 24.7</td>
<td>1,704.1</td>
<td>(1,114.4)</td>
</tr>
<tr>
<td>Gain on foreign exchange differences</td>
<td>1,169.1</td>
<td>292.4</td>
<td>219.6</td>
</tr>
<tr>
<td>Share of results of equity-accounted investees after tax</td>
<td>344.2</td>
<td>291.6</td>
<td>13.3</td>
</tr>
<tr>
<td>Other income</td>
<td>310.2</td>
<td>300.0</td>
<td>131.9</td>
</tr>
<tr>
<td>Other costs</td>
<td>(1,015.4)</td>
<td>(932.7)</td>
<td>(490.6)</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>60.2</td>
<td>40.7</td>
<td>95.4</td>
</tr>
<tr>
<td>Impairments</td>
<td>(3,041.4)</td>
<td>(4,411.0)</td>
<td>(1,381.1)</td>
</tr>
<tr>
<td>Gain on derecognition of borrowings and derivative financial instrument</td>
<td>230.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupational healthcare expense</td>
<td>(15.4)</td>
<td>(1,106.9)</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(142.8)</td>
<td>(729.8)</td>
<td>(187.7)</td>
</tr>
<tr>
<td>Transaction costs</td>
<td>(402.5)</td>
<td>(552.1)</td>
<td>(157.0)</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td>-</td>
<td>-</td>
<td>2,178.6</td>
</tr>
<tr>
<td>(Loss)/profit before royalties and tax</td>
<td>(1,224.3)</td>
<td>(6,851.2)</td>
<td>4,811.4</td>
</tr>
<tr>
<td>Royalties</td>
<td>26</td>
<td>(15.4)</td>
<td>(1,106.9)</td>
</tr>
<tr>
<td>(Loss)/profit before tax</td>
<td>(1,436.8)</td>
<td>(7,379.7)</td>
<td>4,244.8</td>
</tr>
<tr>
<td>Mining and income tax</td>
<td>9.2</td>
<td>(1,083.8)</td>
<td>(2,946.6)</td>
</tr>
<tr>
<td>(Loss)/profit for the year</td>
<td>(2,520.7)</td>
<td>(4,433.1)</td>
<td>3,042.7</td>
</tr>
</tbody>
</table>

**Attributable to:**

| Owners of Sibanye-Stillwater  | (2,499.6)  | (4,437.4)  | 3,473.3    |
| Non-controlling interests     | (21.1)     | 4.3        | (430.6)    |

**Earnings per share attributable to owners of Sibanye-Stillwater**

| Basic earnings per share - cents | 10.1     | (110) | (229) | 225   |
| Diluted earnings per share - cents | 10.2     | (110) | (229) | 225   |

The accompanying notes form an integral part of these consolidated financial statements.

### CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

#### FOR THE YEAR ENDED 31 DECEMBER

**Figures in million - SA rand**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss)/profit for the year</td>
<td>(2,520.7)</td>
<td>(4,433.1)</td>
<td>3,042.7</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that may be reclassified to profit or loss</td>
<td>1,764.1</td>
<td>(627.2)</td>
<td>(131.4)</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>1,719.1</td>
<td>(632.4)</td>
<td>(131.4)</td>
</tr>
<tr>
<td>Mark-to-market valuation¹</td>
<td>45.9</td>
<td>5.2</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>(756.6)</td>
<td>(5,060.3)</td>
<td>2,911.3</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of Sibanye-Stillwater</td>
<td>(733.1)</td>
<td>(5,064.6)</td>
<td>3,341.9</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(23.5)</td>
<td>4.3</td>
<td>(430.6)</td>
</tr>
</tbody>
</table>

¹ These gains and losses will never be reclassified to profit or loss.

The accompanying notes form an integral part of these consolidated financial statement.
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER

The accompanying notes form an integral part of these consolidated financial statements.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td>69,727.7</td>
<td>64,067.3</td>
<td>34,018.1</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>12</td>
<td>54,558.2</td>
<td>51,444.6</td>
<td>27,240.7</td>
</tr>
<tr>
<td>Goodwill</td>
<td>14</td>
<td>6,889.6</td>
<td>6,396.0</td>
<td>936.0</td>
</tr>
<tr>
<td>Equity-accounted investments</td>
<td>15</td>
<td>3,733.9</td>
<td>2,244.1</td>
<td>2,157.4</td>
</tr>
<tr>
<td>Other investments</td>
<td></td>
<td>156.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds</td>
<td>17</td>
<td>3,998.7</td>
<td>3,492.4</td>
<td>3,100.5</td>
</tr>
<tr>
<td>Other receivables</td>
<td>18.1</td>
<td>314.4</td>
<td>284.0</td>
<td>355.3</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>9.3</td>
<td>76.9</td>
<td>206.2</td>
<td>228.2</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td>15,195.3</td>
<td>12,004.5</td>
<td>7,703.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>19</td>
<td>5,294.8</td>
<td>3,526.5</td>
<td>676.8</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>20</td>
<td>6,833.0</td>
<td>6,197.6</td>
<td>5,747.9</td>
</tr>
<tr>
<td>Other receivables</td>
<td>18.1</td>
<td>352.2</td>
<td>35.2</td>
<td>310.6</td>
</tr>
<tr>
<td>Tax receivable</td>
<td>9.4</td>
<td>483.2</td>
<td>182.8</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>21</td>
<td>2,549.1</td>
<td>2,062.4</td>
<td>967.9</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>84,923.0</td>
<td>76,071.8</td>
<td>41,721.3</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to owners of Sibanye-Stillwater</td>
<td></td>
<td>23,788.4</td>
<td>23,978.4</td>
<td>16,451.4</td>
</tr>
<tr>
<td>Stated share capital</td>
<td>22</td>
<td>34,667.0</td>
<td>34,667.0</td>
<td>21,734.6</td>
</tr>
<tr>
<td>Other reserves</td>
<td>25</td>
<td>4,617.2</td>
<td>2,569.0</td>
<td>2,978.8</td>
</tr>
<tr>
<td>Accumulated loss</td>
<td>24</td>
<td>(15,495.8)</td>
<td>(13,267.6)</td>
<td>(8,262.0)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>23</td>
<td>936.0</td>
<td>19.8</td>
<td>17.7</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>24,724.4</td>
<td>23,998.2</td>
<td>16,469.1</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td>45,566.0</td>
<td>43,635.8</td>
<td>18,996.6</td>
</tr>
<tr>
<td>Borrowings</td>
<td>24</td>
<td>18,316.5</td>
<td>23,992.0</td>
<td>8,221.5</td>
</tr>
<tr>
<td>Derivative financial instrument</td>
<td>24</td>
<td>408.9</td>
<td>1,093.5</td>
<td>-</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation and other provisions</td>
<td>25</td>
<td>6,294.2</td>
<td>4,678.7</td>
<td>3,982.2</td>
</tr>
<tr>
<td>Post-retirement healthcare obligation</td>
<td>26</td>
<td>1,164.2</td>
<td>1,152.5</td>
<td>-</td>
</tr>
<tr>
<td>Occupational healthcare obligation</td>
<td>6.4</td>
<td>168.9</td>
<td>422.2</td>
<td>246.5</td>
</tr>
<tr>
<td>Share-based payment obligations</td>
<td>28</td>
<td>7,856.3</td>
<td>6,690.4</td>
<td>5,180.5</td>
</tr>
<tr>
<td>Other payables</td>
<td>18.2</td>
<td>303.3</td>
<td>41.9</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>27</td>
<td>10,153.2</td>
<td>8,525.2</td>
<td>4,915.4</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>9.3</td>
<td>14,632.6</td>
<td>8,437.8</td>
<td>6,256.6</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td>4,188.2</td>
<td>1,657.5</td>
<td>752.3</td>
</tr>
<tr>
<td>Borrowings</td>
<td>26</td>
<td>109.9</td>
<td>0.8</td>
<td>-</td>
</tr>
<tr>
<td>Occupational healthcare obligation</td>
<td>6.4</td>
<td>56.8</td>
<td>12.3</td>
<td>235.2</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>28</td>
<td>7,856.3</td>
<td>6,690.4</td>
<td>5,180.5</td>
</tr>
<tr>
<td>Other payables</td>
<td>18.2</td>
<td>303.3</td>
<td>41.9</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>27</td>
<td>10,153.2</td>
<td>8,525.2</td>
<td>4,915.4</td>
</tr>
<tr>
<td>Tax and royalties payable</td>
<td>9.4</td>
<td>14,632.6</td>
<td>8,437.8</td>
<td>6,256.6</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td>84,923.0</td>
<td>76,071.8</td>
<td>41,721.3</td>
</tr>
</tbody>
</table>
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER**

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>Stated share capital</th>
<th>Share-based payment reserve</th>
<th>Mark-to-market reserve</th>
<th>Foreign currency translation reserve</th>
<th>Accumulated loss</th>
<th>Equity attributable to owners of Sibanye-Stillwater</th>
<th>Non-controlling interests</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 31 December 2015</strong></td>
<td></td>
<td>21,734.6</td>
<td>2,938.2</td>
<td></td>
<td>(9,797.8)</td>
<td>14,375.0</td>
<td>109.8</td>
<td>14,594.8</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>172.0</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,473.3</td>
<td>3,473.3</td>
<td>3473.3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(131.4)</td>
<td>-</td>
<td>(131.4)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Share-based payments 6</td>
<td></td>
<td>-</td>
<td>172.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>172.0</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Dividends paid 11</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,610.6)</td>
<td>1,610.6</td>
<td>1,610.6</td>
<td>12.9</td>
<td>1311.9</td>
</tr>
<tr>
<td>Acquisition of subsidiary with non-controlling interests</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,610.6)</td>
<td>1,610.6</td>
<td>1,610.6</td>
<td>12.9</td>
<td>1311.9</td>
</tr>
<tr>
<td>Transaction with non-controlling interests</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(326.9)</td>
<td>326.9</td>
<td>326.9</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 December 2016</strong></td>
<td></td>
<td>21,734.6</td>
<td>3,110.2</td>
<td>(131.4)</td>
<td>(8,262.0)</td>
<td>16,451.4</td>
<td>17.7</td>
<td>16,469.1</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>5.2</td>
<td>(632.4)</td>
<td>5,064.6</td>
<td>4.3</td>
<td>5,060.3</td>
<td></td>
</tr>
<tr>
<td>Loss for the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(4,437.4)</td>
<td>(4,437.4)</td>
<td>-</td>
<td>(4,433.1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
<td>5.2</td>
<td>(632.4)</td>
<td>(4,437.4)</td>
<td>-</td>
<td>(627.2)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Share-based payments</td>
<td></td>
<td>-</td>
<td>217.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>217.4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Dividends paid 11</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(558.2)</td>
<td>558.2</td>
<td>558.2</td>
<td>(2.2)</td>
<td>(560.4)</td>
</tr>
<tr>
<td>Rights issue 22</td>
<td></td>
<td>12,932.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,932.4</td>
<td>(2.2)</td>
<td>12,930.2</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2017</strong></td>
<td></td>
<td>34,667.0</td>
<td>3,327.6</td>
<td>5.2</td>
<td>(763.8)</td>
<td>(13,257.6)</td>
<td>23,978.4</td>
<td>19.8</td>
<td>23,998.2</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>47.4</td>
<td>1,719.1</td>
<td>(2,499.6)</td>
<td>(733.1)</td>
<td>(21.1)</td>
<td>(2,520.7)</td>
</tr>
<tr>
<td>Loss for the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(2,499.6)</td>
<td>(2,499.6)</td>
<td>-</td>
<td>(2,520.7)</td>
<td>(2.4)</td>
<td>1,764.1</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
<td>47.4</td>
<td>1,719.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Share-based payments</td>
<td></td>
<td>-</td>
<td>281.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>281.7</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Dividends paid 11</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.6)</td>
<td>-</td>
<td>(0.6)</td>
<td></td>
</tr>
<tr>
<td>Acquisition of subsidiary with non-controlling interests</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>940.3</td>
<td>940.3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Transaction with DRDGOLD shareholders</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>261.4</td>
<td>261.4</td>
<td>261.4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 December 2018</strong></td>
<td></td>
<td>34,667.0</td>
<td>3,609.3</td>
<td>52.6</td>
<td>955.3</td>
<td>(15,495.8)</td>
<td>23,788.4</td>
<td>936.0</td>
<td>24,724.4</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these consolidated financial statements.
### CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated by operations</td>
<td>29</td>
<td>8,709.0</td>
<td>7,097.9</td>
<td>9,836.3</td>
</tr>
<tr>
<td>Deferred revenue advance received</td>
<td>27</td>
<td>6,555.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-retirement health care payments</td>
<td></td>
<td>(6.6)</td>
<td>(6.4)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Cash-settled share-based payments paid</td>
<td>6.4</td>
<td>(21.7)</td>
<td>(433.6)</td>
<td>(1,518.6)</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>30</td>
<td>(1,070.0)</td>
<td>(522.3)</td>
<td>(237.6)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14,166.1</td>
<td>6,135.6</td>
<td>8,078.9</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>194.7</td>
<td>118.7</td>
<td>112.2</td>
</tr>
<tr>
<td>Interest paid</td>
<td></td>
<td>(1,620.8)</td>
<td>(2,053.9)</td>
<td>(441.1)</td>
</tr>
<tr>
<td>Royalties and tax paid</td>
<td>9.4</td>
<td>(542.2)</td>
<td>(899.3)</td>
<td>(1,732.6)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>11</td>
<td>(0.6)</td>
<td>(560.4)</td>
<td>(1,611.9)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td></td>
<td>12,197.2</td>
<td>2,740.7</td>
<td>4,405.5</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>12</td>
<td>(7,080.7)</td>
<td>(6,098.8)</td>
<td>(4,151.1)</td>
</tr>
<tr>
<td>Proceeds on disposal of property, plant and equipment</td>
<td></td>
<td>81.9</td>
<td>71.3</td>
<td>99.4</td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>13</td>
<td>-</td>
<td>(27,386.4)</td>
<td>(5,801.5)</td>
</tr>
<tr>
<td>Cash acquired on acquisition of subsidiaries</td>
<td>13</td>
<td>282.8</td>
<td>1,792.2</td>
<td>494.2</td>
</tr>
<tr>
<td>Proceeds on loss of control of subsidiaries</td>
<td></td>
<td>256.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payment of Deferred Payment (related to the Rustenburg operation acquisition)</td>
<td>18.2</td>
<td>(38.6)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments to dissenting shareholders</td>
<td>18.2</td>
<td>(1,375.8)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends received</td>
<td></td>
<td>125.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Preference shares redeemed by equity-accounted investee</td>
<td>15.1</td>
<td>102.9</td>
<td>(13.5)</td>
<td>(10.1)</td>
</tr>
<tr>
<td>Loan advanced to equity-accounted investee</td>
<td></td>
<td>(3.1)</td>
<td>(114.5)</td>
<td>(74.7)</td>
</tr>
<tr>
<td>Contributions to environmental rehabilitation obligation funds</td>
<td>17</td>
<td>(63.0)</td>
<td>(114.5)</td>
<td>(74.7)</td>
</tr>
<tr>
<td>Proceeds on disposal of marketable securities investments</td>
<td>11</td>
<td>1.2</td>
<td>3,605.3</td>
<td>-</td>
</tr>
<tr>
<td>Payment of environmental rehabilitation obligation</td>
<td>25</td>
<td>(32.3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td></td>
<td>(7,743.5)</td>
<td>(28,144.4)</td>
<td>(9,443.8)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans raised</td>
<td>24</td>
<td>17,130.2</td>
<td>69,593.8</td>
<td>17,280.5</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>24</td>
<td>(21,231.5)</td>
<td>(55,719.5)</td>
<td>(11,834.7)</td>
</tr>
<tr>
<td>Proceeds from shares issued</td>
<td></td>
<td>-</td>
<td>13,438.5</td>
<td>-</td>
</tr>
<tr>
<td>Transaction costs paid on rights issue shares issued</td>
<td></td>
<td>(506.1)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash (used in)/from financing activities</strong></td>
<td></td>
<td>(4,101.3)</td>
<td>26,806.7</td>
<td>5,446.8</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td></td>
<td>352.4</td>
<td>1,403.0</td>
<td>407.5</td>
</tr>
<tr>
<td>Effect of exchange rate fluctuations on cash held</td>
<td></td>
<td>134.3</td>
<td>(308.5)</td>
<td>(157.0)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td></td>
<td>2,062.4</td>
<td>967.9</td>
<td>717.4</td>
</tr>
</tbody>
</table>

| **Cash and cash equivalents at end of the year** |       | 2,549.1| 2,062.4| 967.9 |

The accompanying notes form an integral part of these consolidated financial statements.
1. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have been consistently applied to all the periods presented except for the adoption of IFRS 15 Revenue from Contracts with Customers (IFRS 15) and IFRS 9 Financial Instruments (IFRS 9). These two standards had no significant impact on the Group’s measurement and recognition principles (refer to note 1.2).

1.1 Reporting entity

Sibanye Gold Limited, trading as Sibanye-Stillwater (Sibanye-Stillwater or the Group), an independent, global, precious metals mining company, produces a mix of metals that includes gold and platinum group metals (PGM). Domiciled in South Africa, Sibanye-Stillwater currently owns and operates a portfolio of high-quality operations and projects, which are grouped into two regions: the Southern Africa (SA) region and the United States (US) region.

The SA region houses the gold and PGM operations and projects located in South Africa and Zimbabwe. The underground and surface gold mining operations in South Africa are the Driefontein and Kloof operations in the West Witwatersrand (West Wits) region of Gauteng, and the Beatrix operation in the southern Free State. Sibanye-Stillwater also owns and manages significant gold extraction and processing facilities where ore is treated and beneficiated to produce gold doré. In addition, several organic projects currently underway are aimed at sustaining these gold mining operations into the long term. The PGM assets in the SA region are Kroondal (50%), the Rustenburg operation and the tailings retreatment entity, Platinum Mile (91.7%) in North West Province, and Mimosa (50%) in Zimbabwe.

The US region houses the PGM operations and projects located in the US and Canada. These include the East Boulder and Stillwater mining operations and the Blitz project in Montana, in the US, and an exploration-stage project, Marathon, a PGM-copper porphyry in Ontario, Canada. The assets in this region also include the Metallurgical complex in Columbus, Montana. This complex houses the smelter, base metal refinery and an analytical laboratory which produces a PGM-rich filter cake that is further refined by a third-party precious metal refinery. These processing and metallurgical facilities are also used to process recycled material such as spent autocatalytic convertors and petroleum refinery catalysts.

1.2 Basis of preparation

The consolidated financial statements for the year ended 31 December 2018 have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, the South African Institute of Chartered Accountants Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and JSE Listings Requirements. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) which are measured at fair value through profit or loss or other comprehensive income.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2018

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had no significant impact on the Group’s financial statements:

<table>
<thead>
<tr>
<th>Pronouncement</th>
<th>Details of amendments</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS 2 Share-based payment (Amendment)</td>
<td>Classification and Measurement of Share-based Payment Transactions: A collection of three distinct narrow-scope amendments dealing with classification and measurement of share-based payments. The amendments address: • the effects of vesting conditions on the measurement of a cash-settled share-based payment; • the accounting requirements for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled; and • the classification of share-based payment transactions with net settlement features.</td>
<td>1 January 2018</td>
</tr>
<tr>
<td>IAS 28 Investments in Associates and Joint Ventures (Amendment)</td>
<td>Annual Improvements 2014-2016 Cycle Clarification that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.</td>
<td>1 January 2018</td>
</tr>
</tbody>
</table>
### Pronouncement | Details of amendments | Effective date
--- | --- | ---
IFRIC 22 Foreign Currency Transactions and Advance Consideration | This interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. | 1 January 2018

1 Effective date refers to annual period beginning on or after said date

During the financial year, the following new accounting standards became effective and had an impact on the financial statements:

| Pronouncement | Details of amendments | Effective date
--- | --- | ---
IFRS 9 Financial Instruments (New standard) | IFRS 9 arises from a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting, and a new impairment model for financial assets. On 1 January 2018, the Group adopted IFRS 9, which replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. On adoption, the mark-to-market valuation recognised in the consolidated statement of other comprehensive income remains recognised in the consolidated statement of other comprehensive income, but will not be reclassified to profit or loss in future. The Group designated its equity securities as financial assets at fair value through other comprehensive income (OCI), which will be recorded initially at fair value. Subsequent changes in fair value will be recognised in OCI only and will not be reclassified to profit or loss on derecognition. As a result of this change, there was no impact to the Group’s financial statements. The adoption of the new “expected credit loss” impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had a negligible impact on the carrying amounts of the Group’s financial assets given the Group transacts exclusively with a limited number of large international institutions and other organisations with strong credit ratings and the negligible historical level of customer default. The Group does not apply hedge accounting and the new rules for hedge accounting also have no impact. The impacts have been applied to the disclosure of the Group’s financial instruments. | 1 January 2018

IFRS 15 Revenue from Contracts with Customers (New standard) | IFRS 15 supersedes the previous revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretation. IFRS 15 establishes a single comprehensive five-step model to account for revenue arising from contracts with customers and is based on the core principle that revenue is recognised when control of a good or service transfers to a customer. On 1 January 2018, the Group adopted IFRS 15, which requires that revenue from contracts with customers be recognised upon the transfer of control over goods or services to the customer. The recognition of revenue upon transfer of control to the customer is consistent with the revenue recognition policy as set out in the consolidated financial statements for the year ended 31 December 2017, as the condition is generally satisfied when title transfers to the customer. As such, on adoption, this requirement under IFRS 15 resulted in no impact to the Group’s financial statements as the timing of revenue recognition on sales is unchanged. | 1 January 2018

1 Effective date refers to annual period beginning on or after said date
Standards, interpretations and amendments to published standards which are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group’s accounting periods beginning on or after 1 January 2019 but have not been early adopted by the Group. The standards, amendments and interpretations that are applicable to the Group are:

<table>
<thead>
<tr>
<th>Pronouncement</th>
<th>Details of amendments and estimated impact</th>
<th>Effective date¹</th>
</tr>
</thead>
</table>
| IFRS 3 Business Combinations (Amendment)² | Annual Improvements 2015-2017 Cycle
Clarification that when an entity obtains control of a business that is a joint operation, it is required to remeasure previously held interests in that business. | 1 January 2019 |
| IFRS 9 Financial Instruments (Amendment)² | Prepayment Features with Negative Compensation
The narrow-scope amendment allows companies to measure particular prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. | 1 January 2019 |
| IFRS 11 Disclosure of Interest in Other Entities (Amendment)² | Annual Improvements 2015-2017 Cycle
Clarification that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. | 1 January 2019 |
| IFRS 16 Leases (New standard) | IFRS 16 replaces the previous lease standard IAS 17 Leases and related interpretations. IFRS 16 has one model for lessees which will result in almost all leases being recognised on balance sheet as the distinction between operating and finance leases is removed. The only exceptions are short-term and low-value leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).
Lessees also will be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.
The Group has developed a full implementation plan to determine the impact on the financial statements and internal controls. In 2017, the Group formed an IFRS 16 project team to begin the process of assessing the impact of the leases standard. The project team developed its project plan, established a steering committee, identified key stakeholders, completed high level education sessions and began the process to gather more information (through the use of interviews and questionnaires) with respect to the population of procurement contracts.
The Group will use the modified retrospective approach of adoption resulting in no restatement of prior year comparatives. The quantitative impact of adopting IFRS 16 will be provided in the condensed consolidated interim financial statements for the six months ending 30 June 2019 as the Group is determining the incremental borrowing rate of the identified contracts.
The Group has elected to apply the available exemptions as permitted by IFRS 16 to recognise a lease expense on a straight line basis for short-term leases (lease term of 12 months or less) and low value assets. The Group has also elected to apply the practical expedient for leases which term ends within 12 months of the date of initial application which will be accounted for in the same way as short-term leases.
Upon the adoption of IFRS 16, the Group expects to recognise additional right of use assets and lease liabilities. The Group expects an increase in amortisation and depreciation and finance expense, a decrease in cost of sales before amortisation and depreciation, and an increase in cash flow from operating activities as these lease payments will be recognised as financing outflows in the statement of cash flows. | 1 January 2019 |
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  continued
FOR THE YEAR ENDED 31 DECEMBER

<table>
<thead>
<tr>
<th>Pronouncement</th>
<th>Details of amendments and estimated impact</th>
<th>Effective date¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAS 1 Presentation of Financial Statements (Amendment)²</td>
<td>The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS.</td>
<td>1 January 2020</td>
</tr>
<tr>
<td>IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)²</td>
<td>The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.</td>
<td>1 January 2020</td>
</tr>
<tr>
<td>IAS 12 Income Taxes (Amendment)²</td>
<td>Annual Improvements 2015-2017 Cycle Clarification that all income tax consequences of dividends should be recognised in profit or loss, regardless how the tax arises.</td>
<td>1 January 2019</td>
</tr>
<tr>
<td>IAS 19 Employee Benefits (Amendment)²</td>
<td>Plan Amendment, Curtailment or Settlement The amendments require an entity to use the updated assumptions from a remeasurement net defined benefit liability or asset resulting from a plan amendment, curtailment or settlement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.</td>
<td>1 January 2019</td>
</tr>
<tr>
<td>IAS 23 Borrowing Costs (Amendment)²</td>
<td>Annual Improvements 2015-2017 Cycle The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.</td>
<td>1 January 2019</td>
</tr>
<tr>
<td>IAS 28 Investments in Associates and Joint Ventures (Amendment)²</td>
<td>Long-term interest in Associates and Joint Ventures Clarification provided that an entity should apply 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.</td>
<td>1 January 2019</td>
</tr>
<tr>
<td>IFRIC 23 Uncertainty over Income Tax Treatments²</td>
<td>The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes.</td>
<td>1 January 2019</td>
</tr>
</tbody>
</table>

¹ Effective date refers to annual period beginning on or after said date
² No impact

Significant accounting judgements and estimates

The preparation of the financial statements 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 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 valuation techniques. Actual results could differ from those estimates.

For significant accounting policies that are subject to significant judgement, estimates and assumptions, see the following notes to the consolidated financial statements:

<table>
<thead>
<tr>
<th>Significant accounting policy</th>
<th>Note to the consolidated financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3 – Revenue</td>
</tr>
<tr>
<td>Royalties, mining and income tax, and deferred tax</td>
<td>9 – Royalties, mining and income tax, and deferred tax</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>12 – Property, plant and equipment</td>
</tr>
<tr>
<td>Business combinations</td>
<td>13 – Acquisitions</td>
</tr>
<tr>
<td>Goodwill</td>
<td>14 – Goodwill</td>
</tr>
<tr>
<td>Equity-accounted investments</td>
<td>15 – Equity accounted investments</td>
</tr>
<tr>
<td>Other receivables and other payables</td>
<td>18 – Other receivables and other payables</td>
</tr>
<tr>
<td>Borrowings</td>
<td>24 – Borrowings and derivative financial instrument</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>25 – Environmental rehabilitation obligation and other provisions</td>
</tr>
<tr>
<td>Occupational healthcare obligation</td>
<td>26 – Occupational healthcare obligation</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>27 – Deferred revenue</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>33 – Contingent liabilities</td>
</tr>
</tbody>
</table>

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.

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 period are discussed under the relevant note of the item affected.
1.3 Consolidation

1 The non-controlling interests in the statement of changes in equity relates to the attributable share of accumulated profits of DRDGOLD Limited (DRDGOLD), the Newshelf 1114 Proprietary Limited (Newshelf 1114) group, Goldfields Technical Security Management Proprietary Limited (GTSM) and Platinum Mile Resources Proprietary Limited (Platinum Mile) (refer to note 23).

2 Witwatersrand Consolidated Gold Resources Proprietary Limited (Wits Gold) has ceded and pledged its shares in K2013164354 Proprietary Limited (K2013) (a dormant entity) and K2013 has ceded and pledged it shares in Sibanye Gold Eastern Operations Proprietary Limited (SGEO) in favour of the lenders of the Burnstone Debt (refer to note 24.7).

3 Rand Uranium Proprietary Limited (Rand Uranium) and Ezulwini Mining Company Proprietary Limited (Ezulwini) together own a number of underground and surface mining operations. These operations report to the Group’s chief operating decision maker (the Executive Committee) as a separate segment, namely Cooke.

4 In terms of the Rustenburg operation Transaction, a 26% stake in Sibanye Rustenburg Platinum Mines Proprietary Limited (SRPM) was acquired through Newshelf 1335 Proprietary Limited (BBBEE SPV). The shareholders of BBBEE SPV are Rustenburg Mine Employees Trust (30.4%), Rustenburg Mine Community Development Trust (24.8%) Bakgatla-Ba-Kgafela Investment Holdings (24.8%) and Siyanda Resources Proprietary Limited (20.0%). The Rustenburg Mine Employees Trust and the Rustenburg Mine Community Development Trust are controlled and consolidated by Sibanye-Stillwater.

5 The Group has no current or contractual obligation to provide financial support to any of its structured entities.
Subsidiaries
Subsidiaries are all entities over which the Group exercises control. 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 entity. Subsidiaries are consolidated from the date on which control is obtained by the Group until the date on which control ceases.

Although the Group owns less than half of DRDGOLD and has less than half of DRDGOLD’s voting power, management has determined that the Group controls the entity. The Group controls DRDGOLD as a result of an option to subscribe for a sufficient number of DRDGOLD ordinary shares to attain a 50.1% shareholding in DRDGOLD at a 10% discount to the 30 day volume weighted average traded price, which is considered substantive.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with shareholders of Sibanye-Stillwater
Transactions with owners in the capacity as equity participants are not recognised in profit or loss, but instead are recognised in equity with a corresponding change in assets or liabilities.

1.4 Foreign currencies

Functional and presentation currency
Items included in the financial statements of each of the Group’s 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 South African rand, which is the Group’s presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are translated into the functional currency at each reporting date. 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.

Foreign operations
The results and financial position of all the Group entities 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. Equity items are translated at historical rates. The income and expenses are translated at the average exchange rate for the year, 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. These differences will be recognised in profit or loss upon realisation of the underlying operation.
- 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 are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income 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.

1.5 Comparatives
Where necessary comparative periods may be adjusted to conform to changes in presentation.
### Segment reporting

#### Accounting policy

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, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team that makes strategic decisions.

| Figures in million - SA rand | Group | Total Southern Africa | Total SA gold operations | Driefontein | Kloof | Beatrix | Cooke | DRDG-GOLD\(^1\) | Corporate and re-conciling items\(^2\) | Total SA PGM operations | Kroondal | Platinum Mile | Mimosa | Rustenburg | Corporate and re-conciling items\(^3\) | Total US PGM operations | Group | Corporate and re-conciling items | Total other cash costs | Adjusted EBITDA | Amortisation and depreciation | Interest income | Finance expense | Share-based payments | Net other\(^2\) | Non-underlying items\(^4\) | Royalties | Current taxation | Deferred taxation | Loss for the year | Attributable to: |
|-----------------------------|-------|----------------------|-------------------------|-----------|------|--------|------|--------------|-----------------|----------------------|----------|------------|--------|----------------|---------------------------|------------------|-------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 2018                        |       |                      |                         |           |      |        |      |              |                  |                     |          |            |        |               |                           |                  |       |                 |                |           |                |                |                |                |       |                |                |                |                |                |                |                |                |                |                |                |
| Revenue                     | 50,656.4 | 34,810.3            | 19,656.7               | 5,111.2 | 8,131.7 | 4,601.3 | 841.8 | 1,047.5    | (76.8)          | 15,153.6             | 3,584.4 | 196.7      | 1,857.5 | 11,372.5       |                           | 15,872.8         | (26.7) |                 |                |           |                |                |                |                |       |                |                |                |                |                |                |                |                |                |
| Underground                 | 38,605.7 | 30,202.3            | 16,157.2               | 4,782.4 | 6,397.9 | 4,467.8 | 45.9  | -          | (76.8)          | 14,045.1             | 3,584.4 | 196.7      | 1,857.5 | 10,460.7       |                           | 8,430.1          | (26.7) |                 |                |           |                |                |                |                |       |                |                |                |                |                |                |                |                |                |
| Surface                    | 4,608.0  | 4,608.0             | 3,499.5                | 328.8   | 1,193.8 | 133.5  | 795.9 | 1,047.5    | -                | 1,108.5              | -        | 196.7      | 911.8   | -                |                           | -                | -       |                 |                |           |                |                |                |                |       |                |                |                |                |                |                |                |                |
| Recyling                   | -       | -                   | -                      | -       | -      | -      | -    | -          | -                | -                    | -        | -          | -      | -                |                           | -                | -       |                 |                |           |                |                |                |                |       |                |                |                |                |                |                |                |                |
| Cost of sales, before amortisation and depreciation | (41,515.2) | (29,794.3) | (17,698.3) | (5,709.3) | (6,364.8) | (3,910.8) | (693.4) | (1,020.0) | - | (12,096.0) | (2,739.4) | (152.7) | (1,235.7) | (9,203.9) | 1,235.7 | (11,720.9) | - |
| Surface                    | (30,248.7) | (25,724.3) | (14,592.9) | (5,388.7) | (5,352.2) | (3,841.0) | (13.0) | - | (11,131.4) | (2,739.4) | - | (1,235.7) | (8,392.0) | 1,235.7 | (4,524.4) | - |
| Recyling                   | (7,196.5) | -                   | -                      | -       | -      | -      | -    | -          | -                | -                    | -        | -          | -      | -                |                           | -                | -       |                 |                |           |                |                |                |                |       |                |                |                |                |                |                |                |                |

\(^1\) DRDG-GOLD's performance is for five months ended 31 December 2018 since acquisition (refer to note 13.1).

\(^2\) Corporate and reconciling items represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate mining revenue.

\(^3\) Net other costs consists of loss on financial instruments, gain on foreign exchange differences, change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable, and other income. Corporate and reconciling net other costs includes the share of results equity-accounted investees after tax as detailed in profit or loss.

\(^4\) Non-underlying items consists of gain on disposal of property, plant and equipment, impairments, gain on derecognition of borrowings and derivative financial instrument, occupational healthcare expense, restructuring costs, and transaction costs as detailed in profit or loss.

Sibanye-Stillwater Annual Financial Report 2018
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER

Figures in million - SA rand

Group

Total
Total
SA gold
Southern
Africa operations Driefontein

Kloof

Beatrix

Corporate
Total
and reSA PGM
conciling
1
Cooke
items operations

Kroondal

Platinum
Mile

Rustenburg
Mimosa operation

Total
Corporate
US PGM
and reconciling operations
items1 Stillwater2

2017
Revenue
Underground
Surface
Recycling
Cost of sales, before amortisation and depreciation
Underground
Surface
Recycling
Net other cash costs
Adjusted EBITDA
Amortisation and depreciation
Interest income
Finance expense
Share-based payments
Net other3
Non-underlying items4
Royalties
Current taxation
Deferred taxation
Loss for the year
Attributable to:
Owners of the parent
Non-controlling interest holders

45,911.6
36,750.0
23,473.6
37,790.3
33,168.0
21,143.2
3,582.0
3,582.0
2,330.4
4,539.3
(36,482.7) (29,471.0) (17,879.2)
(29,345.3) (26,710.5) (16,032.2)
(2,760.5)
(2,760.5)
(1,847.0)
(4,376.9)
(383.8)
(376.5)
(285.9)
9,045.1
6,902.5
5,308.5
(5,699.7)
(4,268.3)
(3,507.5)
415.5
363.7
205.7
(2,971.8)
(1,517.7)
(1,182.2)
(231.9)
(227.0)
(227.0)
(779.1)
(756.0)
296.5
(6,759.1)
(6,688.2)
(6,535.8)
(398.5)
(398.5)
(325.3)
(504.2)
(405.3)
(385.4)
3,450.8
533.8
549.2
(4,433.1)
(6,461.2)
(5,803.5)
(4,437.4)
4.3

(6,465.5)
4.3

(5,804.6)
1.1

8,076.9
7,148.1
928.8
(6,203.5)
(5,488.9)
(714.6)
(32.4)
1,841.0
(1,126.5)
77.6
(220.9)
(2.8)
24.1
(74.9)
(77.8)
(14.8)
(12.0)
412.8
412.8
-

8,845.1
7,985.3
859.8
(5,762.7)
(5,109.5)
(653.2)
(37.9)
3,044.5
(1,404.5)
71.1
(246.9)
(1.8)
23.4
(50.4)
(189.3)
(350.1)
61.4
957.4
957.4
-

4,875.8
4,753.1
122.7
(3,952.5)
(3,852.1)
(100.4)
(13.3)
910.0
(696.2)
18.4
(128.4)
(1.3)
(34.7)
(675.3)
(44.5)
(12.4)
245.3
(419.1)

1,676.5
1,257.4
419.1
(1,960.5)
(1,581.7)
(378.8)
(243.4)
(527.4)
(256.4)
12.5
(76.7)
(76.9)
(3,664.7)
(13.7)
1.5
(4,601.8)

(0.7) 13,276.4
(0.7) 12,024.8
1,251.6
- (11,591.8)
- (10,678.3)
(913.5)
41.1
(90.6)
40.4
1,594.0
(23.9)
(760.8)
26.1
158.0
(509.3)
(335.5)
(221.1)
360.6
(1,052.5)
(2,070.5)
(152.4)
(73.2)
(8.1)
(19.9)
253.0
(15.4)
(2,152.8)
(657.7)

(419.1)
-

(4,601.8)
-

(2,153.9)
1.1

(660.9)
3.2

2,861.5
2,861.5
(2,395.9)
(2,395.9)
(34.7)
430.9
(239.0)
57.0
(90.7)
(181.7)
(9.0)
(5.6)
(24.8)
(62.9)
(62.9)
-

194.1
194.1
(129.8)
(129.8)
(12.6)
51.7
(2.6)
2.1
0.7
(9.3)
(4.3)
38.3
35.1
3.2

1,687.7
1,687.7
(1,200.5)
(1,200.5)
34.2
521.4
(211.7)
8.8
(10.0)
(11.0)
(60.4)
(59.3)
(2.8)
175.0
175.0
-

10,220.8
9,163.3
1,057.5
(9,066.1)
(8,282.4)
(783.7)
(41.8)
1,112.9
(514.7)
96.6
(244.9)
(893.1)
(134.9)
(67.6)
(10.0)
12.7
(643.0)

(1,687.7)
(1,687.7)
1,200.5
1,200.5
(35.7)
(522.9)
207.2
(6.5)
10.1
32.6
(8.5)
60.4
58.7
3.8
(165.1)

(643.0)
-

(165.1)
-

2,028.1
-

222.5
222.5

(226.9)
(538.6)
(888.3)
(1,653.8)

Sustaining capital expenditure
(1,325.6)
(1,098.7)
(531.1)
(235.0) (210.2)
(63.1)
(8.5)
(14.3)
(567.6)
(190.5)
(11.0)
(222.5)
(366.1)
Ore reserve development
(3,291.6)
(2,753.0)
(2,288.0)
(876.1) (876.2)
(482.0)
(53.7)
(465.0)
(465.0)
Growth projects
(1,481.6)
(593.3)
(591.0)
(44.4) (147.1)
(0.5)
(11.7)
(387.3)
(2.3)
(2.3)
Total capital expenditure
(6,098.8)
(4,445.0)
(3,410.1)
(1,155.5) (1,233.5)
(545.6)
(73.9)
(401.6)
(1,034.9)
(190.5)
(13.3)
(222.5)
(831.1)
1
Corporate and reconciling items represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate mining revenue.

9,161.6
4,622.3
4,539.3
(7,011.7)
(2,634.8)
(4,376.9)
(7.3)
2,142.6
(1,431.4)
51.8
(1,454.1)
(4.9)
(23.1)
(70.9)
(98.9)
2,917.0
2,028.1

2

Stillwater’s performance is for eight months ended 31 December 2017 since acquisition (refer to note 13.2).

3

Net other costs consists of loss on financial instruments, gain on foreign exchange differences, change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable, and other income. Corporate and
reconciling items net other costs includes the share of results of equity-accounted investees after tax as detailed in profit or loss.

4

Non-underlying items consists of gain on disposal of property, plant and equipment, impairments, occupational healthcare expense, restructuring costs, and transaction costs as detailed in profit or loss.

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### Figures in million - SA rand

<table>
<thead>
<tr>
<th>Group and Reconciling Items</th>
<th>Total SA gold operations</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate and reconciling items</th>
<th>Total SA PGM operations</th>
<th>Kroondal</th>
<th>Platinum Mile</th>
<th>Mimosa</th>
<th>Rustenburg operation</th>
<th>Corporate and reconciling items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>31,240.7</td>
<td>27,501.3</td>
<td>9,401.1</td>
<td>8,890.9</td>
<td>5,883.9</td>
<td>3,362.2</td>
<td>(36.8)</td>
<td>3,739.4</td>
<td>1,973.3</td>
<td>131.1</td>
<td>1,223.2</td>
<td>1,656.0</td>
</tr>
<tr>
<td><strong>Underground</strong></td>
<td>28,026.5</td>
<td>24,608.4</td>
<td>8,012.6</td>
<td>5,626.9</td>
<td>2,985.0</td>
<td>2,000.4</td>
<td>(36.8)</td>
<td>3,418.1</td>
<td>1,973.3</td>
<td>-</td>
<td>1,223.2</td>
<td>1,465.8</td>
</tr>
<tr>
<td><strong>Surface</strong></td>
<td>3,214.2</td>
<td>2,892.9</td>
<td>1,295.8</td>
<td>878.3</td>
<td>562.4</td>
<td>461.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cost of sales, before amortisation and depreciation</strong></td>
<td>(20,709.1)</td>
<td>(17,346.0)</td>
<td>(5,566.6)</td>
<td>(5,041.0)</td>
<td>(3,753.4)</td>
<td>(2,985.0)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net other cash costs</strong></td>
<td>(261.2)</td>
<td>(235.2)</td>
<td>(42.9)</td>
<td>(44.6)</td>
<td>(89.9)</td>
<td>41.8</td>
<td>(2.3)</td>
<td>(26.0)</td>
<td>(20.6)</td>
<td>(0.7)</td>
<td>192.5</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>10,270.4</td>
<td>9,920.1</td>
<td>3,782.5</td>
<td>3,800.7</td>
<td>2,085.9</td>
<td>290.1</td>
<td>(39.1)</td>
<td>350.3</td>
<td>262.9</td>
<td>39.6</td>
<td>446.7</td>
<td>76.7</td>
</tr>
<tr>
<td><strong>Amortisation and depreciation</strong></td>
<td>(4,041.9)</td>
<td>(3,814.7)</td>
<td>(1,190.7)</td>
<td>(1,190.7)</td>
<td>(770.8)</td>
<td>(22.3)</td>
<td>(227.2)</td>
<td>(162.9)</td>
<td>(123.7)</td>
<td>(58.6)</td>
<td>291.2</td>
<td>219.2</td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td>331.4</td>
<td>289.6</td>
<td>70.8</td>
<td>62.3</td>
<td>13.7</td>
<td>13.7</td>
<td>(8.1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Finance expense</strong></td>
<td>(903.1)</td>
<td>(806.2)</td>
<td>(143.1)</td>
<td>(156.0)</td>
<td>(77.6)</td>
<td>(75.8)</td>
<td>(353.7)</td>
<td>(96.9)</td>
<td>(70.6)</td>
<td>(11.2)</td>
<td>(26.2)</td>
<td>11.1</td>
</tr>
<tr>
<td><strong>Share-based payments</strong></td>
<td>(496.2)</td>
<td>(255.9)</td>
<td>(16.5)</td>
<td>(13.7)</td>
<td>(8.1)</td>
<td>(13.7)</td>
<td>(216.6)</td>
<td>(240.3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net other</strong></td>
<td>(897.4)</td>
<td>(794.1)</td>
<td>(174.1)</td>
<td>(138.7)</td>
<td>(27.9)</td>
<td>(327.5)</td>
<td>(103.3)</td>
<td>19.4</td>
<td>0.5</td>
<td>0.5</td>
<td>8.2</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>Non-underlying items</strong></td>
<td>548.2</td>
<td>(1,548.5)</td>
<td>(20.8)</td>
<td>15.7</td>
<td>(12.6)</td>
<td>(1,423.9)</td>
<td>(106.9)</td>
<td>2,096.7</td>
<td>(13.3)</td>
<td>-</td>
<td>-</td>
<td>2,105.2</td>
</tr>
<tr>
<td><strong>Royalties</strong></td>
<td>(566.6)</td>
<td>(526.8)</td>
<td>(204.8)</td>
<td>(194.3)</td>
<td>(113.2)</td>
<td>(15.7)</td>
<td>(38.6)</td>
<td>(10.2)</td>
<td>(82.9)</td>
<td>(28.3)</td>
<td>82.8</td>
<td>-</td>
</tr>
<tr>
<td><strong>Deferred taxation</strong></td>
<td>(1,111.8)</td>
<td>(1,111.3)</td>
<td>(472.3)</td>
<td>(422.0)</td>
<td>(223.0)</td>
<td>(1.1)</td>
<td>(0.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(3,042.7)</td>
<td>1,186.5</td>
<td>1,744.5</td>
<td>1,614.8</td>
<td>760.0</td>
<td>(1,957.3)</td>
<td>(975.5)</td>
<td>1,856.2</td>
<td>88.8</td>
<td>17.9</td>
<td>114.9</td>
<td>2,049.7</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>3,473.3</td>
<td>1,619.4</td>
<td>1,744.5</td>
<td>1,614.8</td>
<td>760.0</td>
<td>(1,957.3)</td>
<td>(976.4)</td>
<td>1,853.9</td>
<td>88.8</td>
<td>15.6</td>
<td>114.9</td>
<td>2,049.7</td>
</tr>
<tr>
<td><strong>Attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of the parent</td>
<td>3,473.3</td>
<td>1,619.4</td>
<td>1,744.5</td>
<td>1,614.8</td>
<td>760.0</td>
<td>(1,957.3)</td>
<td>(976.4)</td>
<td>1,853.9</td>
<td>88.8</td>
<td>15.6</td>
<td>114.9</td>
<td>2,049.7</td>
</tr>
<tr>
<td>Non-controlling interest holders</td>
<td>(430.6)</td>
<td>(432.9)</td>
<td>-</td>
<td>-</td>
<td>(433.8)</td>
<td>0.9</td>
<td>2.3</td>
<td>-</td>
<td>2.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sustaining capital expenditure</strong></td>
<td>(1,010.5)</td>
<td>(683.5)</td>
<td>(218.5)</td>
<td>(261.2)</td>
<td>(84.8)</td>
<td>(48.9)</td>
<td>(70.1)</td>
<td>(327.0)</td>
<td>(175.8)</td>
<td>(1.3)</td>
<td>(159.8)</td>
<td>(148.7)</td>
</tr>
<tr>
<td><strong>Ore reserve development</strong></td>
<td>(2,394.4)</td>
<td>(2,394.4)</td>
<td>(779.0)</td>
<td>(912.9)</td>
<td>(542.9)</td>
<td>(159.6)</td>
<td>(0.7)</td>
<td>(40.7)</td>
<td>(520.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Growth projects</strong></td>
<td>(746.3)</td>
<td>(746.3)</td>
<td>(54.1)</td>
<td>(130.1)</td>
<td>(0.7)</td>
<td>(40.7)</td>
<td>(520.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total capital expenditure</strong></td>
<td>(4,151.2)</td>
<td>(3,934.2)</td>
<td>(372.3)</td>
<td>(322.0)</td>
<td>(223.0)</td>
<td>(1.1)</td>
<td>(0.7)</td>
<td>(327.0)</td>
<td>(175.8)</td>
<td>(1.3)</td>
<td>(159.8)</td>
<td>(148.7)</td>
</tr>
</tbody>
</table>

1 Corporate and reconciling items represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate mining revenue.

2 The performance of Kroondal, Platinum Mile, and Mimosa is for the nine months ended 31 December 2016 since acquisition. The Mimosa segment information reflects the financial information provided to the chief operating decision maker. In the consolidated financial statements this operating segment is accounted for using the equity method which differs from the measures used by the chief operating decision maker.

3 Rustenburg operation's performance is for two months ended 31 December 2016 since acquisition.

4 Non-underlying items consists of gain on disposal of property, plant and equipment, impairments, restructuring costs, transaction costs, and gain on acquisition as detailed in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER

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Sibanye-Stillwater Annual Financial Report 2018
3. Revenue

Significant accounting judgements and estimates

Revenue from PGM mining activities

The determination of PGM concentrate sales revenue from the time of initial recognition of the sale on a provisional basis through to final pricing requires management to continuously re-estimate the fair value of the price adjustment feature. Management determines this with reference to estimated forward prices using consensus forecasts.

Accounting policy

Revenue from mining activities

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 from gold sales is measured and recognised based on the consideration specified in a contract with a customer. The Group recognises revenue from gold sales when it transfers control of the gold to the customer. These criteria are typically met when the gold is delivered to the refinery. The price of gold is determined by market forces.

Revenue from PGM concentrate and metal sales is recognised when control of the mine product is passed to the buyer pursuant to a sales contract. The sales price is determined on a provisional basis at the date of delivery. Adjustments to the sale price occur based on movements in the metal market price, metal content quantities and penalties, which represent variable transaction price components, up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement. The period between provisional invoicing and final pricing is typically between two and four months. Revenue on provisionally priced sales is initially recorded at the estimated fair value of the consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the characteristics of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in profit or loss and trade receivables in the statement of financial position. In all cases, fair value is determined with reference to estimated forward prices using consensus forecasts.

Revenue from PGM recycling consists of the sales of recycled palladium, platinum and rhodium derived from spent catalytic material. Revenue from PGM recycling revenue also includes revenue from toll processing, which is recognised at the time the contained metals are returned to the supplier at a third party refinery.

Streaming revenue

In 2018, Wheaton Precious Metals International Limited (Wheaton International) and Sibanye-Stillwater entered into a streaming transaction. 100% of refined mined gold and 4.5% of refined mined palladium from the Stillwater operations will be delivered to Wheaton International over the life of mine of the US PGM operations. Each ounce is identified as a separate performance obligation.

In exchange for this, Wheaton International paid Sibanye-Stillwater R6,555.4 million (US$500.0 million) on 25 July 2018. In addition to the advance payment, Wheaton International currently pays Sibanye-Stillwater 18% cash based on the value of gold and palladium deliveries each month (refer to note 27 for additional detail of the monthly cash percentage). The contract will be settled by Sibanye-Stillwater delivering metal credits to Wheaton International representing underlying refined, mined gold and palladium.

The transaction price, being the advance payment and the cash payment to be received, is recognised as revenue each month when the metal credit is allocated to the appropriate Wheaton International account. It is from this date that Wheaton International has effectively accepted the metal, has physical control of the metal and has the risk and reward of the metal (i.e. control has transferred).

Revenue will be recognised over the life of mine of the US PGM operations. To the extent that the life of mine changes or other key inputs are changed (refer to the significant accounting judgements and estimates section above), these changes are recognised prospectively as a cumulative catch-up in revenue in the year that the life of mine is changed.

The sources of revenue are:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold mining activities</td>
<td>19,656.7</td>
<td>23,473.6</td>
<td>27,501.3</td>
</tr>
<tr>
<td>PGM mining activities</td>
<td>23,355.4</td>
<td>17,898.7</td>
<td>3,739.4</td>
</tr>
<tr>
<td>Recycling activities</td>
<td>7,442.7</td>
<td>4,539.3</td>
<td>-</td>
</tr>
<tr>
<td>Stream</td>
<td>201.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue from contracts with customers</strong></td>
<td><strong>50,656.4</strong></td>
<td><strong>45,911.6</strong></td>
<td><strong>31,240.7</strong></td>
</tr>
</tbody>
</table>

The primary geographical markets are:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>34,810.3</td>
<td>36,750.0</td>
<td>31,240.7</td>
</tr>
<tr>
<td>United States</td>
<td>15,846.1</td>
<td>9,161.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue from contracts with customers</strong></td>
<td><strong>50,656.4</strong></td>
<td><strong>45,911.6</strong></td>
<td><strong>31,240.7</strong></td>
</tr>
</tbody>
</table>
Market risk

Foreign currency sensitivity

The SA region’s revenue is sensitive to changes in the exchange rate. Stillwater’s revenue (and expenses) are translated from its functional currency (US dollars) to the Group’s presentation currency (SA rand) and, therefore, the Group’s “presentation currency” earnings are sensitive to changes in the exchange rate. A one percentage point depreciation in the SA rand average exchange rate for the year ended 31 December 2018 of R13.24/US$ would have increased adjusted EBITDA by approximately R41.5 million. A one percentage point appreciation in the SA rand average exchange rate for the year ended 31 December 2018 of R13.24/US$ would have decreased adjusted EBITDA by approximately R41.5 million.

4. Cost of sales

Accounting policy

The following accounting policies relate to some costs that are included in cost of sales:

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 reliably estimated.

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 expensed as incurred.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td></td>
<td>(15,710.3)</td>
<td>(15,323.0)</td>
<td>(9,276.1)</td>
</tr>
<tr>
<td>Consumable stores</td>
<td>19</td>
<td>(9,327.9)</td>
<td>(8,789.4)</td>
<td>(5,243.2)</td>
</tr>
<tr>
<td>Utilities</td>
<td></td>
<td>(5,049.2)</td>
<td>(4,930.1)</td>
<td>(3,709.0)</td>
</tr>
<tr>
<td>Mine contracts</td>
<td></td>
<td>(3,197.6)</td>
<td>(2,956.9)</td>
<td>(2,105.3)</td>
</tr>
<tr>
<td>Recycling</td>
<td></td>
<td>(7,196.5)</td>
<td>(4,376.9)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>(4,564.0)</td>
<td>(3,398.0)</td>
<td>(2,769.9)</td>
</tr>
<tr>
<td>Ore reserve development costs capitalised</td>
<td></td>
<td>3,530.3</td>
<td>3,291.6</td>
<td>2,394.4</td>
</tr>
<tr>
<td>Cost of sales, before amortisation and depreciation</td>
<td></td>
<td>(41,515.2)</td>
<td>(36,482.7)</td>
<td>(20,709.1)</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>12</td>
<td>(6,613.8)</td>
<td>(5,899.7)</td>
<td>(4,041.9)</td>
</tr>
<tr>
<td>Total cost of sales</td>
<td></td>
<td>(48,129.0)</td>
<td>(42,182.4)</td>
<td>(24,751.0)</td>
</tr>
</tbody>
</table>

The SA region employees are members of various defined contribution retirement plans. The cost of providing retirement benefits for the year amounted to R919.1 million (2017: R959.9 million and 2016: R626.0 million).
5. **Finance expense**

**Accounting policy**

Finance expense comprises interest on borrowings, environmental rehabilitation obligation, occupational healthcare obligation and Deferred Payment and offset by borrowing costs capitalised on qualifying assets.

Interest payable on borrowings is recognised in profit or loss over the term of the borrowings using the effective interest method. Cash flows from interest paid are classified under operating activities in the statement of cash flows.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings - interest paid</td>
<td>24</td>
<td>(1,572.5)</td>
<td>(2,091.9)</td>
<td>(427.5)</td>
</tr>
<tr>
<td>Borrowings - accrued interest and unwinding of amortised cost</td>
<td>24</td>
<td>(538.3)</td>
<td>(251.8)</td>
<td>(141.4)</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>25</td>
<td>(398.8)</td>
<td>(357.1)</td>
<td>(291.4)</td>
</tr>
<tr>
<td>Occupational healthcare obligation</td>
<td>26</td>
<td>(105.4)</td>
<td>(46.4)</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Payment (related to the Rustenburg operation acquisition)</td>
<td>18.2</td>
<td>(200.4)</td>
<td>(148.2)</td>
<td>(24.1)</td>
</tr>
<tr>
<td>Dissenting shareholders</td>
<td>18.2</td>
<td>(68.1)</td>
<td>(62.9)</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue(1)</td>
<td>27</td>
<td>(160.3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>90.9</td>
<td>13.5</td>
<td>-</td>
<td>(18.7)</td>
</tr>
<tr>
<td><strong>Total finance expense</strong></td>
<td></td>
<td>(3,134.7)</td>
<td>(2,971.8)</td>
<td>(903.1)</td>
</tr>
</tbody>
</table>

\(1\) For the year ended 31 December 2018, interest expense includes approximately R160.3 million of non-cash interest expense relating to the gold and palladium streaming arrangement with Wheaton International. Although there is no cash financing cost related to this arrangement, IFRS 15 requires the Group to recognise a notional financing charge due to the significant time delay between receiving the upfront streaming payment and satisfying the related metal credit deliveries. A discount rate of 5.4% was used in determining the finance costs to be recognised as part of the streaming transaction entered into on 16 July 2018.

6. **Share-based payments**

**Accounting policy**

The Group operates an equity-settled compensation plan in which certain employees of the Group participate. The fair value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted.

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 the 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 grant date 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 the share-based payment reserve. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

The Group also operates a cash-settled compensation plan in which certain employees of the Group participate. In terms of the Rustenburg operation acquisition, the Group issued cash-settled instruments to black economic empowerment (BEE) shareholders. The grant date fair value of the cash-settled instruments is equal to the value of the equity-settled instrument granted on the same grant date. The grant date fair value of the cash-settled instruments is recognised as an employee benefit expense or share-based payment on the BEE transaction over the vesting period based on the Group’s estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment obligation. At each reporting date the obligation is remeasured to the fair value of the instrument, to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment to gain or loss on financial instrument in profit or loss. 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 or a cash-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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sibanye-Stillwater 2017 Share Plan</td>
<td>6.1</td>
<td>(139.2)</td>
<td>(9.0)</td>
<td>-</td>
</tr>
<tr>
<td>Performance shares</td>
<td>-</td>
<td>(139.2)</td>
<td>(9.0)</td>
<td>-</td>
</tr>
<tr>
<td>Sibanye Gold Limited 2013 Share Plan</td>
<td>6.1</td>
<td>(142.5)</td>
<td>(208.4)</td>
<td>(172.1)</td>
</tr>
<tr>
<td>Performance shares</td>
<td>-</td>
<td>(142.5)</td>
<td>(186.3)</td>
<td>(145.5)</td>
</tr>
<tr>
<td>Bonus shares</td>
<td>-</td>
<td>-</td>
<td>(22.1)</td>
<td>(26.6)</td>
</tr>
<tr>
<td>Sibanye Gold Limited Phantom Share Scheme</td>
<td>6.2</td>
<td>-</td>
<td>(11.2)</td>
<td>(83.8)</td>
</tr>
<tr>
<td>Stillwater cash settled scheme</td>
<td>-</td>
<td>(14.5)</td>
<td>(3.3)</td>
<td>-</td>
</tr>
<tr>
<td>DRDGOLD cash settled scheme</td>
<td>-</td>
<td>(3.2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share-based payment on BEE transaction</td>
<td>6.3</td>
<td>-</td>
<td>-</td>
<td>(240.3)</td>
</tr>
<tr>
<td><strong>Total share-based payments</strong></td>
<td></td>
<td>(299.4)</td>
<td>(231.9)</td>
<td>(496.2)</td>
</tr>
</tbody>
</table>
6.1 Sibanye-Stillwater Share Plans

On 21 November 2012, the shareholders of Sibanye-Stillwater approved the adoption of the Sibanye Gold Limited 2013 Share Plan (2013 Share Plan) with effect from the date of the listing of Sibanye Gold Limited. The 2013 Share plan provided for two methods of participation, namely Forfeitable Shares and Conditional Shares. This plan sought to attract, retain, motivate and reward participating employees on a basis which seeks to align the interest of such employees with those of the shareholders. On 23 May 2017, the shareholders of Sibanye-Stillwater approved the adoption of the Sibanye-Stillwater 2017 Share Plan (2017 Share Plan) on essentially similar terms to the 2016 share plan. At the annual general meeting (AGM) on 30 May 2018, the directors of Sibanye-Stillwater were authorised to issue and allot all or any of such shares required for the 2017 Share Plan, up to a maximum not exceeding 86,748,850 shares. An individual participant may also not be awarded an aggregate of shares exceeding 8,674,885 shares.

Forfeitable Shares – as part of the short-term incentive

The Remuneration Committee makes an annual award of Forfeitable Shares to eligible participants as a share-based component of the short-term incentive scheme.

The total annual bonus is determined by reference to the actual performance rating of the individual against predetermined targets for the preceding cycle and is comprised of cash plus the face value of restricted Forfeitable Shares in the ratio of 60:40.

In other words, 40% of the annual bonus is awarded using Company shares as the “currency”, as opposed to cash, access to which is deferred. As such, the Forfeitable Shares vest in two equal tranches, nine months and 18 months after the award date. Except for the right to dispose of the shares, participants have full shareholder rights in the unvested Forfeitable Shares during the restricted period, including the right to receive dividends.

The number of shares awarded is determined by dividing the face value of the Forfeitable Shares portion of the annual bonus by the volume-weighted average price (VWAP) of the Company’s shares over the three days immediately prior to the award date.

Conditional Shares – for the long-term incentive

The Remuneration Committee makes an annual award of Conditional Shares to eligible participants as part of its long-term incentive scheme. The number of Conditional Shares awarded to an employee is based on the employee’s annual guaranteed pay and job grade combined with a factor related to the employee’s assessed performance rating for the prior year and using the relevant share price calculation (as for the Forfeitable Shares) at the award date, with ultimate vesting of those awards subject to performance conditions as approved by the Remuneration Committee.

Performance conditions applicable to Conditional Share awards from March 2016 onwards

Due to concerns expressed by shareholders during 2015, a review was conducted to identify appropriate adjustments to the methodology for determining the performance conditions on Conditional Shares to be reflective of the Group’s evolving strategic market position and to enhance alignment with shareholder interests.

With effect from March 2016, in respect of the award of Conditional Shares at that time and at any time thereafter (subject to any future agreed changes), an updated methodology was approved by the Remuneration Committee regarding the performance conditions applicable to the determination of the amount of Conditional Shares that will vest at the end of the vesting period (currently three years from the date of the award).

Essentially the number of shares that vest depends on the extent to which Sibanye-Stillwater has performed over the intervening three year period relative to two performance criteria, Total Shareholder Return (TSR) and Return on Capital Employed (ROCE). These are among the most widely acceptable vesting performance measures suited to aligning the outcome of long-term share incentive awards with shareholders’ interests.

In addition, at the sole discretion of the Remuneration Committee, up 20% of the determined number of vesting shares using the two performance criteria is liable to forfeiture in the event of any extreme environmental, social, and governance (ESG) incidents occurring during the vesting period.

The number of the Conditional Shares awarded that will finally vest three years after the award will range between 0% and 100% dependent on the extent to which the two performance criteria have been met and whether the Remuneration Committee has applied its further discretion to reduce the award on the basis mentioned above.

The details of these two performance conditions are provided below.

Total Shareholder Return (TSR) – 70% Weighting

TSR has been widely recognised as an appropriate indicator of shareholder value creation. It is used extensively internationally and increasingly in South Africa, sometimes as a single metric but most often as one of two or three weighted performance metrics. In some company share plans, an absolute target is set, but more often it is referenced in relation to the company’s share price relative to those of a group of peers or ‘comparator companies’.

In Sibanye-Stillwater’s case, the TSR element is measured against a benchmark of eight peer group mining and resource companies that can be deemed to collectively represent an alternative investment portfolio for Sibanye-Stillwater’s shareholders (Peer Group). The Peer Group comprises similar market capitalisation companies that are reflective of the expected positioning of Sibanye-Stillwater over the medium term as a value driven multi-commodity resources company with a specific focus on gold and platinum.
The Peer Group is set out in the table below.

<table>
<thead>
<tr>
<th>Peer group companies for TSR comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>AngloGold Ashanti Limited (AngloGold Ashanti)</td>
</tr>
<tr>
<td>Anglo American Platinum Limited (Anglo American Platinum)</td>
</tr>
<tr>
<td>Gold Fields Limited (Gold Fields)</td>
</tr>
<tr>
<td>Impala Platinum Holdings Limited</td>
</tr>
<tr>
<td>Northam Platinum Limited</td>
</tr>
<tr>
<td>Exxaro Resources Limited</td>
</tr>
<tr>
<td>Harmony Gold Mining Company Limited (Harmony)</td>
</tr>
<tr>
<td>African Rainbow Minerals Limited</td>
</tr>
</tbody>
</table>

Sibanye-Stillwater’s TSR over the vesting period is compared with the Peer Group TSR curve constructed on a market capitalisation weighted basis in the following manner. The annualised TSR over the vesting period (TSRANN) is determined for each of the companies in the Peer Group. The Peer Group companies are sorted from lowest to highest TSRANN. The average market capitalisation based on daily closing price is determined for each company, and each peer company is assigned its proportion of the overall average market capitalisation of the Peer Group. The peer company TSR curve is plotted at the midpoint of each company’s percentage of Peer Group market capitalisation on a cumulative basis above the worse performing companies in the Peer Group. In the event that one or more of the peer companies become ineligible for comparison, a peer company curve based on the companies remaining in the Peer Group is utilised. The cumulative position of Sibanye-Stillwater’s TSRANN is then mapped onto the TSR curve for the Peer Group to determine the percentile at which Sibanye-Stillwater performed over the vesting period. The performance curve governing vesting is set out in the table below with linear interpolation applied between the indicated levels.

<table>
<thead>
<tr>
<th>TSR element of performance conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentile on peer group TSR curve</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>20%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>50%</td>
</tr>
<tr>
<td>60%</td>
</tr>
<tr>
<td>70%</td>
</tr>
<tr>
<td>80%</td>
</tr>
<tr>
<td>90%</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

**Return On Capital Employed (ROCE) – 30% Weighting**

ROCE is a profitability metric that measures how efficiently a company generates profits from its capital employed. There is an increased focus on measuring the returns earned by businesses on the capital deployed by shareholders over and above the steady low risk returns typically available on financial markets.

For Sibanye-Stillwater, ROCE is evaluated against the company’s cost of equity (Ke). A minimum threshold on the performance scale for ROCE is set as equaling the cost of equity, Ke, which would lead to the ROCE element contributing 0% towards the performance condition. Delivering a return that exceeds Ke by 6% or more would be regarded as a superior return representing the maximum 100% on the performance scale and full vesting in respect of the ROCE element. The performance curve governing vesting is set out in the table below, with linear interpolation between the indicated levels.

<table>
<thead>
<tr>
<th>ROCE element of performance condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual ROCE</td>
</tr>
<tr>
<td>⩽Ke</td>
</tr>
<tr>
<td>Ke + 1%</td>
</tr>
<tr>
<td>Ke + 2%</td>
</tr>
<tr>
<td>Ke + 3%</td>
</tr>
<tr>
<td>Ke + 4%</td>
</tr>
<tr>
<td>Ke + 5%</td>
</tr>
<tr>
<td>Ke + 6%</td>
</tr>
</tbody>
</table>

The overall vesting is determined by applying the TSR performance condition to 70% of awarded shares element and the ROCE performance condition to 30% of awarded shares – plus any further discretionary reduction in the award based on the Remuneration Committee’s judgement regarding ESG issues mentioned above.
Share awards granted, exercised and forfeited

Refer to the table below for the inputs to the valuation models for share awards granted during the year.

**Share awards from March 2016 onwards**

The performance criteria used to govern the vesting of Conditional Shares are determined by the Remuneration Committee and communicated in award letters to participants. The revised performance conditions, as described above, applied with the indicated weightings, were implemented for determining the vesting of future awards effective from March 2016 onwards.

As indicated, the performance criteria described above govern vesting of all share awards effective from 1 March 2016. Should any further adjustment be made these will govern future offers but will not be applied retrospectively.

The inputs to the valuation model for shares awards granted during the year were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Forfeitable shares</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term)</td>
<td></td>
<td>55.12%</td>
<td>53.96%</td>
<td>55.15%</td>
</tr>
<tr>
<td>Expected term (years)</td>
<td>n/a</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Expected term (months)</td>
<td>n/a</td>
<td>9 - 18</td>
<td>9 - 18</td>
<td>9 - 18</td>
</tr>
<tr>
<td>Expected dividend yield</td>
<td>n/a</td>
<td>2.14% / 2.30%</td>
<td>4.65%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Weighted average three-year risk-free interest rate (based on SA interest rates)</td>
<td>n/a</td>
<td>6.87% / 6.77%</td>
<td>7.24%</td>
<td>7.78%</td>
</tr>
<tr>
<td>Marketability discount</td>
<td>n/a</td>
<td>1.27% / 0.50%</td>
<td>1.60% / 0.69%</td>
<td></td>
</tr>
<tr>
<td>Weighted average fair value</td>
<td>11.43</td>
<td>24.84 / 24.14</td>
<td>54.27 / 53.02</td>
<td></td>
</tr>
</tbody>
</table>

**Share awards granted, exercised and forfeited under the 2017 Share Plan**

The compensation cost related to share awards not yet recognised under the plan at 31 December 2018 amounts to R213.2 million and is to be spread over three years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Forfeitable shares</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding at beginning of the year</td>
<td></td>
<td>-</td>
<td>12,953,888</td>
<td></td>
</tr>
<tr>
<td>Movement during the year:</td>
<td></td>
<td>41,103,872</td>
<td>5,977,437</td>
<td></td>
</tr>
<tr>
<td>Granted during the year</td>
<td></td>
<td>10,933,066</td>
<td>(250,827)</td>
<td></td>
</tr>
<tr>
<td>Supplementary awards related to the SGL 2013 Plan</td>
<td></td>
<td>(105,449)</td>
<td>(3,995,018)</td>
<td></td>
</tr>
<tr>
<td>Exercised and released</td>
<td></td>
<td>(250,827)</td>
<td>(359,782)</td>
<td></td>
</tr>
<tr>
<td>Condition forfeited</td>
<td></td>
<td>(250,827)</td>
<td>(126,097)</td>
<td></td>
</tr>
<tr>
<td>Outstanding at end of the year</td>
<td></td>
<td>48,535,348</td>
<td>3,269,210</td>
<td></td>
</tr>
</tbody>
</table>

**Share rewards granted, exercised and forfeited under the 2013 Share Plan**

The compensation cost related to awards not yet recognised under the plan at 31 December 2018 amounts to R122.1 million and is to be spread over three years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Forfeitable shares</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding at beginning of the year</td>
<td></td>
<td>9,398,072</td>
<td>10,610,779</td>
<td></td>
</tr>
<tr>
<td>Movement during the year:</td>
<td></td>
<td>19,379,386</td>
<td>250,827</td>
<td></td>
</tr>
<tr>
<td>Granted during the year</td>
<td></td>
<td>12,851,131</td>
<td>417,266</td>
<td></td>
</tr>
<tr>
<td>Exercised and released</td>
<td></td>
<td>(2,523,162)</td>
<td>(2,126,415)</td>
<td></td>
</tr>
<tr>
<td>Forfeited</td>
<td></td>
<td>(415,579)</td>
<td>(667,063)</td>
<td></td>
</tr>
<tr>
<td>Condition forfeited</td>
<td></td>
<td>(415,579)</td>
<td>(4,115)</td>
<td></td>
</tr>
<tr>
<td>Outstanding at end of the year</td>
<td></td>
<td>15,215,982</td>
<td>3,269,210</td>
<td></td>
</tr>
</tbody>
</table>

Sibanye-Stillwater Annual Financial Report 2018
Directors and prescribed officers’ equity-settled instruments

The directors and prescribed officers of Sibanye-Stillwater held the following equity-settled instruments in the above 2017 Share Plan and 2013 Share Plan at 31 December 2018:

<table>
<thead>
<tr>
<th>2017 Instruments granted</th>
<th>Equity-settled instruments exercised during the year</th>
<th>Instruments forfeited</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of instruments</td>
<td>Number of instruments</td>
<td>Average price</td>
</tr>
<tr>
<td>Executive directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neal Froneman</td>
<td>3,510,669</td>
<td>5,318,454</td>
<td>1,063,629</td>
</tr>
<tr>
<td>Charly Keyter</td>
<td>1,703,868</td>
<td>2,672,205</td>
<td>484,485</td>
</tr>
</tbody>
</table>

Prescribed officers

|                           |                       |                      |                |                            |                        |                     |
| Chris Bateman             | 413,920               | 2,100,629            | 136,632        | 8.73                        | 1,193,090              | -                   |
| Shadwick Bessit           | 1,763,128             | 49,288               | 87,826         | 7.82                        | 860,293                | -                   |
| Hartley Dikgale           | 892,545               | 1,062,536            | 220,482        | 10.52                       | 2,320,335              | -                   |
| Dawie Mostert            | 979,139               | 1,329,165            | 268,044        | 10.62                       | 2,847,401              | -                   |
| Themba Nkosi             | 640,072               | 1,052,911            | 87,826         | 8.75                        | 768,826                | -                   |
| Wayne Robinson            | 1,081,008             | 1,277,048            | 275,245        | 10.72                       | 2,950,577              | -                   |
| Richard Stewart          | 1,469,189             | 1,521,844            | 562,537        | 9.83                        | 5,530,242              | -                   |
| Robert van Nieker        | 1,365,383             | 2,147,603            | 391,847        | 10.48                       | 4,107,696              | -                   |

1 Instruments granted and exercised may differ from that presented in the Integrated Annual Report 2018 as the instruments granted and exercised presented above.

2 Appointed as prescribed officer 1 December 2018.

6.2 Sibanye Gold Limited 2013 Phantom Share Scheme

On 14 May 2013, Sibanye-Stillwater’s Remuneration Committee limited the issuance of share options for the 2013 allocation under the 2013 Share Plan to senior management only. Middle and certain senior management, who previously participated in the equity-settled share award scheme, participated in a cash-settled share scheme, the Sibanye Gold 2013 Phantom Share Scheme (the SGL Phantom Scheme). Notwithstanding that the SGL Phantom Scheme was not subject to compliance with the JSE Listings Requirements as it was a purely cash-settled remuneration scheme, the SGL Share Plan rules applied, in all material aspects, to the SGL Phantom Scheme, other than the issue of new shares to participants.

Details of the phantom shares granted under this scheme to employees are detailed below:

<table>
<thead>
<tr>
<th>Conditional shares</th>
<th>Forfeitable shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,198,875</td>
<td>5,301,626</td>
</tr>
<tr>
<td>(14,275,138)</td>
<td>(5,178,775)</td>
</tr>
<tr>
<td>(622,111)</td>
<td>(122,851)</td>
</tr>
<tr>
<td>5,301,626</td>
<td>-</td>
</tr>
</tbody>
</table>

The grant date fair value of the above Conditional Shares and Forfeitable Shares cash-settled instruments granted during the year were valued using the Monte Carlo Simulation model and a future trading model, respectively, as with the equity settled instruments above. As the cash-settled and equity-settled instruments were issued on the same day, the grant date fair value assumptions of the cash-settled instruments were the same as for the equity-settled instruments.

The fair value of the cash-settled instruments at reporting date, used to value the share-based payment obligation was determined using the same assumptions as for the grant date valuation. However, the respective models take into account the actual share data of the peer group for the period from the grant date to the reporting date.

6.3 Share-based payment on BEE transaction

In terms of the Rustenburg operation Transaction, a 26% equity stake in SRPM was acquired by the BBBEE SPV (the BBBEE Transaction) by a vendor financed facility from Sibanye Platinum Proprietary Limited (Sibanye Platinum), on the following terms:

- Interest at up to 0.2% above Sibanye-Stillwater’s highest cost of debt;
- Post payment of the annual Deferred Payment to Rustenburg Platinum Mines Limited (RPM) and in respect of any repayment by SRPM of shareholder loans or the distribution of dividends, 74% will be paid to Sibanye Platinum and 26% to BBBEE SPV;
- Of the 26% payment to BBBEE SPV, 85% will be used to service the facility owing by BBBEE SPV to Sibanye Platinum;
- The remaining 15% of any such payment or 100%, once the facility owing by BBBEE SPV to Sibanye Platinum is repaid, will be declared by BBBEE SPV as a dividend to the BBBEE SPV shareholders; and
- The facility will be capped at R3,500 million.
The IFRS 2 expense has been limited to 44.8% of the 26% interest relating to Bakgatla-Ba-Kgafela Investment Holdings and Siyanda Resources Proprietary Limited, as the Rustenburg Mine Community Trust and Rustenburg Mine Employees Trust are controlled and consolidated by Sibanye-Stillwater. The 44.8% interest was based on the expected discounted future cash flows of the expected PGM reserves and costs to extract the PGMs.

6.4 Share-based payment obligations

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share-based payment on BEE transaction</td>
<td>149.7</td>
<td>399.5</td>
<td>240.3</td>
<td></td>
</tr>
<tr>
<td>Share-based payment</td>
<td>76.0</td>
<td>35.0</td>
<td>241.4</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td><strong>225.7</strong></td>
<td><strong>434.5</strong></td>
<td><strong>481.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Reconciliation of the share-based payment obligations**

| Balance at beginning of the year | 434.5 | 481.7 | 599.6 |
| Share-based payments expense | 17.7 | 14.5 | 83.8 |
| Share-based payment on BEE transaction | - | - | 240.3 |
| Fair value (gain)/loss on obligations¹ | (249.9) | 171.5 | 1,076.6 |
| Cash-settled share-based payments paid² | (21.7) | (433.6) | (1,518.6) |
| Share-based payment obligation on acquisition of subsidiary | 13.1 | 45.1 | 200.4 |
| **Balance at end of the year** | **225.7** | **434.5** | **481.7** |

¹ The fair value adjustment at reporting date is included in loss on financial instruments in profit or loss and not as part of share-based payments expense.
² Payments made during the year relates to vesting of shares to employees.

7. Other costs

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included in other costs are the following:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care and maintenance</td>
<td>(576.5)</td>
<td>(249.2)</td>
<td>(75.0)</td>
<td></td>
</tr>
<tr>
<td>Change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable</td>
<td>25</td>
<td><strong>66.6</strong></td>
<td>(248.9)</td>
<td>(97.5)</td>
</tr>
</tbody>
</table>

8. Impairments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of property, plant and equipment</td>
<td>12</td>
<td><strong>2,603.3</strong></td>
<td>(4,303.4)</td>
<td>(1,171.7)</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>14</td>
<td><strong>(436.3)</strong></td>
<td>(99.1)</td>
<td>(201.3)</td>
</tr>
<tr>
<td>Impairment of loan to equity-accounted investee</td>
<td>(1.8)</td>
<td>(8.5)</td>
<td>(8.1)</td>
<td></td>
</tr>
<tr>
<td><strong>Total impairments</strong></td>
<td></td>
<td><strong>(3,041.4)</strong></td>
<td>(4,411.0)</td>
<td>(1,381.1)</td>
</tr>
</tbody>
</table>

31 December 2018

Impairment of Driefontein, Kloof and Beatrix mining assets and goodwill

Ore body constraints, above inflation electricity price and wage increases at the SA gold operations have impacted the sustainability of certain shafts and resulted in these shafts being marginal to loss making. Ongoing efforts to restore these to profitability have proven to be unsuccessful. These profitability challenges were compounded during the year by operational disruptions in 2018 including the interruption of Eskom power at the Beatrix operations in February and seismic events at Driefontein and Kloof which affected access to mining areas, thereby impacting operational flexibility. Ongoing losses experienced at the Driefontein and Beatrix operations negatively affected group cash flow as well as the sustainability and economic viability of other operations in the SA region. As a result a decision was taken during the six months ended 31 December 2018, to impair the mining assets of and goodwill allocated to Driefontein by R2,171.8 million and R166.9 million, respectively, goodwill allocated to Kloof by R165.5 million, and mining assets of and goodwill allocated to Beatrix by R166.9 million and R103.9 million, respectively. These impairments were based on the estimated fair value less cost to sell over the life of mine calculated as expected discounted cash flows from the expected gold reserves and costs to extract the gold.

Impairment of Burnstone mine development assets

Development of the Burnstone project is deferred to 2020 and as a result a decision was taken at 31 December 2018 to impair the mine development assets of Burnstone by R193.6 million. This impairment was based on the estimated fair value less cost to sell over the life of mine calculated as expected discounted cash flows from the expected gold reserves and costs to extract the gold.
31 December 2017

Impairment of Cooke Operations and Beatrix West mining assets
Ongoing losses experienced at the Cooke 1, 2 and 3 Operations and Beatrix West mine negatively affected group cash flow as well as the sustainability and economic viability of other operations in the SA region. In this regard, after numerous attempts to address the losses, it became necessary to enter into consultations in terms of Section 189A of the Labour Relations Act, 66 of 1995 (Section 189A) with relevant stakeholders regarding restructuring at the SA gold operations. As a result a decision was taken during the six months ended 30 June 2017, to impair the Cooke 1, 2 and 3 mining assets by R2,187.8 million and the Beatrix West assets by R603.7 million. These impairments were based on the estimated fair value less cost to sell over the life of mine calculated as expected discounted cash flows from the expected gold reserves and costs to extract the gold.

Impairment of WRTRP exploration and evaluation assets, and allocated goodwill
On 22 November 2017, Sibanye-Stillwater announced that it has entered into various agreements with DRDGOLD to exchange selected surface gold processing assets and tailings storage facilities (TSF) for approximately 265 million newly issued DRDGOLD shares (the DRDGOLD Transaction). Following the implementation of the DRDGOLD Transaction, Sibanye-Stillwater will retain full ownership of the Cooke and Ezulwini TSFs (of 2.4Moz probable gold reserves and 54.26Mlb probable uranium reserves), and, as such, retains full exposure to the low uranium price environment without the higher gold price TSF. As a result a decision was taken during the six months ended 31 December 2017, to impair the WRTRP exploration and evaluation assets, and allocated goodwill by R1,245.1 million and R99.1 million, respectively. These impairments were based on the estimated fair value less cost to sell over the life of mine calculated as expected discounted cash flows from the expected gold and uranium reserves, and costs to extract the gold and uranium.

Impairment of De Bron-Merriespruit exploration and evaluation assets
No expenditure on further exploration for and evaluation of the De Bron-Merriespruit mineral resources is budgeted or planned for 2018. As a result a decision was taken to impair the De Bron-Merriespruit exploration and evaluation asset by R227.1 million.

31 December 2016

Impairment of Cooke 4
Despite intense monitoring and interventions by a joint management and labour committee since the previous Section 189A consultation was concluded, the Cooke 4 Operation continued to fall short of production targets and losses continued to accumulate. In view of the sustained losses at the Cooke 4 Operation and considering the extensive efforts to improve productivity and reduce the operation’s cost structures, Sibanye-Stillwater gave notice in terms of Section 189A. As a result a decision was taken during the six months ended 30 June 2016 to fully impair the Cooke 4 Operation’s mining assets by R816.7 million. This impairment was based on negative cash flow projections for the remainder of the life of mine.

Impairment of Cooke 1, 2 and 3 mining assets, and allocated goodwill
As a result of a decrease in the rand gold price from 30 June 2016 and continued losses, a decision was taken during the six months ended 31 December 2016, to impair the Cooke 1, 2 and 3 mining assets by R355.0 million and the goodwill allocated to the Cooke cash-generating unit (CGU) by R201.3 million and the goodwill allocated to the Cooke cash-generating unit (CGU) by R201.3 million. The impairment was based on the estimated fair value less cost to sell over the life of mine calculated as expected discounted cash flows from the expected gold reserves and costs to extract the gold.

9. Royalties, mining and income tax, and deferred tax

Significant accounting judgements and estimates
The Group is subject to income tax in South Africa, Zimbabwe and the US. Significant judgement is required in determining the liability for income tax 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. The Group reassesses its judgements and estimates if facts and circumstances change. Where the facts and circumstances change or when the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred 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 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. 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.
The Group’s gold mining operations are taxed on a variable rate that increases as the profitability of the operation increases. The deferred tax rate used to calculate deferred tax is based on the current estimate of future profitability when the temporary differences will reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date. Depending on the profitability of the operations, the deferred tax rate can consequently be significantly different from year to year. Calculating the future profitability of the operations is inherently uncertain and could materially change over time.

Additionally, future changes in tax laws in South Africa could limit the ability of the Group to obtain tax deductions in future periods.

**Accounting policy**

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is measured on taxable income at the applicable statutory rate enacted or substantively enacted at the reporting date.

Deferred tax 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 effective tax rates which in turn are used in the determination of deferred tax.

Deferred tax 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;
- temporary differences related to investments in subsidiaries, and interest in associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that these will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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. The principal temporary differences arise from depreciation of property, plant and equipment, provisions, unutilised capital allowances and tax losses carried forward.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets relating to the carry forward of unutilised tax losses and/or unutilised capital allowances are recognised to the extent it is probable that future taxable profit will be available against which the unutilised tax losses and/or unutilised capital allowances can be recovered. Deferred tax assets are reviewed at each reporting date and are adjusted if recovery is no longer probable.

### 9.1 Royalties

Revenue from mineral resources in South Africa are subject to the Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act). 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 Royalty Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Royalty Act) minerals payable to the State. The royalty in respect of refined and unrefined minerals (which include gold refined to 99.5% and above and PGMs) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times, in respect of refined, and 9 times, in respect of unrefined, 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% of mining revenue has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2018 was approximately 0.5% (2017: 1.4% and 2016: 1.9%) of revenue at the SA gold operations and 1.1% (2017: 0.6%) of revenue at the SA PGM operations.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current charge</td>
<td>(255.5)</td>
<td>(398.5)</td>
<td>(566.6)</td>
</tr>
<tr>
<td>SA gold revenue</td>
<td>(93.5 )</td>
<td>(325.3)</td>
<td>(528.0)</td>
</tr>
<tr>
<td>SA PGM revenue</td>
<td>(162.0)</td>
<td>(73.2 )</td>
<td>(38.6 )</td>
</tr>
<tr>
<td>Prior year tax refund</td>
<td>42.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total royalties</strong></td>
<td>(212.6)</td>
<td>(398.5)</td>
<td>(566.6)</td>
</tr>
</tbody>
</table>
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER

9.2 Mining and income tax

South African statutory tax rates

Gold mining and non-mining tax

Gold mining tax is determined according to a formula which takes into account the profit and revenue attributable to mining operations. Mining taxable income is determined after the deduction of all mining capital expenditure, with the provision 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 mining tax. In the formula, the percentage rate of tax payable and the ratio of mining profit, after the deduction of redeemable capital expenditure, to mining revenue is expressed as a percentage.

Non-mining income consists primarily of interest income, and is taxed at the South African company tax rate of 28%.

Company tax rate

Companies, other than gold mining companies are subject to the maximum South African company tax rate of 28%.

US statutory tax rates

Stillwater’s US operations were subject to the federal tax rate of 35%. On 22 December 2017, the Tax Cuts and Jobs Act was signed into legislation in the US and the tax rate changed to 21%.

The US PGM operations are subject to tax in the state of New Jersey. During the year ended 31 December 2018, the New Jersey Governor signed a number of bills that implement numerous tax changes which affected the US PGM operations. The most significant change in the law resulted in tax being calculated together on all US entities under common control (greater than 50% voting ownership).

Mining and income tax

The components of mining and income tax are the following:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax</td>
<td>(95.3)</td>
<td>(504.2)</td>
<td>(1,111.8)</td>
</tr>
<tr>
<td>Mining tax</td>
<td>(36.8)</td>
<td>(425.2)</td>
<td>(1,031.6)</td>
</tr>
<tr>
<td>Non-mining tax</td>
<td>(57.6)</td>
<td>(70.6)</td>
<td>(83.9)</td>
</tr>
<tr>
<td>Company and capital gain tax</td>
<td>(0.9)</td>
<td>(8.4)</td>
<td>3.7</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>9.3</td>
<td>(988.5)</td>
<td>3,450.8</td>
</tr>
<tr>
<td>Deferred tax charge</td>
<td>306.7</td>
<td>879.7</td>
<td>(30.5)</td>
</tr>
<tr>
<td>Deferred tax rate adjustment¹</td>
<td>(1,295.2)</td>
<td>2,571.1</td>
<td>(59.8)</td>
</tr>
<tr>
<td>Total mining and income tax</td>
<td>(1,083.8)</td>
<td>2,946.6</td>
<td>(1,202.1)</td>
</tr>
</tbody>
</table>

¹ The deferred tax rate adjustment in South Africa and the US was:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>249.5</td>
<td>39.6</td>
<td>(59.8)</td>
</tr>
<tr>
<td>United States</td>
<td>(1,544.7)</td>
<td>2,531.5</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax rate adjustment</td>
<td>(1,295.2)</td>
<td>2,571.1</td>
<td>(59.8)</td>
</tr>
</tbody>
</table>

The change in the estimated long term deferred tax rate, as a result of applying the mining tax formula at the SA gold operations, at which the temporary differences will reverse amounted to a deferred tax benefit of R249.5 million for the year ended 31 December 2018 (2017: benefit of R39.6 million and 2016: charge of R59.8 million).

During the six months ended 31 December 2018, the New Jersey Governor signed a number of bills that implement numerous tax changes which affected the US PGM operations. The most significant change in the law resulted in tax being calculated together on all US entities under common control (greater than 50% voting ownership). This resulted in an increase in the estimated deferred tax rate relating to the US PGM operations and a deferred tax charge of R1,544.7 million (US$107.7 million). On 22 December 2017, the Tax Cuts and Jobs Act was signed into legislation in the US. As a result the Stillwater Group’s deferred tax rate changed from 37.69% to 24.23% and a deferred tax benefit of R2,531.5 million (US$204.8 million) was recognised.
Reconciliation of the Group’s mining and income tax to the South African statutory company tax rate of 28%:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax on loss/(profit) before tax at maximum South African statutory company tax rate</td>
<td>402.3</td>
<td>2,066.3</td>
<td>(1,188.5)</td>
</tr>
<tr>
<td>South African gold mining tax formula rate adjustment</td>
<td>(53.0)</td>
<td>157.6</td>
<td>160.9</td>
</tr>
<tr>
<td>US statutory tax rate adjustment</td>
<td>19.4</td>
<td>57.3</td>
<td>-</td>
</tr>
<tr>
<td>Non-deductible amortisation and depreciation</td>
<td>(21.2)</td>
<td>(0.9)</td>
<td>(35.0)</td>
</tr>
<tr>
<td>Non-taxable dividend received</td>
<td>15.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-deductible finance charges</td>
<td>(118.2)</td>
<td>(165.8)</td>
<td>(48.7)</td>
</tr>
<tr>
<td>Non-deductible share-based payments</td>
<td>(78.9)</td>
<td>(58.4)</td>
<td>(115.5)</td>
</tr>
<tr>
<td>Non-taxable gain/(non-deductible loss) on fair value of financial instruments</td>
<td>136.9</td>
<td>(42.9)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Non-taxable gain/(non-deductible loss) on foreign exchange differences</td>
<td>250.3</td>
<td>45.0</td>
<td>(52.1)</td>
</tr>
<tr>
<td>Non-taxable share of results of equity-accounted investees</td>
<td>96.4</td>
<td>81.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Non-deductible impairments</td>
<td>(123.2)</td>
<td>(1,054.9)</td>
<td>(65.6)</td>
</tr>
<tr>
<td>Non-deductible transaction costs</td>
<td>(110.0)</td>
<td>(154.6)</td>
<td>(44.0)</td>
</tr>
<tr>
<td>Non-taxable gain on acquisition</td>
<td>-</td>
<td>-</td>
<td>610.0</td>
</tr>
<tr>
<td>Net other non-taxable income and non-deductible expenditure</td>
<td>121.0</td>
<td>(251.7)</td>
<td>64.2</td>
</tr>
<tr>
<td>Change in estimated deferred tax rate</td>
<td>(1,295.2)</td>
<td>2,571.1</td>
<td>(59.8)</td>
</tr>
<tr>
<td>Deferred tax assets not recognised</td>
<td>(325.8)</td>
<td>(303.1)</td>
<td>(430.0)</td>
</tr>
<tr>
<td>Mining and income tax</td>
<td>(1,083.8)</td>
<td>2,946.6</td>
<td>(1,202.1)</td>
</tr>
</tbody>
</table>

9.3 Deferred tax

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Included in the statement of financial position as follows:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>(76.9)</td>
<td>(206.2)</td>
<td>(228.2)</td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>10,153.2</td>
<td>8,525.2</td>
<td>4,915.4</td>
<td></td>
</tr>
<tr>
<td>Net deferred tax liabilities</td>
<td>10,076.3</td>
<td>8,319.0</td>
<td>4,687.2</td>
<td></td>
</tr>
</tbody>
</table>

Reconciliation of the deferred tax balance:

| Balance at beginning of the year | 8,319.0 | 4,687.2 | 3,498.2 |
| Deferred tax recognised in profit or loss | 9.2 | 988.5 | (3,450.8) | 90.3 |
| Deferred tax recognised in other comprehensive income | (22.8) | (27.7) | - |
| Deferred tax on acquisition of subsidiaries | 13 | 132.2 | 7,486.3 | 1,098.7 |
| Foreign currency translation | 659.4 | (376.0) | - |
| Balance at end of the year | 10,076.3 | 8,319.0 | 4,687.2 |

The detailed components of the net deferred tax liabilities which result from the differences between the amounts of assets and liabilities recognised for financial reporting and tax purposes are:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining assets</td>
<td>11,344.4</td>
<td>9,642.6</td>
<td>6,365.4</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds</td>
<td>507.7</td>
<td>600.7</td>
<td>729.6</td>
</tr>
<tr>
<td>Other</td>
<td>284.7</td>
<td>47.5</td>
<td>128.6</td>
</tr>
<tr>
<td>Gross deferred tax liabilities</td>
<td>12,136.8</td>
<td>10,290.8</td>
<td>7,223.6</td>
</tr>
</tbody>
</table>

Deferred tax assets

| Environmental rehabilitation obligation | (989.2) | (840.7) | (1,041.0) |
| Occupational healthcare obligation | (302.7) | (299.7) | - |
| Other provisions | (464.1) | (434.0) | (546.3) |
| Tax losses and unredeemed capital expenditure | (304.5) | (397.4) | (890.1) |
| Share-based payment obligation | - | - | (59.0) |
| Gross deferred tax assets | (2,060.5) | (1,971.8) | (2,536.4) |

Net deferred tax liabilities | 10,076.3 | 8,319.0 | 4,687.2 |
At 31 December 2018, the Group had the following estimated amounts not recognised but available for set-off against future income:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax losses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wits Gold</td>
<td>63.9</td>
<td>64.6</td>
<td>64.6</td>
</tr>
<tr>
<td>Burnstone</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rand Uranium</td>
<td>1,132.7</td>
<td>886.6</td>
<td>-</td>
</tr>
<tr>
<td>DRDGOld</td>
<td>37.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other - SA region</td>
<td>15.9</td>
<td>15.9</td>
<td>19.0</td>
</tr>
<tr>
<td><strong>Total gross tax losses</strong></td>
<td>3,480.0</td>
<td>3,558.2</td>
<td>2,644.8</td>
</tr>
<tr>
<td><strong>Other deductible temporary differences</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burnstone</td>
<td>13,419.8</td>
<td>11,306.8</td>
<td>10,012.6</td>
</tr>
<tr>
<td>Ezulwini</td>
<td>3,208.4</td>
<td>2,923.7</td>
<td>2,909.1</td>
</tr>
<tr>
<td>Rand Uranium</td>
<td>4,115.7</td>
<td>4,045.7</td>
<td>1,125.3</td>
</tr>
<tr>
<td>DRDGOld</td>
<td>602.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ridge Mining Services Proprietary Limited</td>
<td>715.5</td>
<td>499.5</td>
<td>643.9</td>
</tr>
<tr>
<td>Stillwater Canada Inc</td>
<td>1,916.4</td>
<td>1,550.8</td>
<td>-</td>
</tr>
<tr>
<td>Other - SA region</td>
<td>48.9</td>
<td>54.2</td>
<td>55.6</td>
</tr>
<tr>
<td>Other - US region</td>
<td>172.0</td>
<td>183.3</td>
<td>55.6</td>
</tr>
<tr>
<td><strong>Total gross tax losses and other deductible temporary differences</strong></td>
<td>27,679.6</td>
<td>24,122.2</td>
<td>17,446.9</td>
</tr>
<tr>
<td><strong>Deferred tax assets not recognised</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wits Gold</td>
<td>17.9</td>
<td>18.1</td>
<td>18.1</td>
</tr>
<tr>
<td>Burnstone</td>
<td>3,757.5</td>
<td>3,165.9</td>
<td>2,803.5</td>
</tr>
<tr>
<td>Ezulwini</td>
<td>1,522.8</td>
<td>1,544.1</td>
<td>1,531.7</td>
</tr>
<tr>
<td>Rand Uranium</td>
<td>1,469.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DRDGOld</td>
<td>130.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ridge Mining Services Proprietary Limited</td>
<td>200.3</td>
<td>139.9</td>
<td>180.3</td>
</tr>
<tr>
<td>Stillwater Canada Inc</td>
<td>395.4</td>
<td>284.4</td>
<td>-</td>
</tr>
<tr>
<td>Other - SA region</td>
<td>18.1</td>
<td>19.6</td>
<td>20.9</td>
</tr>
<tr>
<td>Other - US region</td>
<td>53.2</td>
<td>70.9</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred tax assets not recognised</strong></td>
<td>7,564.8</td>
<td>5,242.9</td>
<td>4,554.5</td>
</tr>
</tbody>
</table>

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.

### 9.4 Net tax and royalties receivable and payable

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Included in the statement of financial position as follows:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax receivable</td>
<td>(483.2)</td>
<td>(182.8)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tax and royalties payable</td>
<td>(395.2)</td>
<td>(147.9)</td>
<td>88.6</td>
<td></td>
</tr>
<tr>
<td><strong>Reconciliation of the net tax and royalties (receivable)/payable balance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td>(147.9)</td>
<td>88.6</td>
<td>129.6</td>
<td></td>
</tr>
<tr>
<td>Royalties and current tax</td>
<td>307.9</td>
<td>902.7</td>
<td>1,678.4</td>
<td></td>
</tr>
<tr>
<td>Royalties and tax paid</td>
<td>(542.2)</td>
<td>(899.3)</td>
<td>(1,732.6)</td>
<td></td>
</tr>
<tr>
<td>Tax payable on acquisition of subsidiaries</td>
<td>13</td>
<td>4.4</td>
<td>(260.4)</td>
<td>13.2</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>(17.4)</td>
<td>20.5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td>(395.2)</td>
<td>(147.9)</td>
<td>88.6</td>
<td></td>
</tr>
</tbody>
</table>
10. Earnings per share

**Accounting policy**

Headline EPS is calculated by dividing the headline earnings attributable to owners of Sibanye-Stillwater by the weighted average number of ordinary shares in issue during the year.

10.1 Basic earnings per share

Basic EPS is calculated by dividing the profit attributable to owners of Sibanye-Stillwater by the weighted average number of ordinary shares in issue during the year.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares in issue ('000)</td>
<td>2,266,261</td>
<td>2,168,721</td>
<td>929,004</td>
</tr>
<tr>
<td>Bonus element of the rights issue ('000)</td>
<td>-</td>
<td>-</td>
<td>493,645</td>
</tr>
<tr>
<td>Bonus element of the capitalisation issue ('000)</td>
<td>-</td>
<td>86,749</td>
<td>129,272</td>
</tr>
<tr>
<td>Adjustment for weighting of ordinary shares in issue ('000)</td>
<td>(2,404)</td>
<td>(321,620)</td>
<td>(7,271)</td>
</tr>
<tr>
<td>Weighted average number of shares ('000)</td>
<td>2,263,857</td>
<td>1,933,850</td>
<td>1,544,850</td>
</tr>
<tr>
<td>Profit attributable to owners of Sibanye-Stillwater (SA rand million)</td>
<td>(2,499.6)</td>
<td>(4,437.4)</td>
<td>3,473.3</td>
</tr>
<tr>
<td>Basic EPS (cents)</td>
<td>(110)</td>
<td>(229)</td>
<td>225</td>
</tr>
</tbody>
</table>

10.2 Diluted earnings per share

Diluted EPS is calculated by dividing the profit attributable to owners of Sibanye-Stillwater by the diluted number of ordinary shares in issue during the year.

Dilutive shares are the number of potentially dilutive ordinary shares that could be issued as a result of share options granted to employees under the share option schemes (refer to note 6) or as a result of the conversion of the US$ Convertible Bond (refer to note 24.5). At 31 December 2018, both of these were anti-dilutive.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted weighted average number of shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average number of shares ('000)</td>
<td>2,263,857</td>
<td>1,933,850</td>
<td>1,544,850</td>
</tr>
<tr>
<td>Potential ordinary shares ('000)</td>
<td>-</td>
<td>2,161</td>
<td></td>
</tr>
<tr>
<td>Diluted weighted average number of shares ('000)</td>
<td>2,263,857</td>
<td>1,933,850</td>
<td>1,546,811</td>
</tr>
<tr>
<td>Diluted basic EPS (cents)</td>
<td>(110)</td>
<td>(229)</td>
<td>225</td>
</tr>
</tbody>
</table>

10.3 Headline earnings per share

Reconciliation of (loss)/profit attributable to owners of Sibanye-Stillwater to headline earnings:

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>Gross</th>
<th>Net of tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss attributable to owners of Sibanye-Stillwater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(60.2)</td>
<td>(47.9)</td>
<td></td>
</tr>
<tr>
<td>Impairments</td>
<td>8</td>
<td>3,041.4</td>
<td>2,530.9</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>(16.6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headline EPS - cents</td>
<td>(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to owners of Sibanye-Stillwater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(40.7)</td>
<td>(29.3)</td>
<td></td>
</tr>
<tr>
<td>Impairments</td>
<td>8</td>
<td>4,411.0</td>
<td>4,242.8</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>(223.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headline EPS - cents</td>
<td>(12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to owners of Sibanye-Stillwater</td>
<td></td>
<td>3,473.3</td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(95.4)</td>
<td>(68.7)</td>
<td></td>
</tr>
<tr>
<td>Impairments</td>
<td>8</td>
<td>1,381.1</td>
<td>1,281.7</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td></td>
<td>(2,178.6)</td>
<td>(2,178.6)</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>2,507.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headline EPS - cents</td>
<td>162</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10.4 Diluted headline earnings per share

Diluted headline EPS is calculated by dividing the headline earnings attributable to owners of Sibanye-Stillwater by the diluted weighted average number of ordinary shares in issue during the year.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted headline EPS - cents</td>
<td>(1)</td>
<td>(12)</td>
<td>162</td>
</tr>
</tbody>
</table>
11. Dividends

Accounting policy
Dividends are recognised as a liability on the date on which such dividends are declared.
Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends paid. The Group withholds
dividend 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 in equity.
Cash flows from dividends paid are classified under operating activities in the statement of cash flows.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend declared and paid</td>
<td>-</td>
<td>558.2</td>
<td>1,610.6</td>
</tr>
<tr>
<td>Dividend per share - cents</td>
<td>-</td>
<td>60</td>
<td>175</td>
</tr>
</tbody>
</table>

Dividend policy
Sibanye-Stillwater’s dividend policy is to return at least 25% to 35% of normalised earnings to shareholders and after due consideration of
future requirements the dividend may be increased beyond these levels. Management, therefore, considers normalised earnings in
determining what value will be distributed to shareholders. Management believes normalised earnings provides useful information to
investors regarding the extent to which results of operations may affect shareholder returns. Normalised earnings is defined as earnings
attributable to the owners of Sibanye-Stillwater excluding gains and losses on financial instruments and foreign exchange differences, gain
on disposal of property, plant and equipment, impairments, gain on derecognition of borrowings and derivative financial instrument,
occupational healthcare expense, restructuring costs, transactions costs, share-based payment on BEE transaction, gain on acquisition,
other business development costs, share of results of equity-accounted investees, after tax, and changes in estimated deferred tax rate.

Reconciliation of (loss)/profit attributable to the owners of Sibanye-Stillwater to normalised earnings:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss)/profit attributable to the owners of Sibanye-Stillwater</td>
<td>(2,499.6)</td>
<td>(4,437.4)</td>
<td>3,473.3</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Gain)/loss on financial instruments</td>
<td>(1,704.1)</td>
<td>1,114.4</td>
<td>1,032.8</td>
</tr>
<tr>
<td>Gain on foreign exchange differences</td>
<td>(1,169.1)</td>
<td>(292.4)</td>
<td>(219.8)</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(60.2)</td>
<td>(40.7)</td>
<td>(95.4)</td>
</tr>
<tr>
<td>Impairments</td>
<td>3,041.4</td>
<td>4,411.0</td>
<td>1,381.1</td>
</tr>
<tr>
<td>Gain on derecognition of borrowings and derivative financial instrument</td>
<td>(230.0)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupational healthcare expense</td>
<td>15.4</td>
<td>1,106.9</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>142.8</td>
<td>729.8</td>
<td>187.7</td>
</tr>
<tr>
<td>Transaction costs</td>
<td>402.5</td>
<td>552.1</td>
<td>157.0</td>
</tr>
<tr>
<td>Share-based payment on BEE transaction</td>
<td>-</td>
<td>-</td>
<td>240.3</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td>-</td>
<td>-</td>
<td>(2,178.6)</td>
</tr>
<tr>
<td>Other</td>
<td>18.7</td>
<td>52.7</td>
<td>72.4</td>
</tr>
<tr>
<td>Tax effect of the items adjusted above</td>
<td>(345.7)</td>
<td>(813.4)</td>
<td>(419.4)</td>
</tr>
<tr>
<td>Change in estimated deferred tax rate</td>
<td>1,295.2</td>
<td>(2,571.1)</td>
<td>59.8</td>
</tr>
<tr>
<td>Share of results of equity-accounted investees after tax</td>
<td>(344.2)</td>
<td>(291.6)</td>
<td>(13.3)</td>
</tr>
<tr>
<td>Normalised earnings</td>
<td>(1,436.9)</td>
<td>(479.7)</td>
<td>3,678.1</td>
</tr>
</tbody>
</table>

12. Property, plant and equipment

Significant accounting judgements and estimates

Carrying value of property, plant and equipment
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 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.

The recoverable amounts of CGUs and individual assets have been determined based on the higher of value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the gold and PGM price assumptions may change which may then impact the Group estimated life of mine determinant and may then require a material adjustment to the carrying value of property, plant and equipment.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing expected future cash flows to these carrying values. 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 expected future cash flows of each group of assets. Expected future cash flows used to determine the value in use and fair value less costs to sell of each group of assets. Expected future cash flows used to determine the value in use and fair value less costs to sell of property, plant and equipment 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 spot and future gold and PGM prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

Pre-production

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 expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development or ore reserve development.

Mineral Reserves estimates

Mineral Reserves are estimates of the amount of product that can be economically and legally extracted from the Group’s properties. In order to calculate the reserves, 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, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and grade of the Mineral Reserves requires the size, shape and depth of ore bodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

The Group is required to determine and report, inter alia, on the Mineral Reserves in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code).

Estimates of Mineral Reserves may change from period to period due to the change in economic assumptions used to estimate Mineral Reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable reserves may affect the Group’s financial results and position in a number of ways, including the following:

- asset carrying values may be affected due to changes in estimated cash flows;
- depreciation and amortisation charges to profit or loss may change as these are calculated on the units-of production method, or where the useful lives of assets change;
- decommissioning site restoration and environmental provisions 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.

Accounting policy

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 carrying amount has exceeded its recoverable amount, impairment is recognised in profit or loss in the year that such determination is made.

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.
These costs which include the purchase price of assets used in the construction of the mine, expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity, are capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Development of ore bodies 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. Access to individual ore bodies exploited by the Group is limited to the time span of the respective mining leases.

Land
Land is shown at cost and is not depreciated.

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, land and all the assets of the non-mining operations.

Amortisation and depreciation of mining assets
Amortisation and depreciation is determined to give a fair and systematic charge in 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 Mineral Reserves above infrastructure.
- Proved and probable Mineral 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 their estimated useful lives.
- For certain shafts, which have a short life and/or are marginal, the depreciation is accelerated based on an adjustment to the reserves for accounting purposes.

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: 5 years
- Computers: 3 years
- Furniture and equipment: 1 - 10 years

The assets’ useful lives, depreciation methods and residual values are reassessed at each reporting date and adjusted if appropriate.

Impairment
Recoverability of the carrying values of long-term assets or CGUs of the Group are reviewed whenever events or changes in circumstances indicate that such carrying value 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 to sell (defined as: the price that would be received to sell an asset in an orderly transaction between market participants at the measured rate, less the costs of disposal) is compared to the carrying value of the asset/unit.

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.

Impairment losses are recognised in profit or loss. Impairment recognised in respect of a CGU is allocated first to goodwill to that particular CGU and thereafter to the individual assets in the CGU.

When any infrastructure is closed down or placed on care and maintenance during the year, any carrying value attributable to that infrastructure is impaired. Expenditure incurred on care and maintenance is recognised in profit or loss.

When the review of the events or changes in circumstances of an asset or CGU that was previously impaired indicate that such historical carrying value is recoverable, the impairment is reversed. The impairment is only reversed to such an amount that the new carrying amount does not exceed the historical carrying amount. Reversal of impairment losses are recognised in profit or loss. Reversal of impairment recognised in respect of a CGU is allocated to the individual assets in the CGU.
Dererecognition of property, plant and equipment

Property, plant and equipment is derecognised on disposal or closure of a shaft when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment (calculated as the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Exploration and evaluation expenditure

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss. After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and directly attributable exploration expenditure, is capitalised as a separate class of property, plant and equipment or intangible assets, on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through a feasibility study and when proven reserves are determinable to exist. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to another appropriate class of property, plant and equipment. Subsequently, all cost directly incurred to prepare an identified mineral asset for production is capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use, which is expected to be when the mine is in commercial production. These assets will be measured at cost less accumulated amortisation and impairment losses.

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>Mine development, infrastructure and other</th>
<th>Land, mineral rights and rehabilitation</th>
<th>Exploration and evaluation assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td>Total</td>
<td>76,529.2</td>
<td>21,807.9</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td>101,720.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>7,107.5</td>
<td>7,034.6</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Additions²</td>
<td></td>
<td>7,107.5</td>
<td>7,034.6</td>
<td></td>
</tr>
<tr>
<td>Change in estimates of rehabilitation assets</td>
<td>25</td>
<td>618.8</td>
<td>-</td>
<td>618.8</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>(171.2)</td>
<td>(168.1)</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Derecognition of property, plant and equipment²</td>
<td></td>
<td>(14,416.4)</td>
<td>(14,287.7)</td>
<td>(128.7)</td>
</tr>
<tr>
<td>Transfers between classes of property, plant and equipment</td>
<td></td>
<td>-</td>
<td>192.8</td>
<td>134.5</td>
</tr>
<tr>
<td>Assets acquired on acquisition of subsidiaries</td>
<td>13.1</td>
<td>1,443.2</td>
<td>1,325.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Assets derecognised on loss of control of subsidiary</td>
<td></td>
<td>(1,322.3)</td>
<td>(12.5)</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td></td>
<td>5,014.3</td>
<td>2,197.9</td>
<td>2,616.4</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>99,994.6</td>
<td>72,811.2</td>
<td>25,095.3</td>
</tr>
<tr>
<td>Accumulated depreciation, amortisation and impairment</td>
<td></td>
<td>50,276.1</td>
<td>44,308.9</td>
<td>4,471.0</td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>4</td>
<td>6,640.6</td>
<td>4,471.0</td>
</tr>
<tr>
<td>Amortisation and depreciation¹</td>
<td></td>
<td>2,603.3</td>
<td>2,461.5</td>
<td>70.8</td>
</tr>
<tr>
<td>Impairment</td>
<td></td>
<td>8</td>
<td>2,461.5</td>
<td>70.8</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>(77.2)</td>
<td>(75.9)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Derecognition of property, plant and equipment²</td>
<td></td>
<td>(14,416.4)</td>
<td>(14,287.7)</td>
<td>(128.7)</td>
</tr>
<tr>
<td>Assets derecognised on loss of control of subsidiary</td>
<td></td>
<td>(10.9)</td>
<td>10.9</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td></td>
<td>420.9</td>
<td>279.5</td>
<td>124.8</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>45,436.4</td>
<td>38,598.0</td>
<td>5,276.4</td>
</tr>
<tr>
<td>Carrying value at end of the year</td>
<td></td>
<td>54,558.2</td>
<td>34,213.2</td>
<td>19,818.9</td>
</tr>
</tbody>
</table>

¹ During the year, amortisation and depreciation on assets used in the development of the Burnstone project was capitalised. As a result, additions includes non-cash additions (or amortisation and depreciation capitalised) of R26.8 million.

² During the year, short-term ore reserve development, which was capitalised up to 31 December 2016 and fully depreciated by 2018, was derecognised as no future economic benefits are expected from its use.
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. Any contingent consideration is measured at fair value at the date of acquisition. Acquisition-related costs are expensed as incurred.

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, plus or minus changes in the portion of interest of the equity of the subsidiary not attributable, directly or indirectly, to Sibanye-Stillwater shareholders. 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 in the case of a bargain purchase, the difference is a gain recognised directly in profit or loss.

13.1 DRDGOLD acquisition

On 22 November 2017, Sibanye-Stillwater announced that it had entered into various agreements with DRDGOLD in terms of which, Sibanye-Stillwater will exchange selected surface gold processing assets and TSF (the "Far West Gold Recoveries", previously known as the WRTRP) for approximately 265 million newly issued DRDGOLD shares (the DRDGOLD Transaction), or 38.05% of the issued share capital of DRDGOLD. In addition, pursuant to the DRDGOLD Transaction, Sibanye-Stillwater has an option to subscribe for a sufficient number of DRDGOLD ordinary shares to attain a 50.1% shareholding in DRDGOLD at a 10% discount to the 30 day volume weighted average traded price.

Sibanye-Stillwater received approval for the DRDGOLD Transaction from the South African competition authorities in accordance with the Competition Act and on 19 July 2018 all the conditions precedent to the DRDGOLD Transaction were fulfilled. Sibanye-Stillwater obtained control (38.05%) of DRDGOLD on this date. The effective date of the implementation of the DRDGOLD Transaction was 31 July 2018, when Sibanye-Stillwater was issued the newly issued DRDGOLD shares.

DRDGOLD has a 30 June year end and is consolidated from 31 July 2018 based on its results to 31 December 2018. For the five months ended 31 December 2018, DRDGOLD contributed revenue of R1,047.5 million and a net loss of R39.9 million to the Group’s results, before Sibanye-Stillwater Group adjustments.

The purchase price allocation (PPA) has been prepared on a provisional basis in accordance with IFRS 3. If new information obtained within one year of the acquisition date, in particular relating to contingent liabilities, about facts and circumstances that existed at the acquisition date, identifies adjustments to the below amounts or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Acquisition related costs

The Group incurred acquisition related costs of R25.0 million on advisory and legal fees. These costs are recognised as transaction costs in profit or loss.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised fair value of assets acquired and liabilities assumed at the acquisition date:

<table>
<thead>
<tr>
<th>Figures in million</th>
<th>Notes</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>12</td>
<td>1,443.2</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds</td>
<td>17</td>
<td>244.7</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td></td>
<td>28.7</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>243.5</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>138.4</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>282.8</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation and other provisions</td>
<td>25</td>
<td>(672.7)</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>9.3</td>
<td>(132.2)</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td></td>
<td>(54.9 )</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td>(337.1)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td></td>
<td>(17.6 )</td>
</tr>
<tr>
<td><strong>Total fair value of identifiable net assets acquired</strong></td>
<td></td>
<td><strong>1,166.8</strong></td>
</tr>
</tbody>
</table>

1 The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore discounted at a real discount rate of 9.3% and an average gold price of R580,000/kg.
Goodwill

Goodwill arising from the acquisition has been recognised as follows:

<table>
<thead>
<tr>
<th>Figures in million</th>
<th>Note</th>
<th>SA rand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction with DRDGOLD shareholders (Consideration)</td>
<td>261.4</td>
<td></td>
</tr>
<tr>
<td>Fair value of identifiable net assets acquired</td>
<td>(1,166.8)</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interest, based on the proportionate interest in the recognised amounts of assets and liabilities</td>
<td>940.3</td>
<td></td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td>14</td>
<td>34.9</td>
</tr>
</tbody>
</table>

1 The purchase consideration was calculated as 61.95% of the fair value of Far West Gold Recoveries assets and liabilities. The fair value of assets and liabilities, excluding property, plant and equipment, approximate the carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore discounted at a real discount rate of 13.8%, an average gold price of R580,000/kg. Although Sibanye-Stillwater exchanged (i.e. disposed) the Far West Gold Recoveries assets and liabilities, the Group effectively retains control. The transaction with DRDGOLD shareholders, therefore, represents the difference between 61.95% of the fair value and carrying value of Far West Gold Recoveries assets and liabilities.

2 Non-controlling interest was based on the proportionate interest (of 61.95%) in the carrying value of the Far West Gold Recoveries assets and liabilities, and fair value of the DRDGOLD net assets and liabilities acquired.

The goodwill is attributable to DRDGOLD’s proven surface re-treatment capabilities.

Refer to note 14 for the allocation of goodwill. None of the goodwill recognised is expected to be deducted for tax purposes.

13.2 Stillwater acquisition

On 9 December 2016, Sibanye-Stillwater announced it had reached a definitive agreement to acquire Stillwater Mining Company (Stillwater) for US$18 per share in cash, or US$2,200 million in aggregate (the Stillwater Transaction). On 25 April 2017, at the shareholders meeting of Sibanye-Stillwater, the Sibanye-Stillwater shareholders approved the proposed Stillwater Transaction by voting in favour of the various resolutions to give effect to the Stillwater Transaction and at the shareholders meeting of Stillwater, the requisite majority of Stillwater shareholders resolved to approve the Stillwater Transaction. Sibanye-Stillwater obtained control (100%) of Stillwater on this date. The effective date of the implementation of the Stillwater Transaction was 4 May 2017, when Sibanye-Stillwater took over legal ownership of Stillwater.

For the eight months ended 31 December 2017, Stillwater contributed revenue of US$688.3 million (R9,161.6 million) and a profit of US$152.4 million (R2,028.1 million) to the Group’s results.

At 25 April 2017, the PPA was prepared on a provisional basis in accordance with IFRS 3. During the re-measurement period, the Group received new information relating to exploration and evaluation assets that existed at acquisition date, and adjustments were made to the provisional calculation of the fair values resulting in a decrease of US$9.4 million (R123.7 million) in the fair value of property, plant and equipment, a decrease of US$3.6 million (R46.7 million) to the net deferred tax liabilities, and an increase of US$5.8 million (R77.0 million) in the reported value of goodwill. Accordingly, the PPA was restated as required by IFRS 3.

Consideration

The consideration paid is as follows:

<table>
<thead>
<tr>
<th>Figures in million</th>
<th>Note</th>
<th>US dollar</th>
<th>SA rand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td></td>
<td>2,080.7</td>
<td>27,174.5</td>
</tr>
<tr>
<td>Liability raised in respect of dissenting shareholders</td>
<td>18.2</td>
<td>104.5</td>
<td>1,364.3</td>
</tr>
<tr>
<td>Settlement of share-based payment awards (cash)</td>
<td>16.2</td>
<td>211.9</td>
<td></td>
</tr>
<tr>
<td><strong>Total consideration</strong></td>
<td></td>
<td>2,201.4</td>
<td>28,750.7</td>
</tr>
</tbody>
</table>

Acquisition related costs

The Group incurred acquisition related costs of R528.5 million on advisory and legal fees. These costs are recognised as transaction costs in profit or loss.
Identifiable assets acquired and liabilities assumed

The following table summarises the recognised fair value of assets acquired and liabilities assumed at the acquisition date:

<table>
<thead>
<tr>
<th>Figures in million</th>
<th>Notes</th>
<th>US dollar</th>
<th>SA rand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>12</td>
<td>2,293.2</td>
<td>29,948.6</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>6.9</td>
<td>90.8</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>159.7</td>
<td>2,085.4</td>
<td></td>
</tr>
<tr>
<td>Current investments</td>
<td>278.9</td>
<td>3,642.2</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>137.2</td>
<td>1,792.2</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>37.3</td>
<td>487.3</td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>(454.6)</td>
<td>(5,937.6)</td>
<td></td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>25</td>
<td>(23.9)</td>
<td>(312.1)</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>9.3</td>
<td>(573.2)</td>
<td>(7,486.3)</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>(19.9)</td>
<td>(260.3)</td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(88.1)</td>
<td>(1,150.1)</td>
<td></td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(1.8)</td>
<td>(23.3)</td>
<td></td>
</tr>
<tr>
<td><strong>Total fair value of identifiable net assets acquired</strong></td>
<td></td>
<td><strong>1,751.7</strong></td>
<td><strong>22,876.8</strong></td>
</tr>
</tbody>
</table>

1 The fair value of assets and liabilities excluding property, plant and equipment, inventories and borrowings approximate the carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore discounted at a real discount rate of 8.6% for the Stillwater and East Boulder mines and Columbus metallurgical complex, and 10.3% for the Blitz project, an average platinum price of US$1,375/oz and an average palladium price of US$880/oz. The fair value of borrowings (Convertible Debentures) was based on the settlement price.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

<table>
<thead>
<tr>
<th>Figures in million</th>
<th>Note</th>
<th>US dollar</th>
<th>SA rand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consideration</td>
<td></td>
<td>2,201.4</td>
<td>28,750.7</td>
</tr>
<tr>
<td>Fair value of identifiable net assets</td>
<td></td>
<td>(1,751.7)</td>
<td>(22,876.8)</td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td>14</td>
<td><strong>449.7</strong></td>
<td><strong>5,873.9</strong></td>
</tr>
</tbody>
</table>

The goodwill is attributable to the talent and skills of Stillwater’s workforce.

Refer to note 14 for the allocation of goodwill. None of the goodwill recognised is expected to be deducted for tax purposes.

14. Goodwill

Significant accounting judgements and estimates

Goodwill is tested for impairment on an annual basis. Expected future cash flows used to determine the recoverable amount of property, plant and equipment and goodwill are inherently uncertain and could materially change over time. The recoverable amount is significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

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.

Accounting policy

Goodwill is stated at cost less accumulated impairment losses. 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 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. The recoverable amount is determined by reference to “fair value less costs to sell” being the higher of “value in use” and “fair value less cost to sell”, based on the cash flows over the life of the CGUs and discounted to present value at an appropriate discount rate. 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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td><strong>6,396.0</strong></td>
<td>936.0</td>
<td>736.7</td>
</tr>
<tr>
<td>Impairment</td>
<td>8</td>
<td><strong>(436.3)</strong></td>
<td>(99.1)</td>
<td>(201.3)</td>
</tr>
<tr>
<td>Goodwill on acquisition of subsidiaries</td>
<td>13.1, 13.2</td>
<td><strong>34.9</strong></td>
<td><strong>5,873.9</strong></td>
<td><strong>400.4</strong></td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td></td>
<td><strong>895.0</strong></td>
<td>(314.8)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td></td>
<td><strong>6,889.6</strong></td>
<td><strong>6,396.0</strong></td>
<td><strong>936.0</strong></td>
</tr>
</tbody>
</table>
The goodwill arose on the acquisition of Cooke, Aquarius, Stillwater and DRDGOLD. The goodwill on acquisition of:

- Cooke was attributable to the synergies at the Group’s other operations, and the underlying assets of Cooke and WRTRP. During the year ended 31 December 2018, the goodwill from the acquisition of Cooke allocated to the Driefontein, Kloof and Beatrix CGUs was impaired by R436.3 million (refer to note 8). There were no other events or changes in circumstances that suggest that the carrying amount of a CGU may not be recoverable.

- Aquarius was attributable to the synergies between the PGM assets in the Rustenburg area. At year end the goodwill on acquisition of Aquarius is allocated to the Kroondal (R133.5 million) and the Rustenburg operation (R267.1 million) CGUs, where it is tested for impairment.

- Stillwater was attributable to the premium paid, and the talent and skills of Stillwater’s workforce, and is allocated to the Stillwater CGU, where it is tested for impairment.

- DRDGOLD is attributable to DRDGOLD’s proven surface retreatment capabilities, and is allocated to the DRDGOLD CGU, where it is tested for impairment.

None of the goodwill recognised is expected to be deducted for tax purposes.

The Group’s estimates and assumptions used in the 31 December 2018 impairment testing include:

<table>
<thead>
<tr>
<th></th>
<th>Platinum</th>
<th>Gold</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Long-term gold price R/kg</td>
<td>585,500</td>
<td>545,000</td>
</tr>
<tr>
<td>Long-term PGM (4E) basket price</td>
<td>1,015</td>
<td>1,010</td>
</tr>
<tr>
<td>Long-term PGM (2E) basket price</td>
<td>14.5</td>
<td>14.3</td>
</tr>
<tr>
<td>Nominal discount rate – South Africa</td>
<td>8.5</td>
<td>%</td>
</tr>
<tr>
<td>Nominal discount rate – US</td>
<td>5.3</td>
<td>5.0</td>
</tr>
<tr>
<td>Inflation rate – South Africa</td>
<td>1.9</td>
<td>%</td>
</tr>
<tr>
<td>Life of mine years</td>
<td>9 - 34</td>
<td>12 - 28</td>
</tr>
</tbody>
</table>

1 Nominal discount rate for Burnstone of 17.4%.

The annual life-of-mine plan that takes into account the following:

- proved and probable ore reserves of the CGUs;
- resources are valued using appropriate price assumptions;
- cash flows are based on the life-of-mine plan; and
- capital expenditure estimates over the life-of-mine plan.

The recoverable amounts of the Kroondal, Platinum Mile, Rustenburg and Stillwater operations CGUs are significantly higher than the carrying values, therefore a reasonably possible adverse change in the abovementioned assumptions would not likely result in an adjustment to the carrying values.

The recoverable amounts of the Driefontein, Beatrix and DRDGOLD CGUs are marginally higher than the carrying values and, therefore, any reasonably possible adverse change in the abovementioned assumptions could result in further impairment.

15. **Equity-accounted investments**

**Significant accounting judgements and estimates**

**Joint arrangements**

Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as: the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle.
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
  - the legal form of the separate vehicle; and
  - the terms of the contractual arrangement.

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture may materially impact the accounting.
Carrying value of Mimosa and related Mineral Reserves and Mineral Resources estimates

The recoverable amount Mimosa has been determined based on the higher of value-in-use calculations and fair value less cost to sell. This calculation requires the use of estimates and assumptions. It is reasonably possible that the PGM price assumptions may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of Mimosa. The Group reviews and tests the carrying value when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing expected future cash flows to the carrying value. Expected future cash flows used to determine the value in use and fair value less costs to sell of Mimosa are inherently uncertain and could materially change over time. These are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot and future PGM prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure. Mineral resources outside the approved mine plans are valued based on the in situ 4E ounce value. Comparable market transactions are used as a source of evidence adjusting specifically for the nature of each underlying ore body.

Accounting policy

The Group’s interest 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. The interests are initially recognised at cost using the same principles as with business combinations. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of profit or loss and 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 annual financial statements or unaudited management accounts. Any losses from associates are brought to account in the consolidated financial statements until the interest in such associates is written down to zero. The interest includes any long-term interests that in substance, form part of the entity’s net investment in the equity-accounted investee, for example long-term receivables for which settlement is neither planned nor likely to occur in the foreseeable future. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such associates.

The carrying value of an equity-accounted investment represents the cost of the investment, including goodwill, the proportionate share of the post-acquisition retained earnings and losses, any other movements in reserves, any impairment losses and loans to or from the equity-accounted investee. The carrying value together with any long-term interests that in substance form part of the net investment in the equity-accounted investee 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 costs to sell. If an impairment in value has occurred, it is recognised in the period in which the impairment arose. Indicators of impairment include a significant or prolonged decline in the investments fair value below its carrying value.

The Group holds the following equity-accounted investments:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rand Refinery</td>
<td>15.1</td>
<td>239.3</td>
<td>198.4</td>
<td>72.4</td>
</tr>
<tr>
<td>Mimosa</td>
<td>15.2</td>
<td>2,492.4</td>
<td>2,012.9</td>
<td>2,049.3</td>
</tr>
<tr>
<td>Peregrine</td>
<td>15.3</td>
<td>978.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other equity-accounted investments</td>
<td></td>
<td>24.2</td>
<td>32.8</td>
<td>35.7</td>
</tr>
<tr>
<td><strong>Total equity-accounted investments</strong></td>
<td></td>
<td>3,733.9</td>
<td>2,244.1</td>
<td>2,157.4</td>
</tr>
</tbody>
</table>

15.1 Rand Refinery

Sibanye-Stillwater has a 44.4% interest in Rand Refinery Proprietary Limited (Rand Refinery), a company incorporated in South Africa, which is involved in the refining of bullion and by-products sourced from, inter alia, South African and foreign gold producing mining companies. Rand Refinery is accounted for using the equity method.

On 18 December 2014, Rand Refinery drew down R1.029 billion under a R1.2 billion subordinated shareholders loan (the Facility), with Sibanye-Stillwater’s proportional share being R384.6 million. Amounts drawn down under the Facility were repayable within two years from the first draw down date. If the loan was not repaid within two years, it would automatically convert into equity in Rand Refinery. During February 2017, Rand Refinery resolved to convert the Facility to redeemable preference shares.

The equity-accounted investment in Rand Refinery movement for the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>198.4</td>
<td>72.4</td>
<td>148.7</td>
</tr>
<tr>
<td>Share of results of equity-accounted investee after tax</td>
<td>143.7</td>
<td>124.5</td>
<td>(116.5)</td>
</tr>
<tr>
<td>Preference shares redeemed</td>
<td>(102.8)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income on loan to equity-accounted investee capitalised</td>
<td>-</td>
<td>1.5</td>
<td>40.2</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td>239.3</td>
<td>198.4</td>
<td>72.4</td>
</tr>
</tbody>
</table>

Rand Refinery is equity accounted based on its results for the period ended 30 November.
The Group’s interest in the summarised financial statements of Rand Refinery are:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>644.0</td>
<td>649.0</td>
<td>903.0</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>434.0</td>
<td>374.0</td>
<td>(352.0)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>699.0</td>
<td>702.0</td>
<td>636.0</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,088.0</td>
<td>669.0</td>
<td>419.0</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(44.0)</td>
<td>(31.0)</td>
<td>(1,095.0)</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(359.0)</td>
<td>(391.0)</td>
<td>(467.0)</td>
</tr>
<tr>
<td>Net assets/(liabilities) (100.0%)</td>
<td>1,384.0</td>
<td>949.0</td>
<td>(507.0)</td>
</tr>
</tbody>
</table>

Reconciliation of the total investment in Rand Refinery with attributable net assets:

- Net assets/(liabilities) (44.4% (2017 and 2016: 33.1%))
  - 614.5
- Preference shares redeemed
  - (102.8)
- Dividend received
  - (8.2)
- Fair value adjustment1
  - (35.5)
- Impairment
  - (119.6)
- Loan to equity-accounted investee
  - -
- Redeemable preference shares below 44.4% interest2
  - (109.1)

Total investment in Rand Refinery 239.3

1 The investment in equity-accounted investee was fair valued at 1 July 2002, the date when significant influence was obtained.
2 Sibanye-Stillwater’s proportional share of the Facility was 37.4%. On conversion of the Facility to redeemable preference shares, the Group shares in less than its 44.4% interest of the net assets of Rand Refinery.

15.2 Mimosa

Sibanye-Stillwater has a 50% interest in Mimosa Investments Limited (Mimosa), which owns and operates the Mimosa mine.

The equity-accounted investment in Mimosa movement for the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>2,012.9</td>
<td>2,049.3</td>
<td>-</td>
</tr>
<tr>
<td>Share of results of equity-accounted investee after tax</td>
<td>210.5</td>
<td>175.0</td>
<td>114.9</td>
</tr>
<tr>
<td>Dividends received</td>
<td>(87.0)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity-accounted investment on acquisition of subsidiaries</td>
<td>-</td>
<td>-</td>
<td>2,066.7</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>356.0</td>
<td>(211.4)</td>
<td>(132.3)</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>2,492.4</td>
<td>2,012.9</td>
<td>2,049.3</td>
</tr>
</tbody>
</table>

The Group’s interest in the summarised financial statements of Mimosa are:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,714.9</td>
<td>3,375.4</td>
<td>2,446.4</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>(383.1)</td>
<td>(423.4)</td>
<td>(447.4)</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>17.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(26.0)</td>
<td>(20.0)</td>
<td>(22.4)</td>
</tr>
<tr>
<td>Income tax</td>
<td>(381.8)</td>
<td>(245.0)</td>
<td>(185.1)</td>
</tr>
<tr>
<td>Profit or loss</td>
<td>420.9</td>
<td>350.1</td>
<td>229.8</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>712.0</td>
<td>72.7</td>
<td>(264.6)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>1,132.9</td>
<td>422.8</td>
<td>(34.8)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>4,592.3</td>
<td>4,007.8</td>
<td>4,079.0</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,592.3</td>
<td>4,007.8</td>
<td>4,079.0</td>
</tr>
<tr>
<td>Current assets</td>
<td>2,047.9</td>
<td>1,916.2</td>
<td>2,259.5</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>184.8</td>
<td>281.5</td>
<td>191.2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>1,863.1</td>
<td>1,634.7</td>
<td>2,068.3</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(1,168.1)</td>
<td>(993.6)</td>
<td>(1,131.2)</td>
</tr>
<tr>
<td>Non-current financial liabilities</td>
<td>(60.7)</td>
<td>(94.2)</td>
<td>(141.2)</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>(1,107.4)</td>
<td>(899.4)</td>
<td>(990.0)</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(384.6)</td>
<td>(539.1)</td>
<td>(900.1)</td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>(377.7)</td>
<td>(487.4)</td>
<td>(762.2)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(6.9)</td>
<td>(51.7)</td>
<td>(137.9)</td>
</tr>
<tr>
<td>Net assets (100.0%)</td>
<td>5,087.5</td>
<td>4,391.3</td>
<td>4,307.2</td>
</tr>
</tbody>
</table>

Reconciliation of the total investment in Mimosa with attributable net assets:

- Net assets (50.0%)
  - 2,543.8
- profit or loss
  - (1,156.4)
- Other comprehensive income
  - 87.7
- Net investment in Mimosa
  - 2,492.4

1 The reconciling items include the difference between the carrying amount and fair value of the Mimosa’s identifiable assets and liabilities on acquisition less accumulated amortisation, and foreign exchange differences on translation of assets and liabilities of the foreign joint venture. In 2016, the reconciling items also included the remaining impairment of the Reserve Bank of Zimbabwe bond notes.

Repatriation of funds from Zimbabwe is subject to regulatory approval in Zimbabwe.
15.3 Peregrine

On 29 June 2018, Sibanye-Stillwater announced that it had entered into an Arrangement Agreement with Regulus Resources Inc. (Regulus) and a newly formed subsidiary of Regulus, Aldebaran Resources Inc. (Aldebaran), creating a strategic partnership in order to unlock value at its Altar copper-gold project in San Juan Province, Argentina (Altar Project), currently held in the US PGM operations. Under the terms of the Arrangement Agreement, Stillwater Canada LLC, an indirect, wholly-owned subsidiary of Sibanye-Stillwater (Stillwater Canada), entered into an option and joint venture agreement with Aldebaran, whereby Aldebaran has the option to earn into a maximum 80% interest in a wholly-owned subsidiary of Stillwater Canada, Peregrine Metals Limited (Peregrine) which owns the Altar Project.

The consideration for Aldebaran to acquire up to an 80% interest in the Altar Project, included:

- An upfront cash payment of US$15 million to Sibanye-Stillwater on closing of the Arrangement Agreement;
- 19.9% of the shares of Aldebaran; and
- A commitment from Aldebaran to carry the next US$30 million of spend at the Altar Project over a maximum of five years (inclusive of 2018 drilling that was conducted between February and May of this year) as an initial earn-in of a 60% interest in the Altar Project (the Initial Earn-in).

Pursuant to the Arrangement Agreement, Aldebaran may also elect to earn-in an additional 20% interest in the Altar Project by spending an additional US$25 million over a three-year period following the Initial Earn-in.

Peregrine was a subsidiary of Stillwater Canada. On 25 October 2018, Aldebaran issued an aggregate of 15,449,555 Aldebaran shares to Sibanye-Stillwater, representing 19.9% of the current 77,635,957 issued and outstanding Aldebaran shares, and made an upfront cash payment of US$15 million to Sibanye-Stillwater in accordance with the Arrangement Agreement. From this date, Stillwater Canada and Aldebaran act together to direct the relevant activities of and, therefore, collectively control Peregrine. As a result of loss of control, Peregrine was derecognised as a subsidiary and accounted for as an equity-accounted investment.

The equity-accounted investment in Peregrine movement for the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity-accounted investment retained on loss of control of subsidiary</td>
<td>956.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>22.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td><strong>978.0</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

The Group’s interest in the summarised financial statements of Peregrine is:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>1,714.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current assets</td>
<td>23.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(342.6)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(1.3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets/(liabilities) (100.0%)</strong></td>
<td><strong>1,394.6</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>Reconciliation of the total investment in Peregrine with attributable net assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets/(liabilities) (60%)</td>
<td>836.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reconciling items1</td>
<td>141.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total investment in Peregrine</strong></td>
<td><strong>978.0</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

1 The reconciling items include the difference between the carrying amount and fair value of the Peregrine’s identifiable assets and liabilities on acquisition less accumulated amortisation, and foreign exchange differences on translation of assets and liabilities of the foreign equity-accounted investment.

16. Interests in joint operations

**Accounting policy**

A joint operation is a joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In relation to the Group’s interests in joint operations, the following are recognised in the financial statements:

- the Group’s share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that the Group has incurred;
- the Group’s share of any liabilities incurred jointly with the other ventures in relation to the joint operation;
- any income from the sale or use of the Group’s share of the output of the joint operation, together with the Group’s share of any expenses incurred by the joint operation; and
- any expenses that the Group has incurred in respect of its interest in the joint operation.

The Group’s interests in joint operations includes a 50% interest in two joint operations each referred to as the “Notarial Pooling and Sharing Agreements”. The principal activities of the joint operations are to extend the Kroondal mine over the boundary of the properties covering the Kroondal mine and expand the Marikana mine operations through mineral rights contributed by Anglo American Platinum through its subsidiary, RPM.
The Group’s share of the assets, liabilities, revenue and expenses of the joint operations which are included in the consolidated financial statements is as follows:

**Kroondal mine**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss on foreign exchange differences</td>
<td>132.7</td>
<td>(94.4)</td>
<td>(67.8)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>677.7</td>
<td>175.0</td>
<td>90.8</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>677.7</td>
<td>175.0</td>
<td>90.8</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,115.7</td>
<td>1,284.0</td>
<td>1,296.1</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,828.2</td>
<td>1,400.5</td>
<td>1,208.1</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(271.3)</td>
<td>(283.2)</td>
<td>(288.7)</td>
</tr>
<tr>
<td>Net assets (50.0%)</td>
<td>2,672.6</td>
<td>2,401.3</td>
<td>2,215.5</td>
</tr>
</tbody>
</table>

17. **Environmental rehabilitation obligation funds**

**Accounting policy**

The Group’s rehabilitation obligation funds includes equity-linked investments that are fair valued at each reporting date. The fair value is calculated with reference to underlying equity instruments using industry valuation techniques and appropriate models.

Annual contributions are made to dedicated environmental rehabilitation obligation funds to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. The amounts contributed to these funds are included under non-current assets and are measured at fair value through profit or loss. Interest earned on monies paid to rehabilitation funds is accrued on a time proportion basis and is recorded as interest income.

In addition, bank guarantees are provided for funding shortfalls of the environmental rehabilitation obligations.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>3,492.4</td>
<td>3,100.5</td>
<td>2,413.9</td>
</tr>
<tr>
<td>Contributions</td>
<td>63.0</td>
<td>114.5</td>
<td>74.7</td>
</tr>
<tr>
<td>Interest income</td>
<td>223.5</td>
<td>230.4</td>
<td>168.2</td>
</tr>
<tr>
<td>Fair value (loss)/gain¹</td>
<td>(24.9)</td>
<td>46.5</td>
<td>11.1</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds on acquisition of subsidiaries</td>
<td>13</td>
<td>244.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>3,998.7</td>
<td>3,492.4</td>
<td>3,100.5</td>
</tr>
</tbody>
</table>

Environmental rehabilitation obligation funds comprise the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted cash²</td>
<td>633.9</td>
<td>483.8</td>
<td>352.3</td>
</tr>
<tr>
<td>Funds</td>
<td>3,364.8</td>
<td>3,008.6</td>
<td>2,748.2</td>
</tr>
</tbody>
</table>

¹ The environmental rehabilitation trust fund includes equity-linked investments that are fair valued at each reporting date.

² The funds are set aside to serve as collateral against the guarantees made to the Department of Minerals and Resources for environmental rehabilitation obligations.

**Fair value of environmental rehabilitation obligation funds**

Environmental rehabilitation obligation funds comprise interest-bearing short-term investments and the fair value of the publicly traded instruments based on quoted market values. The environmental rehabilitation obligation funds are stated at fair value based on the nature of the fund’s investments.

The fair value hierarchy is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>3,634.0</td>
<td>3,117.6</td>
<td>2,630.6</td>
</tr>
<tr>
<td>Level 2</td>
<td>364.7</td>
<td>374.8</td>
<td>469.9</td>
</tr>
</tbody>
</table>

**Credit risk**

The Group is exposed to credit risk on the total carrying value of the investments held in the environmental rehabilitation obligation funds. The Group has reduced its exposure to credit risk by dealing and investing with a limited number of major financial institutions.

18. **Other receivables and other payables**

**Significant accounting judgements and estimates**

Expected future cash flows used to determine the fair value of the other payables (namely the Deferred Payment, and rates and taxes receivable) are inherently uncertain and could materially change over time. The expected future cash flows are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER

Accounting policy
Other receivables are categorised as financial assets measured at amortised cost and other payables are categorised as other financial liabilities. These assets and liabilities are initially recognised at fair value. Subsequent to initial recognition other receivables and other payables are measured at amortised cost.
Reimbursements, such as rehabilitation reimbursements from other parties, are recognised as a separate asset where recovery is virtually certain. The amount recognised is limited to the amount of the provision. If the party that will make the reimbursement cannot be identified, then the reimbursement is generally not virtually certain and cannot be recognised. If the only uncertainty regarding the certainty of the amount relates to recovery, the reimbursement amount qualifies to be recognised as an asset.

18.1 Other receivables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Right of recovery receivable</td>
<td>176.8</td>
<td>160.5</td>
<td>112.4</td>
</tr>
<tr>
<td>Rates and taxes receivable</td>
<td>106.2</td>
<td>105.6</td>
<td>82.4</td>
</tr>
<tr>
<td>Anglo American Platinum financial asset</td>
<td>-</td>
<td>-</td>
<td>469.7</td>
</tr>
<tr>
<td>Other</td>
<td>66.6</td>
<td>53.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Total other receivables</td>
<td>349.6</td>
<td>319.2</td>
<td>665.9</td>
</tr>
</tbody>
</table>

Reconciliation of the non-current and current portion of the other receivables:

<table>
<thead>
<tr>
<th>Other receivables</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of other receivables</td>
<td>(35.2)</td>
<td>(35.2)</td>
<td>(310.6)</td>
</tr>
<tr>
<td>Non-current portion of other receivables</td>
<td>314.4</td>
<td>284.0</td>
<td>355.3</td>
</tr>
</tbody>
</table>

The Anglo American Platinum financial asset movement for the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>-</td>
<td>469.7</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>42.2</td>
<td>6.8</td>
</tr>
<tr>
<td>Fair value loss</td>
<td>-</td>
<td>(467.5)</td>
<td>-</td>
</tr>
<tr>
<td>Payments received</td>
<td>-</td>
<td>(44.4)</td>
<td>-</td>
</tr>
<tr>
<td>Financial asset on acquisition of subsidiary</td>
<td>-</td>
<td>-</td>
<td>462.9</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>-</td>
<td>-</td>
<td>469.7</td>
</tr>
</tbody>
</table>

18.2 Other payables

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Payment</td>
<td>13.2</td>
<td>2,205.9</td>
<td>2,194.7</td>
<td>1,577.4</td>
</tr>
<tr>
<td>Right of recovery payable</td>
<td></td>
<td>83.2</td>
<td>69.3</td>
<td>36.3</td>
</tr>
<tr>
<td>Dissenting shareholder liability</td>
<td></td>
<td>287.1</td>
<td>1,349.7</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>256.3</td>
<td>188.6</td>
<td>-</td>
</tr>
<tr>
<td>Total other payables</td>
<td></td>
<td>2,832.5</td>
<td>3,802.3</td>
<td>1,613.7</td>
</tr>
</tbody>
</table>

Reconciliation of the non-current and current portion of the other payables:

<table>
<thead>
<tr>
<th>Other payables</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of other payables</td>
<td>(303.3)</td>
<td>(41.9)</td>
<td>-</td>
</tr>
<tr>
<td>Non-current portion of other payables</td>
<td>2,529.2</td>
<td>3,760.4</td>
<td>1,813.7</td>
</tr>
</tbody>
</table>

Right of recovery receivable and payable

Based on the first and second Notarial Pooling and Sharing agreements (PSAs) with Anglo American Platinum, Kroondal Operations Proprietary Limited (Kroondal Operations) (previously Aquarius Platinum (South Africa) Proprietary Limited (AQPSA)) holds a contractual right to recover 50% of the rehabilitation obligation relating to environmental rehabilitation resulting from PSA operations from RPM, where this rehabilitation relates to property owned by Kroondal Operations. Likewise RPM holds a contractual right to recover 50% of the rehabilitation obligation relating to environmental rehabilitation resulting from PSA operations from Kroondal Operations, where the rehabilitation relates to property owned by RPM. With respect to the opencast section of the Marikana mine that is on Kroondal Operations property, RPM have limited the contractual liability to approximately R172 million, being a negotiated liability in terms of an amendment to the second PSA.

Deferred Payment

In terms of the Rustenburg operation Transaction the purchase consideration includes a Deferred Payment, calculated as being equal to 35% of the distributable free cash flow generated by the Rustenburg operation over a six year period, subject to a minimum payment of R3.0 billion. In addition to the Deferred Payment, which allows for a favourable extended payment period; should the Rustenburg operation generate negative distributable free cash flows in either 2016, 2017 or 2018, RPM will be required to pay up to R267 million per annum to ensure that the free cash flow for the relevant year is equal to zero.
The Deferred Payment movement for the year is as follows:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td></td>
<td>2,194.7</td>
<td>1,577.4</td>
<td>-</td>
</tr>
<tr>
<td>Interest charge</td>
<td>5</td>
<td>200.4</td>
<td>148.2</td>
<td>24.1</td>
</tr>
<tr>
<td>Payment of Deferred Payment</td>
<td>(38.6)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Gain)/loss on revised estimated cash flows</td>
<td>(150.6)</td>
<td></td>
<td>469.1</td>
<td></td>
</tr>
<tr>
<td>Deferred Payment on acquisition of subsidiaries</td>
<td></td>
<td>-</td>
<td>-</td>
<td>1,553.3</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>2,205.9</td>
<td>2,194.7</td>
<td>1,577.4</td>
</tr>
</tbody>
</table>

Dissenting shareholder liability

Following the closing of the Stillwater Transaction on 4 May 2017, three Petitions for Appraisal of Stock were filed in the Chancery Court for the State of Delaware. The first action, captioned Blue Mountain Credit Alternatives Master Fund L.P. et al. vs. Stillwater Mining Company, Case No. 2017-0385-JTL, was filed 19 May 2017 on behalf of holders of a purported 4,219,523 shares of common stock of Stillwater. The second action, captioned Brigade Leveraged Capital Structures Fund Ltd. et al. vs. Stillwater Mining Company, Case No. 2017-0389-JTL, was filed 22 May 2017 on behalf of holders of a purported 1,200,000 shares of common stock of Stillwater. The third action, captioned Hillary Shane Revocable Trust, et al. vs. Stillwater Mining Company, Case No. 2017-0400-JTL, was filed 26 May 2017 on behalf of holders of a purported 384,000 shares of common stock of Stillwater (the Shane Petitioners). On 29 August 2017, the three actions were consolidated into a single action, captioned In re Appraisal of Stillwater Mining Company, Case No. 2017-0385-JTL.

On 28 March 2018, Stillwater entered into a settlement agreement with the Shane Petitioners, providing for settlement consideration of US$18 per share, plus interest at a rate of 1.75% per annum, for a total settlement payment of US$7.0 million. The Shane Petitioners filed a motion to voluntarily dismiss their petition on 11 June 2018, which the court granted on 15 August 2018.

Following settlement of the Shane Petitioners’ claim, the total number of shares of Stillwater common stock subject to appraisal is approximately 5,419,523. The appraisal action seeks a determination of the fair value of the shares of the common stock of Stillwater under Section 262 of the General Corporation Law of the State of Delaware. Petitioners seek a judgment awarding them, among other things, the fair value of their Stillwater shares plus interest.

During September 2018, Stillwater made a provisional payment to the remaining dissenting shareholders of US$87.5 million. This settlement is pending the court’s determination as to fair value.

A trial was held from 10 December through 13 December 2018. The parties will engage in post-trial briefing. Oral argument on the matter is currently scheduled for 18 April 2019. The court’s determination as to fair value of the shares is currently unknown. Accordingly, for accounting purposes only, we have used the merger price of US$18.00 per share in estimating our liability relating to the shares for which appraisal has been demanded, however, fair value may ultimately be determined by the court to be equal to, or different from, the merger price.

The dissenting shareholder liability movement for the year is as follows:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td></td>
<td>1,349.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest charge</td>
<td>5</td>
<td>68.1</td>
<td>62.9</td>
<td>-</td>
</tr>
<tr>
<td>Payments to dissenting shareholders</td>
<td>(1,375.8)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dissenting shareholder liability on acquisition of subsidiary</td>
<td></td>
<td>-</td>
<td>1,364.3</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td></td>
<td>245.1</td>
<td>(77.5)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>287.1</td>
<td>1,349.7</td>
<td>-</td>
</tr>
</tbody>
</table>

Fair value of other receivables and other payables

Other receivables and other payables are initially recognised at fair value. The non-recurring fair value measurement is a level 3 measurement as per the fair value hierarchy. The fair value of other receivables and other payables approximate the carrying value due to the short maturing of these instruments.

Market risk

The Deferred Payment and share-based payment on BEE transaction (refer to notes 6.3 and 6.4) is sensitive to changes in the Rustenburg operation’s 4E basket price. A one percentage point decrease in the 4E basket price would have increased the gain on financial instruments by R179.8 million. A one percentage point increase in the 4E basket price would have decreased the gain on financial instruments by R126.4 million.
19. Inventories

Accounting policy

Inventory is valued at the lower of cost and net realisable value. The Group values ore stockpiles and gold-in-process when it can be reliably measured. Cost is determined on the following basis:

- PGM concentrate awaiting further processing, reef ore stockpiles and gold-in-process are valued using weighted average cost. Cost includes production, amortisation, depreciation and related administration costs.
- Consumable stores are valued at weighted average cost after appropriate provision for surplus and slow-moving items.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumable stores*</td>
<td>1,051.0</td>
<td>828.7</td>
<td>481.7</td>
</tr>
<tr>
<td>Ore stockpiles and in-process</td>
<td>3,322.7</td>
<td>1,955.9</td>
<td>51.8</td>
</tr>
<tr>
<td>Gold-on-hand</td>
<td>143.3</td>
<td>-</td>
<td>42.9</td>
</tr>
<tr>
<td>PGMs-on-hand</td>
<td>777.8</td>
<td>637.5</td>
<td>-</td>
</tr>
<tr>
<td>Uranium finished goods and uranium-in-process</td>
<td>-</td>
<td>104.4</td>
<td>100.4</td>
</tr>
<tr>
<td><strong>Total inventories</strong></td>
<td><strong>5,294.8</strong></td>
<td><strong>3,526.5</strong></td>
<td><strong>676.8</strong></td>
</tr>
</tbody>
</table>

*The cost of consumable stores consumed during the year and included in operating cost amounted to R9,327.9 million (2017: R8,789.4 million and 2016: R5,243.2 million).

During 2016, the Group recognised a net realisable value write down of R93.3 million on its uranium finished goods and uranium-in-process inventory, which was recognised as part of cost of sales. During 2018, the uranium finished goods and uranium-in-process was sold.

20. Trade and other receivables

Accounting policy

Trade and other receivables, excluding trade receivables for PGM sales, prepayments and value added tax are non-derivative financial assets categorised as financial assets measured at amortised cost. Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment. Estimates made for impairment are based on a review of all outstanding amounts at year end. Irrecoverable amounts are written off during the period in which they are identified.

Trade receivables include actual invoiced sales of PGM concentrate as well as sales not yet invoiced for which deliveries have been made and the control has transferred. These receivables are financial assets measured at fair value through profit and loss. The receivable amount calculated for the PGM concentrate delivered but not yet invoiced is recorded at the fair value of the consideration receivable at the date of delivery. At each subsequent reporting date the receivable is restated to reflect the fair value movements in the pricing mechanism. Foreign exchange movements subsequent to the recognition of a sale are recognised as a foreign exchange gain or loss in profit or loss.

The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had a negligible impact on the carrying amounts of the Group’s financial assets given the Group transacts exclusively with a limited number of large international institutions and other organisations with strong credit ratings and the negligible historical level of customer default.

The PGM receivable is measured at fair value through profit or loss under IFRS 9, as the solely payments of principle and interest criteria is not met. As a result there are no changes in the measurement resulting from the adoption of IFRS 9.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables - gold sales</td>
<td>433.8</td>
<td>499.6</td>
<td>658.1</td>
</tr>
<tr>
<td>Trade receivables - PGM sales¹</td>
<td>5,310.1</td>
<td>4,512.4</td>
<td>4,001.9</td>
</tr>
<tr>
<td>Other trade receivables</td>
<td>436.6</td>
<td>431.4</td>
<td>306.5</td>
</tr>
<tr>
<td>Payroll debtors</td>
<td>127.9</td>
<td>174.1</td>
<td>154.7</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>8.9</td>
<td>8.5</td>
<td>6.6</td>
</tr>
<tr>
<td>Financial assets</td>
<td>6,317.3</td>
<td>5,626.0</td>
<td>5,127.8</td>
</tr>
<tr>
<td>Prepayments</td>
<td>296.9</td>
<td>245.0</td>
<td>298.1</td>
</tr>
<tr>
<td>Value added tax</td>
<td>218.8</td>
<td>326.6</td>
<td>322.0</td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td><strong>6,833.0</strong></td>
<td><strong>6,197.6</strong></td>
<td><strong>5,747.9</strong></td>
</tr>
</tbody>
</table>

¹ The PGM sales trade receivables consists of trade receivables invoiced and outstanding of R1,523.6 million and contract receivables of R3,786.5 million.

Fair value of trade and other receivables

The fair value for trade receivables for PGM sales are estimated based on ruling market prices, volatilities and interest rates, and constitutes level 1 on the fair value hierarchy. The fair value of trade and other receivables approximate the carrying value due to the short maturity.
Credit risk
The Group is exposed to credit risk on the total carrying value of trade and other receivables.
Trade receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable.
Trade receivables comprise banking institutions purchasing commodities. These receivables are currently in a sound financial position and no impairment has been recognised.
Receivables that are past due but not impaired total R28.4 million (2017: R9.0 million and 2016: R11.7 million). At 31 December 2018, receivables of R15.8 million (2017: R5.7 million and 2016: R2.6 million) are considered impaired and are provided for.

21. Cash and cash equivalents

Accounting policy
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 due to its short-term maturity.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at the bank and on hand</td>
<td>2,549.1</td>
<td>2,062.4</td>
<td>967.9</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>2,549.1</td>
<td>2,062.4</td>
<td>967.9</td>
</tr>
</tbody>
</table>

*At 31 December 2018, restricted cash of US$6.4 million (R91.8 million) was held in a money market fund as collateral for the environmental bonding requirements in the US.*

Fair value of cash and cash equivalents
The fair value of cash and cash equivalents approximate the carrying value due to the short maturity.

Credit risk
The Group is exposed to credit risk on the total carrying value of cash and cash equivalents. The Group has reduced its exposure to credit risk by dealing and investing with a number of major financial institutions.

22. Stated share capital

Accounting policy

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.

<table>
<thead>
<tr>
<th>Figures in thousand</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised number of shares</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Reconciliation of issued number of shares:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of shares in issue at beginning of the year</td>
<td>2,168,721</td>
<td>929,004</td>
<td>916,140</td>
</tr>
<tr>
<td>Shares issued under SGL Share Plan</td>
<td>10,394</td>
<td>1,407</td>
<td>12,864</td>
</tr>
<tr>
<td>Rights issue</td>
<td>-</td>
<td>1,195,787</td>
<td>-</td>
</tr>
<tr>
<td>Capitalisation issue</td>
<td>87,146</td>
<td>42,523</td>
<td>-</td>
</tr>
<tr>
<td>Number of shares in issue at end of the year</td>
<td>2,266,261</td>
<td>2,168,721</td>
<td>929,004</td>
</tr>
</tbody>
</table>

Authorised and issued
As at 31 December 2016, the authorised share capital was 2,000,000,000 ordinary no par value shares and issued ordinary share capital was 929,004,342 ordinary no par value shares.
At the shareholder’s general meeting on 25 April 2017, the authorised number of shares was increased to 10,000,000,000 ordinary no par value shares.
On 14 June 2017, Sibanye-Stillwater raised net capital of R12,932.4 million, being proceeds of R13,438.5 million and transactions costs of R506.1 million, from a rights issue, when 1,195,787,294 shares were issued with nine (9) new shares issued for every seven (7) existing shares held, on 4 October 2017, 42,522,524 shares were issued with two (2) capitalisation issue shares for every 100 existing share held, and on various dates during 2017, 1,407,060 shares were issued as part of the share plans. As at 31 December 2017, the issued share capital was 2,168,721,220 ordinary no par value shares.
On 11 April 2018, 87,145,885 shares were issued with four (4) capitalisation issue shares for every 100 existing share held, and on various dates during 2017, 10,393,386 shares were issued as part of the share plans. As at 31 December 2018, the issued share capital was 2,266,260,491 ordinary no par value shares.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER

All the Sibanye-Stillwater ordinary no par value shares rank pari passu in all respects, there being no conversion or exchange rights attached thereto, and all of the ordinary shares will have equal rights to participate in capital, dividend and profit distributions by the Company.

Repurchase of shares

The Company has not exercised the general authority granted to buy back shares from its issued ordinary share capital granted at the shareholders’ meeting held on 30 May 2018. At the next AGM, shareholders will be asked to approve the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

23. Non-controlling interests

Accounting policy

Non-controlling interests

The Group recognises any non-controlling interest in an acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets on an acquisition by acquisition basis. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest’s subsequent share of changes in equity.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests 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 where control is not lost are also recorded in equity. Where control is lost over a subsidiary, the gains or losses are recognised in profit or loss.

The Group’s non-controlling interests relates to the following subsidiaries:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-controlling interest of DRDGOLD</td>
<td>13.1</td>
<td>913.2</td>
<td>-</td>
</tr>
<tr>
<td>Non-controlling interest of Platinum Mile</td>
<td>18.4</td>
<td>15.7</td>
<td>14.3</td>
</tr>
<tr>
<td>Non-controlling interests of GTSM</td>
<td>4.4</td>
<td>4.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Total non-controlling interests</td>
<td>936.0</td>
<td>19.8</td>
<td>17.7</td>
</tr>
</tbody>
</table>

24. Borrowings and derivative financial instrument

Significant accounting judgements and estimates

Borrowings

Expected future cash flows used to determine the fair value of borrowings (namely the Burnstone Debt) 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 expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

Accounting policy

Borrowings

Borrowings are non-derivative financial liabilities categorised as other financial liabilities. 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.

Derivative financial instruments

Derivatives are initially recognised at fair value using option pricing methodologies. Any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes are generally recognised in profit or loss.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER

Borrowings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>US$600 million RCF</td>
<td>24.1</td>
<td>2,726.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R6.0 billion RCF</td>
<td>24.2</td>
<td>5,896.4</td>
<td>5,536.4</td>
<td>5,100.0</td>
</tr>
<tr>
<td>US$350 million RCF</td>
<td>24.3</td>
<td>-</td>
<td>1,137.1</td>
<td>1,369.0</td>
</tr>
<tr>
<td>2022 and 2025 Notes</td>
<td>24.4</td>
<td>9,808.7</td>
<td>12,597.7</td>
<td>-</td>
</tr>
<tr>
<td>US$ Convertible Bond</td>
<td>24.5</td>
<td>4,496.6</td>
<td>4,357.1</td>
<td>-</td>
</tr>
<tr>
<td>Burnstone Debt</td>
<td>24.7</td>
<td>1,145.1</td>
<td>1,537.5</td>
<td>1,752.6</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>24.9</td>
<td>425.6</td>
<td>478.7</td>
<td>749.5</td>
</tr>
<tr>
<td>Franco-Nevada liability</td>
<td></td>
<td>2.0</td>
<td>1.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Stillwater Convertible Debentures</td>
<td></td>
<td>3.8</td>
<td>3.3</td>
<td></td>
</tr>
</tbody>
</table>

**Total borrowings**: 24,504.7 25,649.5 8,973.8

Reconciliation of the non-current and current portion of the borrowings:

<table>
<thead>
<tr>
<th>Borrowings</th>
<th>24,504.7</th>
<th>25,649.5</th>
<th>8,973.8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of borrowings</td>
<td>(6,188.2)</td>
<td>(1,657.5)</td>
<td>(752.3)</td>
</tr>
<tr>
<td>Non-current portion of borrowings</td>
<td>18,316.5</td>
<td>23,992.0</td>
<td>8,221.5</td>
</tr>
</tbody>
</table>

The current portion of borrowings will be repaid out of operational cash flows or it will be refinanced by utilising available Group facilities.

Derivative financial instrument

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation of the non-current and current portion of the derivative financial instrument:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative financial instrument</td>
<td>24.5</td>
<td>408.9</td>
<td>1,093.5</td>
<td>-</td>
</tr>
<tr>
<td>Non-current portion of derivative financial instrument</td>
<td>408.9</td>
<td>1,093.5</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

24.1 US$600 million RCF

On 21 May 2018, Sibanye-Stillwater cancelled and refinanced the US$350 million revolving credit facility (RCF) by drawing under the US$600 million RCF. The purpose of the facility was to refinance the US$350 million RCF, finance ongoing capital expenditure and working capital.

**Terms of the US$600 million RCF**

- **Facility**: US$600 million
- **Interest rate**: LIBOR
- **Interest rate margin**: 1.85% if net debt to adjusted EBITDA is equal to or less than 2.50x
  2.00% if net debt to adjusted EBITDA is greater than 2.50x
- **Utilisation fees**: Where the total outstanding loans under the RCF fall within the range of the percentage of the total loan as set out below, Sibanye-Stillwater shall pay an utilisation fee equal to the percentage per annum set out opposite such percentage range.

<table>
<thead>
<tr>
<th>% of the total loans</th>
<th>Utilisation fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than or equal to 33⅓%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Greater than 33⅓% and less than or equal to</td>
<td>0.30%</td>
</tr>
<tr>
<td>66⅔%</td>
<td></td>
</tr>
<tr>
<td>Greater than 66⅔%</td>
<td>0.50%</td>
</tr>
</tbody>
</table>

- **Term of facility**: Three years
- **Borrowers**: Sibanye Gold Limited, Stillwater, Kroondal Operations and Sibanye Rustenburg Platinum Mines Proprietary Limited (SRPM)
- **Security and/or guarantors**: The facility is unsecured and guaranteed by Sibanye Gold Limited, Stillwater, Kroondal Operations and SRPM.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans raised</td>
<td>5,391.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>(2,744.7)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Gain)/loss on foreign exchange differences</td>
<td>73.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>6.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td>2,726.5</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
24.2 R6.0 billion RCF

On 15 November 2016, Sibanye-Stillwater cancelled and refinanced the R4.5 billion Facilities (refer to note 24.6) by drawing under the R6.0 billion RCF. The purpose of the facility was to refinance the R4.5 billion Facilities, finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations.

Terms of the R6.0 billion RCF

| Facility: | R6.0 billion |
| Interest rate: | JIBAR |
| Interest rate margin: | During the Covenant adjustment period, being 30 June 2017 to 31 December 2019, the margin will be based on the following net debt to adjusted EBITDA ratios: |
| Net debt to adjusted EBITDA ratios | Margin % |
| 0.00:1 – 3.00:1 | 2.40% |
| 3.00:1 – 3.25:1 | 2.65% |
| 3.25:1 – 3.50:1 | 2.90% |
| After the covenant adjustment period the margin will return to 2.4% |
| Term of loan: | Three years |
| Borrowers: | Sibanye Gold Limited, SRPM and Kroondal Operations |
| Security and/or guarantors: | The facility is unsecured and guaranteed by Sibanye Gold Limited, SRPM and Kroondal. |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>5,536.4</td>
<td>5,100.0</td>
<td>-</td>
</tr>
<tr>
<td>Loans raised</td>
<td>360.0</td>
<td>800.0</td>
<td>5,100.0</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>-</td>
<td>(363.6)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>5,896.4</td>
<td>5,536.4</td>
<td>5,100.0</td>
</tr>
</tbody>
</table>

24.3 US$350 million RCF

On 24 August 2015, Sibanye-Stillwater entered into a US$300 million syndicated RCF agreement. On 15 February 2016, the facility increased to US$350 million. The purpose of the facility was to finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations.

Terms of the US$350 million RCF

| Interest rate: | LIBOR |
| Interest rate margin | 2% per annum |
| Utilisation Fees | Where the total outstanding loans under the RCF fall within the range of the percentage of the total loan as set out below, Sibanye-Stillwater shall pay a utilisation fee equal to the percentage per annum set out opposite such percentage range. |
| % of the total loans | Utilisation fee |
| Less than or equal to 33⅓% | 0.15% |
| Greater than 33⅓% and less than or equal to 66⅔% | 0.30% |
| Greater than 66⅔% | 0.50% |
| Term of loan: | Three years |
| Borrowers: | Sibanye Gold Limited, SRPM and Kroondal Operations |
| Security and/or guarantors: | The facility is unsecured and guaranteed by Sibanye Gold Limited, Rand Uranium, SRPM and Kroondal. |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>1,137.1</td>
<td>1,369.0</td>
<td>-</td>
</tr>
<tr>
<td>Loans raised</td>
<td>580.0</td>
<td>1,031.4</td>
<td>2,771.5</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>(1,779.6)</td>
<td>(1,198.2)</td>
<td>(1,211.6)</td>
</tr>
<tr>
<td>Gain on foreign exchange differences</td>
<td>62.5</td>
<td>(65.1)</td>
<td>(190.9)</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>-</td>
<td>1,137.1</td>
<td>1,369.0</td>
</tr>
</tbody>
</table>
24.4 2022 and 2025 Notes

The acquisition of Stillwater was financed by a US$2.65 billion bridge loan (Stillwater Bridge Facility) (refer to note 24.8). On 27 June 2017, Sibanye-Stillwater completed a two tranche international corporate bond offering the 6.125% Notes due on 27 June 2022 (the 2022 Notes) and 7.125% Notes due on 27 June 2025 (the 2025 Notes) (together the 2022 and 2025 Notes) and the proceeds of the bond offering were applied to the partial repayment of the Stillwater Bridge Facility raised for the acquisition of Stillwater.

On 19 September 2018, Sibanye-Stillwater concluded the repurchase of a portion of the 2022 and 2025 Notes issued by Stillwater Mining Company. The total purchase price was approximately US$345 million (with a nominal value of US$349 million) and was funded from existing cash resources, including the US$500 million advance proceeds of the streaming transaction. As a result, a gain on early settlement of the 2022 and 2025 Notes of R128.8 million was recognised in profit or loss.

Terms of the 2022 and 2025 Notes

<table>
<thead>
<tr>
<th>Facility:</th>
<th>US$500 million 6.125% Senior Notes due 2022 (the 2022 Notes)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$550 million 7.125% Senior Notes due 2025 (the 2025 Notes)</td>
</tr>
<tr>
<td>Outstanding nominal value:</td>
<td>2022 Notes: US$353.7 million</td>
</tr>
<tr>
<td></td>
<td>2025 Notes: US$346.9 million</td>
</tr>
<tr>
<td>Interest rate:</td>
<td>2022 Notes: 6.125%</td>
</tr>
<tr>
<td></td>
<td>2025 Notes: 7.125%</td>
</tr>
<tr>
<td>Term of the Notes:</td>
<td>2022 Notes: Five years</td>
</tr>
<tr>
<td></td>
<td>2025 Notes: Eight years</td>
</tr>
<tr>
<td>Issuer:</td>
<td>Stillwater Mining Company</td>
</tr>
<tr>
<td>Guarantors:</td>
<td>Each of the Notes will be fully and unconditionally guaranteed, jointly and severally by the Guarantors (Kroondal Operations, SRPM and Sibanye Gold Limited). The Guarantees will rank equally in right of payment to all existing and future senior debt of the Guarantors.</td>
</tr>
</tbody>
</table>

24.5 US$ Convertible Bond

The Stillwater Bridge Facility was partially repaid through the US$1 billion rights offer, the 2022 and 2025 Notes (refer to note 24.4) and existing cash at Stillwater. The balance was repaid through the issuance of a US$ Convertible Bond. The convertible bond launched and was priced on 19 September 2017.

On 11 September 2018, Sibanye-Stillwater concluded the repurchase of a portion of the US$ Convertible Bond. An aggregate principal amount of US$66 million for a total purchase price of approximately US$50 million was repurchased. Sibanye-Stillwater funded the repurchase from existing cash resources, including the US$500 million advance proceeds of the streaming transaction (refer to note 27).

Terms of the US$ Convertible Bond

| Issue size: | US$450 million |
| Outstanding nominal value: | US$384 million |
| Coupon: | 1.875% |
| Maturity date: | 26 September 2023 (six years) |
| Conversion premium: | 35% |
| Reference share price: | US$1.2281, being the volume weighted average price of a share on the JSE from launch to pricing on 19 September 2017, converted at a fixed exchange rate. |
| Initial conversion price: | US$1.6580 |
| Issuer: | Sibanye Gold Limited |
| Guarantors: | Stillwater and Kroondal Operations (together, the Guarantors), 100% subsidiaries of Sibanye Gold Limited. |

The US$ Convertible Bond has two components. The option component is recognised as a derivative liability, measured at fair value, with changes in fair value recorded in profit or loss and reported separately in the statement of financial position. The bond component is recognised as a financial liability and measured at amortised cost using the effective interest rate.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER

24.6 R4.5 billion Facilities

Sibanye-Stillwater entered into the R4.5 billion Facilities on 13 December 2013. The R4.5 billion Facilities was used to refinance the unbundling bridge loan facilities.

Terms of the R4.5 billion Facilities

<table>
<thead>
<tr>
<th>Facility</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>R2.5 billion RCF</td>
<td></td>
</tr>
<tr>
<td>R2.0 billion term loan facility (Term Loan)</td>
<td></td>
</tr>
</tbody>
</table>

Interest rate:

- JIBAR

Interest rate margin:

- RCF: 2.85%
- Term Loan: 2.75%

Term of loan:

- Three years

Repayment period:

- The Term Loan was repaid in equal six-monthly instalments of R250 million, with the R750 million balance and any amounts outstanding under the RCF due for settlement on final maturity, being 13 December 2016.

Security and/or guarantors:

- The Facilities were unsecured and guaranteed by Rand Uranium and Ezulwini.

Cancellation:

- These facilities were cancelled and repaid on 15 November 2016.

24.7 Burnstone Debt

SGEO has bank debt of US$178.1 million (R1,883.9 million) (the Burnstone Debt) outstanding as part of the net assets acquired on 1 July 2014.
### Terms of the Burnstone Debt

<table>
<thead>
<tr>
<th>Facility</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>US$0.2 million</td>
</tr>
<tr>
<td>A2</td>
<td>US$7.8 million</td>
</tr>
<tr>
<td>A3</td>
<td>US$51.0 million</td>
</tr>
<tr>
<td>A4</td>
<td>US$119.1 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest rate</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 and A2</td>
<td>Interest free</td>
</tr>
<tr>
<td>A3 and A4</td>
<td>Interest free until 1 July 2017, then at LIBOR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest rate margin</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>A3 and A4</td>
<td>4% from 1 July 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Term of loan</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>No fixed term</td>
</tr>
<tr>
<td>A2</td>
<td>Repaid on 1 July 2014</td>
</tr>
<tr>
<td>A3 and A4</td>
<td>On settlement of A2, 90% of Burnstone’s free cash flow will be used to repay the Wits Gold Loan and the balance of 10% to repay the Burnstone Debt. On settlement of the Wits Gold Loan and interest, 30% of Burnstone’s free cash flow will be used to repay the Burnstone Debt and the balance will be distributed to Wits Gold. The Bank Lenders will continue to participate in 10% of Burnstone’s free cash flow after the Burnstone Debt has been repaid in full to a maximum amount of US$63.0 million under a revenue participation agreement. The Burnstone Debt is fully secured against the assets of Burnstone (of R2.0 billion) and there is no recourse to the Sibanye-Stillwater Group. The security package includes a cession over the bank accounts, insurance policies’ proceeds, special and general notarial bonds over movable assets and mortgage bonds over property.</td>
</tr>
</tbody>
</table>

The Burnstone Debt facilities of US$178.1 million (R1,883.9 million) were initially recognised at the acquisition fair value using level 2 (refer to note 31) assumptions, being R1,007.6 million, in terms of IFRS 3. The expected free cash flows to repay the loan as detailed above were based on the estimates and assumptions to determine the fair value:

- A US$ swap forward curve adjusted with the 4% interest rate margin above;
- The annual life of mine plan that takes into account the following:
  - Proved and probable ore reserves of Burnstone;
  - Cash flows are based on the life-of-mine plan of 20 years; and
  - Capital expenditure estimates over the life-of-mine plan.

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>1,537.5</td>
<td>1,752.6</td>
<td>1,808.3</td>
</tr>
<tr>
<td>Accrued interest and unwinding of amortised cost</td>
<td>5</td>
<td>152.9</td>
<td>141.6</td>
<td>139.4</td>
</tr>
<tr>
<td>(Gain)/loss on revised estimated cash flows</td>
<td></td>
<td>(804.6)</td>
<td>(181.7)</td>
<td>29.3</td>
</tr>
<tr>
<td>(Gain)/loss on foreign exchange differences</td>
<td></td>
<td>259.3</td>
<td>(175.0)</td>
<td>(224.4)</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>1,145.1</td>
<td>1,537.5</td>
<td>1,752.6</td>
</tr>
</tbody>
</table>

24.8 Acquisition bridge facilities

#### Stillwater Bridge Facility

On 9 December 2016, Sibanye-Stillwater obtained a US$2.65 billion bridge facility (Stillwater Bridge Facility) to finance the purchase of Stillwater, to refinance existing indebtedness at Stillwater and to pay certain related fees, costs and expenses.
Terms of the Stillwater Bridge Facilities

<table>
<thead>
<tr>
<th>Facility</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>US$750 million bridge to equity</td>
</tr>
<tr>
<td>B</td>
<td>US$300 million bridge to cash</td>
</tr>
<tr>
<td>C</td>
<td>US$1.6 billion bridge to debt</td>
</tr>
</tbody>
</table>

Interest rate: LIBOR

Interest rate margin:
- Months 1 - 3: 3.25% per annum
- Months 4 - 6: 4.25% per annum or 5.25% per annum if net debt to EBITDA > 2.0x
- Months 7 - 9: 5.25% per annum or 6.25% per annum if net debt to EBITDA > 2.0x
- Months 10 - 12: 6.25% per annum or 7.25% per annum if net debt to EBITDA > 2.0x

Term of loan:
- Facility A and B: Earlier of nine months from completion of the Stillwater acquisition and 31 October 2017
- Facility C: 364 days from completion of the Stillwater acquisition

Borrowers: Sibanye Gold Limited and Thor Mergeco Inc

Security and/or guarantors: The facility was unsecured and guaranteed by Sibanye Gold Limited, Thor Mergeco Inc, Kroondal Operations, Rand Uranium and SRPM.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans raised</td>
<td>-</td>
<td>34,000.3</td>
<td>-</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>-</td>
<td>(33,304.0)</td>
<td>-</td>
</tr>
<tr>
<td>Gain on foreign exchange differences</td>
<td>-</td>
<td>(514.5)</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>-</td>
<td>(181.8)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

24.9 Other borrowings

Short-term credit facilities

Sibanye-Stillwater has uncommitted loan facilities with various banks to fund capital expenditure and working capital requirements at its operations. These facilities have no fixed terms, are short-term in nature and interest rates are market related.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>478.7</td>
<td>749.5</td>
<td>-</td>
</tr>
<tr>
<td>Loans raised</td>
<td>10,798.6</td>
<td>14,721.5</td>
<td>7,472.6</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>(10,854.6)</td>
<td>(14,992.3)</td>
<td>(6,723.1)</td>
</tr>
<tr>
<td>Unwinding of amortised cost</td>
<td>2.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td>425.6</td>
<td>478.7</td>
<td>749.5</td>
</tr>
</tbody>
</table>

24.10 Fair value of financial instruments and risk management

Fair value of borrowings

The fair value of borrowings approximates the carrying value as the impact of credit risk is included in the measurement of the carrying value.

The fair value of the derivative financial instrument is estimated based on ruling market prices, volatilities and interest rates, option pricing methodologies based on observable quoted inputs, and constitute a level 2 instrument on the fair value hierarchy.
Liquiditv risk

The following are contractually due, undiscounted cash flows resulting from maturities of borrowings including interest payments:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Total</th>
<th>Within one year</th>
<th>Between one and five years</th>
<th>After five years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31 December 2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>5,238.4</td>
<td>5,238.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US$600 million RCF</td>
<td>2,726.5</td>
<td>-</td>
<td>2,726.5</td>
<td>-</td>
</tr>
<tr>
<td>R6.0 billion RCF</td>
<td>5,896.4</td>
<td>5,896.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2022 and 2025 Notes</td>
<td>10,053.6</td>
<td>-</td>
<td>5,075.6</td>
<td>4,978.0</td>
</tr>
<tr>
<td>US$ Convertible Bond</td>
<td>5,510.4</td>
<td>-</td>
<td>5,510.4</td>
<td>-</td>
</tr>
<tr>
<td>Burnstone Debt</td>
<td>2,552.9</td>
<td>-</td>
<td>-</td>
<td>2,552.9</td>
</tr>
<tr>
<td>Franco-Nevada liability</td>
<td>2.0</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stillwater Convertible Debentures</td>
<td>3.8</td>
<td>3.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>252.3</td>
<td>252.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Interest</td>
<td>9,366.9</td>
<td>1,543.8</td>
<td>3,568.6</td>
<td>4,274.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41,623.2</td>
<td>12,936.7</td>
<td>16,881.1</td>
<td>11,805.4</td>
</tr>
<tr>
<td><strong>31 December 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>4,276.4</td>
<td>4,276.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US$600 million RCF</td>
<td>5,536.4</td>
<td>-</td>
<td>5,536.4</td>
<td>-</td>
</tr>
<tr>
<td>US$350 million RCF</td>
<td>1,137.1</td>
<td>1,137.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2022 and 2025 Notes</td>
<td>12,978.0</td>
<td>-</td>
<td>-</td>
<td>12,978.0</td>
</tr>
<tr>
<td>US$ Convertible Bond</td>
<td>5,562.0</td>
<td>-</td>
<td>-</td>
<td>5,562.0</td>
</tr>
<tr>
<td>Burnstone Debt</td>
<td>2,102.4</td>
<td>-</td>
<td>96.2</td>
<td>2,006.2</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>478.7</td>
<td>478.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Franco-Nevada liability</td>
<td>1.7</td>
<td>1.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stillwater Convertible Debentures</td>
<td>3.3</td>
<td>3.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Interest</td>
<td>9,231.5</td>
<td>1,632.3</td>
<td>4,672.2</td>
<td>2,927.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41,307.5</td>
<td>7,529.5</td>
<td>10,304.8</td>
<td>23,473.2</td>
</tr>
</tbody>
</table>

Market risk

Foreign currency sensitivity

Certain of the Group’s US dollar borrowing facilities have been drawn down by Companies with SA Rand as their functional currency, therefore some of the Groups borrowings are sensitive to changes in the rand/US dollar exchange rate. A one percentage point depreciation in the SA rand closing exchange rate of R14.35/US$ (2017: R12.36/US$ and 2016: R13.69/US$) would have reduced the gain on foreign exchange differences by R38.7 million (2017: R81.2 million and 2016: R31.2 million). A one percentage point appreciation in the exchange rate would have increased the gain on foreign exchange differences by R38.7 million (2017: R81.2 million and 2016: R31.2 million).

Interest rate sensitivity

As at 31 December 2018, the Group’s total borrowings amounted to R24,504.7 million (2017: R25,649.5 million and 2016: R8,973.8 million). The Group generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances.

The portion of Sibanye-Stillwater’s interest-bearing borrowings at period end that is exposed to interest rate fluctuations is R24,498.9 million (2017: R25,644.5 million and 2016: R8,971.1 million). This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period.

At 31 December 2018, of the total borrowings, R6,322.0 million (2017: R6,015.1 million and 2016: R5,849.5 million) is exposed to changes in the JIBAR rate and R3,871.6 million (2017: R2,674.6 million and 2016: R3,121.6 million) is exposed to changes in the LIBOR rate.

The table below summarises the effect of a change in finance expense on the Group’s profit or loss had JIBAR and LIBOR differed as indicated. The analysis is based on the assumption that the applicable interest rate increased/decreased with all other variables held constant. All financial instruments with fixed interest rates that are carried at amortised cost are not subject to the interest rate sensitivity analysis.
Interest rate sensitivity analysis

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Change in interest expenses for a change in interest rate 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-1.5%</td>
</tr>
<tr>
<td>31 December 2018</td>
<td></td>
</tr>
<tr>
<td>- JIBAR</td>
<td>88.5</td>
</tr>
<tr>
<td>- LIBOR</td>
<td>79.2</td>
</tr>
<tr>
<td>Change in finance expense</td>
<td>167.7</td>
</tr>
<tr>
<td>31 December 2017</td>
<td></td>
</tr>
<tr>
<td>- JIBAR</td>
<td>83.0</td>
</tr>
<tr>
<td>- LIBOR 2</td>
<td>49.5</td>
</tr>
<tr>
<td>Change in finance expense</td>
<td>132.5</td>
</tr>
</tbody>
</table>

1 Interest rate sensitivity analysis is performed on the borrowings balance at 31 December.
2 No interest rate sensitivity analysis has been performed for a reduction in LIBOR due to LIBOR being less than 1%, a decrease in LIBOR would have no impact on the Group’s profit or loss.

The exposure to interest rate changes and the contractual repricing dates

The exposure of the Group’s borrowings to interest rate changes and the contractual repricing dates at the reporting dates is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Floating rate with exposure to change in JIBAR</td>
<td>6,322.0</td>
<td>6,015.1</td>
<td>5,849.5</td>
</tr>
<tr>
<td>Floating rate with exposure to change in LIBOR</td>
<td>3,871.6</td>
<td>2,674.6</td>
<td>3,121.6</td>
</tr>
<tr>
<td>Non-current borrowings exposed to interest rate changes</td>
<td>10,193.6</td>
<td>8,689.7</td>
<td>8,971.1</td>
</tr>
</tbody>
</table>

The Group has the following undrawn borrowing facilities:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed</td>
<td>5,987.1</td>
<td>3,652.5</td>
<td>4,322.5</td>
</tr>
<tr>
<td>Uncommitted</td>
<td>757.7</td>
<td>471.3</td>
<td>200.5</td>
</tr>
<tr>
<td>Total undrawn facilities</td>
<td>6,744.8</td>
<td>4,123.8</td>
<td>4,523.0</td>
</tr>
</tbody>
</table>

All of the above facilities have floating rates. The undrawn committed facilities have the following expiry dates:

- within one year: 103.6
- later than one year and not later than two years: 588.3
- later than two years and not later than three years: 5883.5

Total undrawn committed facilities: 5987.1

24.11 Capital management

The Group’s primary objective with regards to managing its 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.

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 earnings before interest, taxes, depreciation and amortisation (EBITDA), but does not set absolute limits for this ratio.

Net debt to adjusted EBITDA at 31 December 2018 of 2.5 exceeds the Group’s targeted ratio of net debt to adjusted EBITDA of 1.0:1 or lower. Utilising the committed unutilised debt facilities above, will impact on the leverage ratio. The borrowing facilities permit a leverage ratio of 3.5:1 through to 31 December 2019, and 2.5:1 thereafter, calculated on a quarterly basis. Sibanye-Stillwater plans to deleverage over time back to its targeted leverage ratio of no greater than 1.0:1.

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings 1</td>
<td></td>
<td>23,768.5</td>
<td>25,205.5</td>
<td>7,221.2</td>
</tr>
<tr>
<td>Cash and cash equivalents 2</td>
<td>21</td>
<td>2,499.4</td>
<td>2,029.8</td>
<td>928.4</td>
</tr>
<tr>
<td>Net debt 3</td>
<td></td>
<td>21,269.1</td>
<td>23,235.7</td>
<td>6,292.8</td>
</tr>
<tr>
<td>Adjusted EBITDA 4</td>
<td></td>
<td>8,369.4</td>
<td>9,045.1</td>
<td>10,270.4</td>
</tr>
<tr>
<td>Net debt to adjusted EBITDA (ratio) 5</td>
<td></td>
<td>2.5</td>
<td>2.6</td>
<td>0.6</td>
</tr>
</tbody>
</table>

1 Borrowings are only those borrowings that have recourse to Sibanye-Stillwater. Borrowings, therefore, exclude the Burnstone Debt and include the derivative financial instrument.
2 Cash and cash equivalents exclude cash of Burnstone.
3 Net debt represents borrowings and bank overdraft less cash and cash equivalents. Borrowings are only those borrowings that have recourse to Sibanye-Stillwater and therefore exclude the Burnstone Debt and include the derivative financial instrument. Net debt excludes cash of Burnstone.
4 The adjusted EBITDA calculation included is based on the formula included in the facility agreements for compliance with the debt covenant formula. Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity.
5 Net debt to adjusted EBITDA ratio is defined as net debt as at the end of a reporting period divided by adjusted EBITDA of the 12 months ended on the same reporting date.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  continued
FOR THE YEAR ENDED 31 DECEMBER

Reconciliation of (loss)/profit before royalties and tax to adjusted EBITDA:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss)/profit before royalties and tax</td>
<td>(1,224.3)</td>
<td>(6,981.2)</td>
<td>4,811.4</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>6,613.8</td>
<td>5,699.7</td>
<td>4,041.9</td>
</tr>
<tr>
<td>Interest income</td>
<td>(482.1)</td>
<td>(415.5)</td>
<td>(331.4)</td>
</tr>
<tr>
<td>Finance expense</td>
<td>3,134.7</td>
<td>2,971.8</td>
<td>903.1</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>299.4</td>
<td>231.9</td>
<td>496.2</td>
</tr>
<tr>
<td>(Gain)/loss on financial instruments</td>
<td>(1,704.1)</td>
<td>1,114.4</td>
<td>1,032.8</td>
</tr>
<tr>
<td>Gain on foreign exchange differences</td>
<td>(1,169.1)</td>
<td>(292.4)</td>
<td>(219.6)</td>
</tr>
<tr>
<td>Share of results of equity-accounted investees after tax</td>
<td>(344.2)</td>
<td>(291.6)</td>
<td>(13.3)</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(60.2)</td>
<td>(40.7)</td>
<td>(95.4)</td>
</tr>
<tr>
<td>Impairments</td>
<td>3,041.4</td>
<td>4,411.0</td>
<td>1,381.1</td>
</tr>
<tr>
<td>Gain on derecognition of borrowings and derivative financial instrument</td>
<td>(230.0)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable</td>
<td>(66.6)</td>
<td>248.9</td>
<td>97.5</td>
</tr>
<tr>
<td>Occupational healthcare expense</td>
<td>15.4</td>
<td>1,106.9</td>
<td>-</td>
</tr>
<tr>
<td>Transaction costs</td>
<td>402.5</td>
<td>552.1</td>
<td>157.0</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>142.8</td>
<td>729.8</td>
<td>187.7</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td>-</td>
<td>-</td>
<td>(2,178.6)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>8,369.4</td>
<td>9,045.1</td>
<td>10,270.4</td>
</tr>
</tbody>
</table>

25. Environmental rehabilitation obligation and other provisions

Significant accounting judgements and estimates

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 asset retirement obligations 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.

Accounting policy

Provisions are recognised when the Group has a present obligation, legal or constructive 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.

Long-term environmental obligations are based on the Group’s environmental management plans, in compliance with applicable environmental and regulatory requirements.

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.

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. Changes in estimates are capitalised or reversed against the relevant asset to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located. Costs that relate to an existing condition caused by past operations and do not have a future economic benefit are recognised in profit or loss. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. The present value of environmental disturbances created are capitalised to mining assets against an increase in the environmental rehabilitation obligation.

Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control environmental disturbances is charged against income as incurred. The unwinding of the discount due to the passage of time is recognised as finance cost, and the capitalised cost is amortised over the remaining lives of the mines.
### Figures in million - SA rand

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>4,678.7</td>
<td>3,982.2</td>
<td>2,411.0</td>
</tr>
<tr>
<td>Interest charge(^1)</td>
<td>398.8</td>
<td>357.1</td>
<td>291.4</td>
</tr>
<tr>
<td>Payment of environmental rehabilitation obligation(^2)</td>
<td>(32.3)</td>
<td>(26.9)</td>
<td>-</td>
</tr>
<tr>
<td>Change in estimates charged to profit or loss(^3)</td>
<td>(90.4)</td>
<td>248.9</td>
<td>97.5</td>
</tr>
<tr>
<td>Change in estimates capitalised(^3)</td>
<td>618.8</td>
<td>(177.7)</td>
<td>472.5</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation on acquisition of subsidiaries</td>
<td>672.7</td>
<td>312.1</td>
<td>709.8</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>47.9</td>
<td>(17.0)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td>6,294.2</td>
<td>4,678.7</td>
<td>3,982.2</td>
</tr>
</tbody>
</table>

Environmental rehabilitation obligation and other provisions consists of:

- Environmental rehabilitation obligation                                   | 6,176.2| 4,678.7| 3,982.2|
- Other provisions                                                           | 118.0  | -      | -      |

Environmental rehabilitation obligation and other provisions                 | 6,294.2| 4,678.7| 3,982.2|

\(^1\) The provision is calculated based on the discount rates of 6.2% – 9.8% (2017: 7.2% - 9.7% and 2016: 7.8% - 9.7%).

\(^2\) The cost of ongoing current programmes to prevent and control environmental disturbances, including reclamation activities, is charged to cost of sales as incurred.

\(^3\) Changes in estimates are defined as changes in reserves and corresponding changes in life of mine, changes in discount rates, and changes in laws and regulations governing environmental matters.

The Group’s mining operations are required by law to undertake rehabilitation works as part of their ongoing operations. The Group makes contributions into environmental rehabilitation obligation funds (refer to note 17) and holds guarantees to fund the estimated costs.

### Post closure water management liability

The Group continues to monitor the potential risk of long-term Acid Mine Drainage (AMD) and other groundwater pollution issues also experienced by peer mining groups. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. As yet, the Group has not been able to reliably determine the financial impact that AMD and ground water pollution may have on the Group, nor the timing of possible outflow. The Group, however, has a robust water conservation and demand management, compliance and closure water management strategy that aims to define and sustainably mitigate the potential risk of AMD and groundwater pollution. The Group operates a comprehensive water quality monitoring program, including bio-monitoring, as an early detection of potential AMD and groundwater pollution and has launched an initiative to understand the mining impacts on the various catchments within which the Group operates. In addition the Group leverages innovative treatment technologies and regional mine closure modelling techniques to reliably predict water quality impacts as part of long term sustainable closure solutions.

The Group has provided for the studies to determine the possible obligation in the environmental rehabilitation obligation.

### 26. Occupational healthcare obligation

#### Significant accounting judgements and estimates

The Group recognises management’s best estimates to settle any occupational healthcare claims against the Group’s operations. 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 Occupational Lung Disease Group (the Working Group) discussions, stakeholder engagements and the ongoing legal proceedings. Actual costs incurred in future periods could differ materially from the estimates.

Estimates that were used in the assessment include value of benefits, required contributions, timing of payments, tracing pattern, period discount rates, period inflation rates and a 60% take-up rate. These estimates were informed by a professional opinion.

#### Accounting policy

Provisions are recognised when the Group has a present obligation, legal or constructive 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.

The estimated costs of settlement claims are reviewed at least annually and adjusted as appropriate for changes in cash flow predictions or other circumstances.

Based on estimates to date, the net present value of expected settlement claims is recognised and provided for in full in the financial statements. The estimated cash flows are discounted using a risk-free rate with similar terms to the obligation to reflect the current market assessments of the time value of money.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and changes in estimates.
On 3 May 2018, the Working Group, including the Group, agreed to a class action settlement with the claimants. The estimated costs were reviewed at 31 December 2018 and discounted using a risk-free rate. As a result, a change in estimate of R15.4 million was recognised in profit or loss. The ultimate outcome of these matters remains uncertain, with a possible failure to obtain the requisite final court approval for the settlement, even though the High Court granted the first leg of the approval application on 13 December 2018. This 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.

![Table showing figures in million - SA rand](image)

<table>
<thead>
<tr>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>1,153.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupational healthcare obligation recognised</td>
<td>-</td>
<td>1,077.2</td>
<td>-</td>
</tr>
<tr>
<td>Interest charge</td>
<td>5</td>
<td>105.4</td>
<td>46.4</td>
</tr>
<tr>
<td>Change in estimate charge to profit or loss</td>
<td>15.4</td>
<td>29.7</td>
<td>-</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>1,274.1</td>
<td>1,153.3</td>
<td>-</td>
</tr>
</tbody>
</table>

Reconciliation of the non-current and current portion of the occupational healthcare obligation:

<table>
<thead>
<tr>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational healthcare obligation</td>
<td>1,274.1</td>
<td>1,153.3</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of occupational healthcare obligation</td>
<td>(109.9)</td>
<td>(0.8)</td>
<td>-</td>
</tr>
<tr>
<td>Non-current portion of occupational healthcare obligation</td>
<td>1,164.2</td>
<td>1,152.5</td>
<td>-</td>
</tr>
</tbody>
</table>

DRDGOLD is not a party to the Working Group’s mediated settlement agreement and DRDGOLD maintains the view that it is too early to consider settlement of the matter, mainly for the following reasons:

- the applicants have as yet not issued and served a summons (claim) in the matter to DRDGOLD;
- there is no indication of the number of potential claimants that may join the class action against the DRDGOLD respondents; and
- many principles upon which legal responsibility may be founded, are required to be substantially developed by the trial court (and possibly subsequent courts of appeal) to establish liability on the bases alleged by the applicants.

In light of the above there is inadequate information for DRDGOLD to determine if a sufficient legal and factual basis exists to establish liability, and to quantify such potential liability.

27. Deferred revenue

**Significant accounting judgements and estimates**

The upfront cash deposit received from Wheaton International on the gold and palladium streaming transaction has been accounted for as a contract liability (deferred revenue) in the scope of IFRS 15. It has been determined that the contract is not a financial instrument because the contract will be satisfied through the delivery of non-financial items (i.e. gold and palladium metal credits) as part of our expected sale requirements, rather than cash or financial assets. It is the intention to satisfy the performance obligations under the streaming arrangement through the US PGM operations’ production and revenue will be recognised over the life of mine as Sibanye-Stillwater satisfies its obligation to deliver metal credits. As Sibanye-Stillwater received a portion of the consideration from Wheaton International at inception of the contract, it has been determined that the contract contains a significant financing component under IFRS 15. Sibanye-Stillwater, therefore, made a critical estimate of the discount rate that should be applied to the contract liability over the life of mine, and determined this to be 5.4%.

**Inputs to the model to unwind the advance received to revenue**

The advance received has been recognised on the statement of financial position as deferred revenue. The deferred revenue will be recognised as revenue in profit or loss as the metal credits are delivered to Wheaton International relative to the expected total amount of metal credits to be delivered over the term of the arrangement.

Each period management estimates the cumulative amount of the deferred revenue obligation that has been satisfied and, therefore, recognised as revenue. Key inputs into the model are:

<table>
<thead>
<tr>
<th>Key input</th>
<th>Estimate at year end</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated financing rate over life of arrangement</td>
<td>5.4%</td>
<td>Refer to note 5</td>
</tr>
<tr>
<td>Life of stream</td>
<td>77 years</td>
<td>The starting point for the life of mine is the approved life of mine for the US PGM operations. However, as IFRS 15 requires the constraint on revenue recognition to be considered, it is more prudent to include a portion of resources in the life of stream for the purposes of revenue recognition. This will reduce the chance of having a significant decrease in revenue recognised in the future, when the life of mine is updated to include a conversion of resources to reserves. As such, Sibanye-Stillwater management have determined that it is appropriate to include 50% of inferred resources.</td>
</tr>
</tbody>
</table>
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER

Key input | Estimate at year end | Further information
---|---|---
Palladium entitlement percentage | 4.5% | The palladium entitlement percentage will be either 4.5%, 2.25% or 1% over the life of the mine, depending on whether or not the advance has been fully utilised, and a certain number of contractual ounces have been delivered (375,000 ounces for the first trigger drop down to 2.25% and 500,000oz for the second trigger drop down rate to 1%).

Monthly cash percentage | 18% | The monthly cash payment to be received is a percentage of 18%, 16%, 14% or 10% of the market price of the metal credit delivery to Wheaton International while the advance is not fully utilised. After the advance has been fully utilised, the cash percentage is 22%, 20%, 18% or 14%. The percentage applicable depends on the investment grade of the Group and its leverage ratio. As long as Sibanye-Stillwater’s current investment grade does not downgrade, the monthly cash percentage decreases if the Group’s leverage ratio increases above 3.5:1. The balance of the ounces in the monthly delivery (i.e. 100%-18%= 82%) is then used to determine the utilisation of the deferred revenue balance.

Commodity prices | Five day simple average calculated the day before delivery | The value of each metal credit delivery is determined in terms of the contract.

Any changes to the above key inputs could significantly change the quantum of the cumulative revenue amount recognised in profit or loss.

Any changes in the life of mine are accounted for prospectively as a cumulative catch-up in the year that the life of mine estimate above changes, or the inclusion of resources changes.

Accounting policy

The advance received is recognised as a contract liability (deferred revenue) under IFRS 15.

Sibanye-Stillwater management identified a significant financing component related to its streaming arrangement resulting from the difference in the timing of the advance consideration received and when control of the metal promised to Wheaton International transfers. Interest expense on deferred revenue is recognised in finance costs.

In July 2018, Sibanye-Stillwater entered into a gold and palladium supply arrangement in exchange for an upfront advance payment of US$500 million. The arrangement has been accounted for as a contract in the scope of IFRS 15 whereby the advance payment has been recorded as deferred revenue. The revenue from the advance payment is being recognised as the gold and palladium is allocated to the appropriate Wheaton International account. An interest cost, representing the significant financing component of the upfront deposit on the deferred revenue balance, is also being recognised as part of finance costs. This finance cost increases the deferred revenue balance, ultimately resulting in revenue when the deferred revenue is recognised over the life of mine.

The following table summarises the changes in deferred revenue:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note 2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred revenue advance received</td>
<td>6,555.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue recognised during the period</td>
<td>(160.3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest charge</td>
<td>5</td>
<td>160.3</td>
<td>-</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>6,555.4</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Reconciliation of the non-current and current portion of the deferred revenue:

| Deferred revenue | 6,555.4 | - | - |
| Current portion of deferred revenue | (30.1) | - | - |
| Non-current portion of deferred revenue | 6,525.3 | - | - |

28. Trade and other payables

Accounting policy

Trade and other payables, excluding payroll creditors and leave pay accrual are non-derivative financial liabilities categorised as other financial liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within 12 months of the reporting date are measured at rates which are expected to be paid when the liability is settled. Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.
All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

### Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>2,200.0</td>
<td>1,728.1</td>
<td>1,121.3</td>
</tr>
<tr>
<td>Accruals and other creditors</td>
<td>2,952.7</td>
<td>2,380.6</td>
<td>1,971.4</td>
</tr>
<tr>
<td>Other</td>
<td>85.7</td>
<td>167.7</td>
<td>109.4</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>5,238.4</td>
<td>4,276.4</td>
<td>3,202.1</td>
</tr>
<tr>
<td>Payroll creditors</td>
<td>1,465.3</td>
<td>1,253.5</td>
<td>867.7</td>
</tr>
<tr>
<td>Leave pay accrual</td>
<td>1,152.6</td>
<td>1,160.5</td>
<td>1,110.7</td>
</tr>
<tr>
<td><strong>Total trade and other payables</strong></td>
<td><strong>7,856.3</strong></td>
<td><strong>6,690.4</strong></td>
<td><strong>5,180.5</strong></td>
</tr>
</tbody>
</table>

### Fair value of trade and other payables

The fair value of trade and other payables approximate the carrying value due to the short maturity.

### Liquidity risk

Trade and other creditors are expected to be settled within 12 months from the reporting date.

#### 29. Cash generated by operations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(Loss)/profit for the year</strong></td>
<td></td>
<td>(2,520.7)</td>
<td>(4,433.1)</td>
<td>3,042.7</td>
</tr>
<tr>
<td>Royalties</td>
<td>9.1</td>
<td>212.6</td>
<td>398.5</td>
<td>566.6</td>
</tr>
<tr>
<td>Mining and income tax</td>
<td>9.2</td>
<td>1,083.8</td>
<td>(2,946.6)</td>
<td>1,202.1</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>(482.1)</td>
<td>(415.5)</td>
<td>(331.4)</td>
</tr>
<tr>
<td>Finance expense</td>
<td>5</td>
<td>3,134.7</td>
<td>2,971.8</td>
<td>903.1</td>
</tr>
<tr>
<td><strong>(Loss)/profit before interest, royalties and tax</strong></td>
<td></td>
<td>1,428.3</td>
<td>(4,424.9)</td>
<td>5,083.1</td>
</tr>
<tr>
<td>Non-cash and other adjusting items:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>4</td>
<td>6,613.8</td>
<td>5,699.7</td>
<td>4,041.9</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>6</td>
<td>299.4</td>
<td>231.9</td>
<td>496.2</td>
</tr>
<tr>
<td>(Gain)/loss on financial instruments</td>
<td></td>
<td>(1,591.3)</td>
<td>764.0</td>
<td>1,094.6</td>
</tr>
<tr>
<td>Gain on foreign exchange differences</td>
<td></td>
<td>(241.3)</td>
<td>(546.8)</td>
<td>(418.0)</td>
</tr>
<tr>
<td>Share of results of equity-accounted investees after tax</td>
<td>15</td>
<td>(344.2)</td>
<td>(291.6)</td>
<td>(13.3)</td>
</tr>
<tr>
<td>Impairments</td>
<td>8</td>
<td>3,041.4</td>
<td>4,411.0</td>
<td>1,381.1</td>
</tr>
<tr>
<td>Gain on derecognition of borrowings and derivative financial instrument</td>
<td>24.4, 24.5</td>
<td>(230.0)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupational healthcare expense</td>
<td>26</td>
<td>15.4</td>
<td>1,106.9</td>
<td>-</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td></td>
<td>-</td>
<td>(2,178.6)</td>
<td>49.3</td>
</tr>
<tr>
<td>Other</td>
<td>(282.5)</td>
<td>147.7</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash generated by operations</strong></td>
<td></td>
<td>8,709.0</td>
<td>7,097.9</td>
<td>9,836.3</td>
</tr>
</tbody>
</table>

#### 30. Change in working capital

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>(924.8)</td>
<td>(837.7)</td>
<td>(35.5)</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>(461.0)</td>
<td>(214.9)</td>
<td>(220.0)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>315.8</td>
<td>630.3</td>
<td>17.9</td>
</tr>
<tr>
<td><strong>Total change in working capital</strong></td>
<td><strong>(1,070.0)</strong></td>
<td><strong>(522.3)</strong></td>
<td><strong>(237.6)</strong></td>
</tr>
</tbody>
</table>

#### 31. Financial instruments and risk management

##### Accounting policy

The Group initially recognises loans and receivables on the date these originate. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and those event(s) had an impact on the estimated future cash flows of that asset, that can be estimated reliably. Impairment losses are recognised through profit or loss.
On derecognition of a financial asset or liability, the difference between the carrying amount of the asset or liability and the sum of the consideration received and cumulative gains recognised in equity is recognised in profit or loss.

31.1 Accounting classifications and measurement of fair values

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- **Trade and other receivables/payables, and cash and cash equivalents**
  The carrying amounts approximate fair values due to the short maturity of these instruments.

- **Investments and environmental rehabilitation obligation funds**
  The fair value of publicly traded instruments is based on quoted market values. The environmental rehabilitation obligation funds are stated at fair value based on the nature of the funds’ investments.

- **Borrowings**
  The fair value of borrowings approximates its carrying amounts as the impact of credit risk is included in the measurement of carrying amounts.

- **Financial instruments**
  The fair value of financial instruments is estimated based on ruling market prices, volatilities and interest rates. All derivatives are carried on the statement of financial position at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- **Level 1:** unadjusted quoted prices in active markets for identical asset 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).

In the normal course of its operations, the Group is exposed to market risks, including commodity price, foreign currency, interest rate, liquidity and credit risk associated with underlying assets, liabilities and anticipated transactions. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

31.2 Risk management activities

Controlling and managing risk in the Group

Sibanye-Stillwater has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Sibanye-Stillwater’s Board of Directors (the Board). Management of financial risk is centralised at Sibanye-Stillwater’s treasury department (Treasury), which acts as the interface between Sibanye-Stillwater’s Operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Board and executive committee.

The Board has approved dealing limits for money market, foreign exchange and commodity transactions, which 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 CFO.

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 Sibanye-Stillwater and its subsidiaries are guided by the Treasury Policy, the Treasury Framework as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board, which are reviewed and approved annually by the Audit Committee.

The financial risk management objectives of the Group are defined as follows:

- **Liquidity risk management**: the objective is to ensure that the Group is able to meet its short-term commitments through the effective and efficient management of cash and usage of credit facilities.
- **Currency risk management**: the objective is to maximise the Group’s profits by minimising currency fluctuations.
- **Funding risk management**: the objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
- **Investment risk management**: the objective is to achieve optimal returns on surplus funds.
- **Interest rate risk management**: the objective is to identify opportunities to prudently manage interest rate exposures.
- **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.
- **Commodity price risk management**: commodity risk management takes place within limits and with counterparts as approved in the treasury framework.
Credit risk
Credit risk represents risk that an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation.

The Group has reduced its exposure to credit risk 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 carrying value of the financial assets represents the combined maximum credit risk exposure of the Group. Concentration of credit risk on cash and cash equivalents and non-current assets is considered minimal due to the abovementioned investment risk management and counterparty exposure risk management policies, as discussed in note 20.

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 whilst 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.

For additional disclosures, refer to note 24.

Working capital and going concern assessment
For the year ended 31 December 2018, the Group incurred a loss of R2,520.7 million (31 December 2017: R4,433.1 million). As at 31 December 2018 the Group’s current assets exceeded its current liabilities by R562.7 million (31 December 2017: R3,566.7 million) and during the year then ended the Group generated cash from operating activities of R12,197.2 million (31 December 2017: R2,740.7 million).
The Group’s cash generated from operating activities during the year ended 31 December 2018 includes the R6,555.4 million (US$500 million) advance proceeds of the streaming transaction (refer to note 27).

Gold and PGMs are sold in US dollars, and while the majority of the gold operations costs and a substantial amount of the SA PGM operations costs are denominated in rand, the Group’s results and financial condition will be impacted if there is a material change in the rand/US dollar exchange rate.

On 21 November 2018, AMCU, one of Sibanye-Stillwater’s unions, initiated a strike action at the gold operations. The AMCU union members are still not reporting for work in terms of a protected strike. The gold operations have continued during this period to produce approximately 40% of planned production and have implemented procedures to reduce operating cost during the strike action. It is unclear when employees will return to work and when the operations will return to full production. The gold operations have as a result operated at, and could continue to operate at, an adjusted EBITDA and cash flow loss during this period. While the PGM operations have to date generated sufficient cash flow to mostly mitigate the cash flow impacts of the strike action, the impact of the adjusted EBITDA losses from the gold operations will have a negative impact on future reported adjusted EBITDA and future reported covenant ratios.

With effect from 1 January 2019, in line with our mine to market strategy for the PGM operations, the offtake contract between the Rustenburg operation and Anglo American Platinum changed from a “Sale and Purchase of Concentrate” agreement to a tolling agreement. This means that Anglo American Platinum will no longer purchase concentrate from the Rustenburg operation on delivery of the concentrate, but will rather return the 4E refined metals to the Rustenburg operation approximately four months after delivery of the concentrate. Sibanye-Stillwater will then sell the refined metals in the market. The impact on future cash flows is not material, as Anglo American Platinum in terms of the previous Purchase of Concentrate agreement will continue to pay for the concentrate delivered up to December 2018 during quarter ending 31 March 2019. The change, however, will result in no adjusted EBITDA reported for the 4E metals produced by the Rustenburg operation during the quarter ending 31 March 2019. This will have a negative impact on the future 12 months rolling adjusted EBITDA and future covenant ratios for the Group, until quarter ending 31 March 2020.

Sibanye-Stillwater’s leverage ratio (net debt to adjusted EBITDA) at 31 December 2018 is 2.5. The US$600 million RCF and the R6.0 billion RCF (together RCFs), permit a leverage ratio of at most 3.5:1 through to 31 December 2019, and thereafter 2.5:1, calculated on a quarterly basis. Sibanye-Stillwater’s interest coverage ratio (or adjusted EBITDA to net finance charges) at 31 December 2018 is 4.9:1. The RCFs require an interest coverage ratio of at least 4.0:1 calculated on a quarterly basis. In order to accommodate a potential breach in covenant ratios resulting from the impact of the gold operations strike and the Rustenburg operation contract change occurring in the same period, a temporary covenant amendment allowing for no covenant measurements for the quarter ending 31 March 2019 has been requested from and approved by the lenders. At this time, management believe that the covenant ratio levels agreed will be complied with for the quarter ending 30 June 2019 and onwards. Sibanye-Stillwater will continue to monitor and ensure compliance with the covenants, as well as maintain sufficient committed undrawn debt facilities to ensure satisfactory liquidity for the Group.

The Group currently has committed undrawn debt facilities of R5,987.1 million at 31 December 2018 (2017: R3,652.5 million) following the US$250 million upsizing of the US dollar RCF in 2018. In order to maintain adequate liquidity, the refinancing of the R6.0 billion RCF, maturing on 15 November 2019, will be initiated during the first half of 2019. Utilising debt facilities may have a negative impact on the leverage ratio if drawn to fund operating losses. Consistent with its long-term strategy, Sibanye-Stillwater intends to deleverage, over time to its targeted leverage ratio of 1.1.

The Group is considering increasing operational flexibility by adjusting mine plans, reducing capital expenditure and/or selling assets. A consultation process in terms of Section 189A was launched on 14 February 2019. The Group may also, if necessary, consider options to increase funding flexibility which may include, among others, streaming facilities, prepayment facilities, facility restructuring or, in the event...
The Lonmin plc (Lonmin) transaction (refer to note 35) may be completed during the quarter ending 30 June 2019. Management believe Lonmin has sufficient liquidity and will not have a negative impact on Sibanye-Stillwater’s debt levels post acquisition. Furthermore, management believe that Lonmin will contribute positively to consolidated adjusted EBITDA which will have a positive impact on Sibanye-Stillwater covenant levels post acquisition.

The directors believe that the cash generated by its operations, cash on hand, the committed unutilised debt facilities as well as additional funding opportunities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2018, therefore, have been prepared on a going concern basis.

**Market risk**

The Group is exposed to market risks, including foreign currency, commodity price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, the Group may enter into derivative financial instruments to manage some of these exposures.

The effects of reasonable possible changes of relevant risk variables on profit or loss or shareholders’ equity are determined by relating the reasonable possible change in the risk variable to the balance of financial instruments at period end date.

The amounts generated from the sensitivity analyses 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 risk**

Sibanye-Stillwater’s operations are all located in South Africa except for Stillwater and Mimosa, which are located in the US and Zimbabwe, respectively, and its revenues are sensitive to changes in the US dollar gold price and the rand/US dollar exchange rate (the exchange rate). Depreciation of the rand against the US dollar results in Sibanye-Stillwater’s revenues and operating margin increasing. Conversely, should the rand appreciate against the US dollar, revenues and operating margins would decrease. The impact on profitability of any change in the exchange rate can be substantial. Furthermore, the exchange rates obtained when converting US dollars to rand are set by foreign exchange markets over which Sibanye-Stillwater has no control. The relationship between currencies and commodities, which includes the gold price, is complex and changes in exchange rates can influence commodity prices and vice versa.

In the ordinary course of business, the Group enters into transactions, such as gold sales and PGM sales, denominated in foreign currencies, primarily US dollar. Although this exposes the Group to transaction and translation exposure from fluctuations in foreign currency exchange rates, the Group does not generally hedge this exposure, although it could be considered for significant expenditures based in foreign currency or those items which have long lead times to produce or deliver. Also, the Group on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high 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. This includes but is not limited to US$600 million RCF (refer to note 24.1), US$350 million RCF (refer to note 24.3), US$ Convertible Bond (refer to note 24.5), Burnstone Debt (refer to note 24.7) and Franco-Nevada liability.

For additional disclosures, refer to notes 3 and 24.

**Foreign currency economic hedging experience**

During May 2017, the Group entered into a forward exchange contract to acquire US$779.1 million at R13.23/US$ on 15 June 2017 with the proceeds of the rights offer (refer to note 22) to partially repay the Stillwater Bridge facility (refer to note 24.8). The exchange rate on 15 June 2017 was R12.89/US$ and the Group recognised a loss on financial instruments of R283.2 million. During 2018 and 2016, no forward cover was taken out to cover various commitments of Sibanye-Stillwater’s operations.

As at 31 December 2018, Sibanye-Stillwater had the following foreign currency contract positions:


As at 31 December 2017 and 2016, there no material foreign currency contract positions.

As of 26 March 2019, Sibanye-Stillwater had the following foreign currency positions:


**Commodity price risk**

The market price of commodities has a significant effect on the results of operations of the Group and the ability of the Group to pay dividends and undertake capital expenditures. The gold and PGM basket prices has historically fluctuated widely and is affected by numerous industry factors over which the Group does not have any control. The aggregate effect of these factors on the gold and PGM basket prices, all of which are beyond the control of the Group, is impossible for the Group to predict. For additional disclosures, refer to note 18.
Commodity price hedging policy
As a general rule, the Group does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold and PGM production. Commodity hedging could, however, be considered in future under one or more of the following circumstances: to protect cash flows at times of significant capital expenditure; financing projects or to safeguard the viability of higher cost operations.
To the extent that it enters into commodity hedging arrangements, the Group seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or related to parties of the Group.

Commodity price hedging experience
At 31 December 2018, Sibanye-Stillwater had the following gold commodity price hedges outstanding:
- a total of 229,623oz at an average floor price of R17,615/oz (R566,335/kg) and capped price of R18,524/oz (R595,560/kg).

Commodity price contract position
As of 31 December 2018, 2017 and 2016, Sibanye-Stillwater had no outstanding commodity price contracts.

Interest rate risk
The Group’s income and operating cash flows are dependent of changes in market interest rates. The Group’s interest rate risk arises from long-term borrowings.
For additional disclosures, refer to note 24.

32. Commitments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>4,411.7</td>
<td>5,397.3</td>
<td>3,757.4</td>
</tr>
<tr>
<td>Kloof</td>
<td>970.2</td>
<td>1,200.8</td>
<td>1,256.0</td>
</tr>
<tr>
<td>Driefontein</td>
<td>830.9</td>
<td>724.5</td>
<td>780.4</td>
</tr>
<tr>
<td>Beatrix</td>
<td>218.0</td>
<td>210.1</td>
<td>130.0</td>
</tr>
<tr>
<td>Cooke</td>
<td>195.5</td>
<td>195.5</td>
<td>207.2</td>
</tr>
<tr>
<td>Burnstone</td>
<td>40.4</td>
<td>445.9</td>
<td>704.0</td>
</tr>
<tr>
<td>Kroondal</td>
<td>131.6</td>
<td>69.8</td>
<td>260.7</td>
</tr>
<tr>
<td>Platinum Mile</td>
<td>72.3</td>
<td>72.3</td>
<td>5.0</td>
</tr>
<tr>
<td>Rustenburg operation</td>
<td>1,830.0</td>
<td>2,478.3</td>
<td>413.0</td>
</tr>
<tr>
<td>Other</td>
<td>122.8</td>
<td>0.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Contracted for</td>
<td>281.8</td>
<td>346.6</td>
<td>321.2</td>
</tr>
<tr>
<td>Other guarantees</td>
<td>266.7</td>
<td>266.7</td>
<td>55.5</td>
</tr>
</tbody>
</table>

Commitments will be funded from internal sources and to the extent necessary from borrowings. This expenditure primarily relates to hostel upgrades, mining activities and infrastructure.

33. Contingent liabilities

Significant accounting judgements and estimates
Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within the control of the Group occur or fail to occur or for contingent liabilities where a present obligation arising from a past event exists but is not recognised because either it is not probable that an out-flow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be determined with sufficient reliability. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Dissenting shareholders
For disclosure of the dissenting shareholders contingent liability, refer to note 18.2.

Purported class action lawsuits
Two purported class action lawsuits have been filed against Sibanye Gold Limited (Sibanye-Stillwater), Neal Froneman and Charl Keyter (collectively the Defendants) in the US District Court for the Eastern District of New York, alleging violations of the US securities laws. The first lawsuit, Case No. 18-cv-03721, was filed on 27 June 2018 by Kevin Brandel, individually and on behalf of all other persons who purchased Sibanye-Stillwater securities between 7 April 2017 and 26 June 2018, inclusive (the Class Period). The second lawsuit, Case No. 18-cv-03902, was filed on 6 July 2018 by Lester Heuschen, Jr., also individually and on behalf of members of the Class Period.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER

(collectively, the Class Actions). The Class Actions allege that certain statements by Sibanye-Stillwater in its annual reports filed with the US Securities and Exchange Commission were false and/or misleading. Specifically, the Class Actions allege that Sibanye-Stillwater made false and/or misleading statements about its safety practices and record and thereby violated the US securities laws. The Class Actions seek an unspecified amount of damages.

The two lawsuits were consolidated into a single action, and lead plaintiff and lead counsel were appointed by the court, on 17 December 2018. Lead plaintiffs must file a consolidated amended complaint by 1 April 2019, and the Defendants must file an answer or otherwise request a pre-motion conference (which is procedurally required by the Court’s rules before a motion to dismiss may be filed by 16 May 2019). As the cases are still in the early stages, it is not possible to determine the likelihood of success on the merits or any potential liability from the Class Actions nor estimate the duration of the litigation. Sibanye-Stillwater intends to defend the cases vigorously.

34. Related-party transactions

Sibanye-Stillwater entered into related-party transactions with Rand Refinery, and its subsidiaries during the year as detailed below. The transactions with these related parties are generally conducted with terms comparable to transactions with third parties, however in certain circumstances such as related-party loans, the transactions were not at arm’s length.

Rand Refinery

Rand Refinery, in which Sibanye-Stillwater holds a 44.4% interest, has an agreement with the Group whereby it refines all the Group’s gold production. No dividends were received during the years ended 31 December 2018, 2017 and 2016. For the year ended 31 December 2018, the group sold gold, paid refining fees to Rand Refinery and received interest.

The table below details the transactions and balances between the Group and its related-parties:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rand Refinery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold sales</td>
<td></td>
<td>616.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Refining fees paid</td>
<td></td>
<td>(29.1)</td>
<td>(32.5)</td>
<td>(44.4)</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>15.1</td>
<td>-</td>
<td>1.5</td>
</tr>
<tr>
<td>Loan receivable</td>
<td></td>
<td>15.1</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Key management remuneration

The executive directors and prescribed officers were paid the following remuneration during the year:

<table>
<thead>
<tr>
<th>Figures in thousands - SA rand</th>
<th>Salary</th>
<th>Cash bonus accrued for 2018 paid in 2019</th>
<th>Accrual of Forfeitable Share awards and Conditional Share proceeds</th>
<th>Pension scheme total contributions</th>
<th>Expense allowance and other benefits</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neal Froneman1</td>
<td>11,722</td>
<td>8,619</td>
<td>14,177</td>
<td>993</td>
<td>249</td>
<td>35,760</td>
<td>52,656</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>6,033</td>
<td>4,237</td>
<td>6,521</td>
<td>862</td>
<td>44</td>
<td>17,697</td>
<td>23,440</td>
</tr>
<tr>
<td>Prescribed officers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chris Bateman3</td>
<td>7,944</td>
<td>4,160</td>
<td>2,773</td>
<td>291</td>
<td>1,717</td>
<td>16,885</td>
<td>7,269</td>
</tr>
<tr>
<td>Shadwick Bessit</td>
<td>336</td>
<td>176</td>
<td>117</td>
<td>59</td>
<td>-</td>
<td>-</td>
<td>688</td>
</tr>
<tr>
<td>Hartley Dikgale</td>
<td>3,560</td>
<td>2,022</td>
<td>2,919</td>
<td>260</td>
<td>-</td>
<td>8,761</td>
<td>11,768</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>3,674</td>
<td>2,352</td>
<td>3,585</td>
<td>501</td>
<td>-</td>
<td>10,112</td>
<td>12,044</td>
</tr>
<tr>
<td>Themba Nkosik</td>
<td>3,648</td>
<td>2,009</td>
<td>1,339</td>
<td>269</td>
<td>-</td>
<td>7,265</td>
<td>8,669</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>4,330</td>
<td>2,440</td>
<td>3,804</td>
<td>351</td>
<td>-</td>
<td>10,925</td>
<td>9,268</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>3,774</td>
<td>2,500</td>
<td>6,293</td>
<td>419</td>
<td>-</td>
<td>12,966</td>
<td>11,288</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>4,868</td>
<td>3,221</td>
<td>4,878</td>
<td>541</td>
<td>-</td>
<td>13,508</td>
<td>17,424</td>
</tr>
<tr>
<td>Total</td>
<td>49,889</td>
<td>31,736</td>
<td>46,406</td>
<td>4,546</td>
<td>2,010</td>
<td>134,587</td>
<td>152,026</td>
</tr>
</tbody>
</table>

Remuneration may differ from that presented in the Integrated Annual Report 2018.

1 Entered into a dual service contract with effect 1 May 2018. Remuneration paid in US dollars was converted at the average exchange rate of R13.87/US$ for the eight months ended 31 December 2018.

2 Remuneration paid in US dollars was converted at the average exchange rate of R13.24/US$ for the year ended 31 December 2018. The other (cash) benefit represents the contracted payout of benefits arising from the treatment of unvested share-based remuneration in respect of the Stillwater Mining Company share plan, which comprised shares granted in the form of time-based restricted stock unit awards and performance-based restricted stock unit awards. In accordance with the change of control provisions of the Stillwater Mining Company share plan, on the acquisition of Stillwater Mining Company by Sibanye-Stillwater all shares (i.e. time-based restricted stock unit awards and performance-based restricted stock unit awards) were converted to a cash settlement at US$18/share with phased payments. No further performance criteria were to be applied with settlement subject to the prescribed officer remaining in the employment of Sibanye-Stillwater at 31 December to qualify for the payment. The final tranche is payable at 31 December 2019.

3 Appointed as prescribed officer 1 December 2018.
The non-executive directors were paid the following fees during the year:

<table>
<thead>
<tr>
<th>Directors fees</th>
<th>Committee fees</th>
<th>Expense allowance</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tim Cumming</td>
<td>954</td>
<td>589</td>
<td>155</td>
<td>1,698</td>
</tr>
<tr>
<td>Savannah Danson</td>
<td>953</td>
<td>528</td>
<td>-</td>
<td>1,480</td>
</tr>
<tr>
<td>Barry Davison</td>
<td>953</td>
<td>696</td>
<td>-</td>
<td>1,649</td>
</tr>
<tr>
<td>Rick Menell</td>
<td>954</td>
<td>742</td>
<td>27</td>
<td>1,723</td>
</tr>
<tr>
<td>Sello Moloko</td>
<td>1,802</td>
<td>-</td>
<td>-</td>
<td>1,802</td>
</tr>
<tr>
<td>Nkosemntu Nika</td>
<td>922</td>
<td>513</td>
<td>-</td>
<td>1,435</td>
</tr>
<tr>
<td>Keith Rayner</td>
<td>954</td>
<td>695</td>
<td>74</td>
<td>1,723</td>
</tr>
<tr>
<td>Sue van der Merwe</td>
<td>954</td>
<td>536</td>
<td>-</td>
<td>1,491</td>
</tr>
<tr>
<td>Jerry Vilakazi</td>
<td>945</td>
<td>344</td>
<td>-</td>
<td>1,289</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,392</td>
<td>4,643</td>
<td>257</td>
<td>14,291</td>
</tr>
</tbody>
</table>

The directors’ and prescribed officers’ share ownership at 31 December 2018 was:

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Executive directors</strong></td>
<td></td>
</tr>
<tr>
<td>Neal Froneman1</td>
<td>4,555,954</td>
</tr>
<tr>
<td>Charl Keyter1</td>
<td>1,630,119</td>
</tr>
<tr>
<td><strong>Non-executive directors</strong></td>
<td></td>
</tr>
<tr>
<td>Tim Cumming1</td>
<td>106</td>
</tr>
<tr>
<td>Barry Davison1</td>
<td>1,567,710</td>
</tr>
<tr>
<td>Rick Menell1</td>
<td>108,625</td>
</tr>
<tr>
<td>Sello Moloko1</td>
<td>111,534</td>
</tr>
<tr>
<td>Keith Rayner1</td>
<td>68,992</td>
</tr>
<tr>
<td>Sue van der Merwe1</td>
<td>1,028</td>
</tr>
<tr>
<td><strong>Total share ownership by directors</strong></td>
<td>7,944,068</td>
</tr>
<tr>
<td><strong>Prescribed officers</strong></td>
<td></td>
</tr>
<tr>
<td>Chris Bateman1</td>
<td>32,747</td>
</tr>
<tr>
<td>Shadwick Bessit2</td>
<td>219,782</td>
</tr>
<tr>
<td>Hartley Dikgale1</td>
<td>114,744</td>
</tr>
<tr>
<td>Dawie Mostert1</td>
<td>50,743</td>
</tr>
<tr>
<td>Themba Nikosi2</td>
<td>19,107</td>
</tr>
<tr>
<td>Wayne Robinon1</td>
<td>39,321</td>
</tr>
<tr>
<td>Richard Stewart1</td>
<td>421,653</td>
</tr>
<tr>
<td>Robert van Niekerk1</td>
<td>271,537</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,113,702</td>
</tr>
</tbody>
</table>

1 Share ownership at the date of this report is unchanged.

None of the directors’ immediate families or associates held any direct shareholding in Sibanye-Stillwater’s issued share capital.

35. Events after reporting date

There were no events that could have a material impact on the financial results of the Group after 31 December 2018, other than those disclosed below.

**Lonmin acquisition**

On 14 December 2017, Sibanye-Stillwater announced that it had reached agreement with Lonmin on the terms of a recommended all-share offer to acquire the entire issued and to be issued ordinary share capital of Lonmin (the Lonmin Acquisition). It is proposed that the Lonmin Acquisition will be effected by means of a scheme of arrangement between Lonmin and the Lonmin Shareholders under Part 26 of the UK Companies Act. Under the terms of the Lonmin Acquisition, each Lonmin Shareholder will be entitled to receive: 0.967 new Sibanye-Stillwater shares for each Lonmin share.

On 15 May 2018, Sibanye-Stillwater received South African Reserve Bank approval for the proposed acquisition of Lonmin and on 28 June 2018, the proposed Lonmin transaction was unconditionally cleared by the UK Competition and Markets Authority. On 21 November 2018, Sibanye-Stillwater announced that the Competition Tribunal has approved the proposed acquisition of Lonmin, subject to specific conditions. In addition to the conditions agreed between Sibanye-Stillwater and the Competition Commission, a further condition has been imposed by the Competition Tribunal, namely a moratorium on retrenchments at the Lonmin operations for a period of six months from the implementation date. On 19 December 2018, Sibanye-Stillwater and Lonmin announced that the Association of Mineworkers and Construction Union had filed an appeal with the Competition Appeal Court of South Africa (the CAC) against the South African Competition Tribunal’s decision of 21 November 2018 to approve the Offer subject to certain specific conditions. In light of the appeal before the CAC, Sibanye-Stillwater and Lonmin have agreed, with the consent of the Panel, to extend the longstop date for the scheme to become unconditional and effective from 28 February 2019 to 30 June 2019.
Section 189A consultations
On 14 February 2019, Sibanye-Stillwater entered into consultation with relevant stakeholders in terms of Section 189A, regarding the possible restructuring of its gold operations and associated services, pursuant to ongoing financial losses experienced at the Beatrix 1 and Driefontein 2,6,7,8 shafts during 2018. The initiation of a Section 189A consultation process follows numerous initiatives to contain losses at these operations, which have thus far proven to be unsuccessful. Through a formal Section 189A consultation process, the Company and affected stakeholders will together consider measures to avoid and mitigate possible retrenchments and seek alternatives to the potential cessation or downscaling of operations at the affected shafts.

Debt covenants
A temporary covenant amendment allowing for no covenant measurements for the quarter ending 31 March 2019 has been requested from and approved by the lenders.

US PGM operations’ deferred tax
The US PGM operations’ precious metals supply agreement was due for renegotiation, with the existing agreements expiring during the course of 2019. In March 2019, management successfully concluded a three year renegotiation of the contract. Management is in the process of assessing the economic impact of these changes for 2019, particularly around its trading activities, which now encompass the state of Pennsylvania. These changes will result in a favourable impact on the US region’s deferred tax liability, and the impact of these changes will be provided in the condensed consolidated interim financial statements for the six months ending 30 June 2019.
## SHAREHOLDER INFORMATION

### Registered shareholder spread at 31 December 2018

<table>
<thead>
<tr>
<th>Shares</th>
<th>Number of holders</th>
<th>% of total shareholders</th>
<th>Number of shares</th>
<th>% of issued capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1—1,000 shares</td>
<td>13,216</td>
<td>72.10</td>
<td>1,987,547</td>
<td>0.09</td>
</tr>
<tr>
<td>1,001—10,000 shares</td>
<td>3,614</td>
<td>19.72</td>
<td>12,337,289</td>
<td>0.54</td>
</tr>
<tr>
<td>10,001－100,000 shares</td>
<td>1,134</td>
<td>6.19</td>
<td>35,042,377</td>
<td>1.55</td>
</tr>
<tr>
<td>100,001—1,000,000 shares</td>
<td>263</td>
<td>1.43</td>
<td>79,130,981</td>
<td>3.49</td>
</tr>
<tr>
<td>1,000,001 shares and above</td>
<td>102</td>
<td>0.56</td>
<td>2,137,762,297</td>
<td>94.33</td>
</tr>
<tr>
<td>Total</td>
<td>18,329</td>
<td>100.00</td>
<td>2,266,260,491</td>
<td>100.00</td>
</tr>
</tbody>
</table>

1. Figures may not add due to rounding.
2. As of 26 March 2019, the issued share capital of Sibanye-Stillwater consisted of 2,271,760,491 ordinary shares.
3. To our knowledge: (1) Sibanye-Stillwater is not directly or indirectly owned or controlled (a) by another entity 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 Sibanye-Stillwater. To the knowledge of Sibanye-Stillwater’s management, there is no controlling shareholder of Sibanye-Stillwater.

### Public and non-public shareholdings at 31 December 2018

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Number of holders</th>
<th>% of total shareholders</th>
<th>Number of shares</th>
<th>% of issued capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-public shareholders</td>
<td>10</td>
<td>0.05</td>
<td>29,451,655</td>
<td>1.30</td>
</tr>
<tr>
<td>Directors</td>
<td>8</td>
<td>0.04</td>
<td>7,944,067</td>
<td>0.35</td>
</tr>
<tr>
<td>Share trust</td>
<td>1</td>
<td>0.01</td>
<td>19,233,755</td>
<td>0.85</td>
</tr>
<tr>
<td>Own holding</td>
<td>1</td>
<td>0.01</td>
<td>2,273,833</td>
<td>0.10</td>
</tr>
<tr>
<td>Public shareholders</td>
<td>18,319</td>
<td>99.95</td>
<td>2,236,808,836</td>
<td>98.70</td>
</tr>
<tr>
<td>Total</td>
<td>18,329</td>
<td>100.00</td>
<td>2,266,260,491</td>
<td>100.00</td>
</tr>
</tbody>
</table>

1. Figures may not add due to rounding.

### Foreign custodians above 3% at 31 December 2018

<table>
<thead>
<tr>
<th>Custodians</th>
<th>Number of shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of New York Depositary Receipts</td>
<td>566,937,909</td>
<td>26.14</td>
</tr>
<tr>
<td>State Street Bank and Trust Company</td>
<td>176,103,999</td>
<td>8.12</td>
</tr>
<tr>
<td>Citibank</td>
<td>78,318,008</td>
<td>3.61</td>
</tr>
<tr>
<td>J.P. Morgan Chase Bank NA</td>
<td>67,039,472</td>
<td>3.09</td>
</tr>
</tbody>
</table>

### Beneficial shareholder categories at 31 December 2018

<table>
<thead>
<tr>
<th>Categories</th>
<th>Number of holders</th>
<th>% of total shareholders</th>
<th>Number of shares</th>
<th>% of issued capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>17,282</td>
<td>94.29</td>
<td>1,451,457</td>
<td>0.08</td>
</tr>
<tr>
<td>Private investor</td>
<td>493</td>
<td>2.69</td>
<td>62,246,662</td>
<td>2.75</td>
</tr>
<tr>
<td>Unit trusts/ Mutual funds</td>
<td>215</td>
<td>1.17</td>
<td>424,492,828</td>
<td>18.73</td>
</tr>
<tr>
<td>Pension funds</td>
<td>109</td>
<td>0.59</td>
<td>274,525,090</td>
<td>12.11</td>
</tr>
<tr>
<td>Custodians</td>
<td>89</td>
<td>0.49</td>
<td>67,395,044</td>
<td>2.97</td>
</tr>
<tr>
<td>ADR</td>
<td>68</td>
<td>0.37</td>
<td>877,010,002</td>
<td>38.70</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>18</td>
<td>0.10</td>
<td>34,300,032</td>
<td>1.51</td>
</tr>
<tr>
<td>Sovereign wealth</td>
<td>7</td>
<td>0.04</td>
<td>15,014,973</td>
<td>0.66</td>
</tr>
<tr>
<td>Exchange-Traded Fund</td>
<td>15</td>
<td>0.08</td>
<td>12,911,484</td>
<td>0.57</td>
</tr>
<tr>
<td>Medical aid scheme</td>
<td>6</td>
<td>0.03</td>
<td>519,744</td>
<td>0.02</td>
</tr>
<tr>
<td>Directors and employees</td>
<td>9</td>
<td>0.05</td>
<td>27,177,822</td>
<td>1.20</td>
</tr>
<tr>
<td>Charity</td>
<td>5</td>
<td>0.03</td>
<td>1,868,609</td>
<td>0.08</td>
</tr>
<tr>
<td>University</td>
<td>2</td>
<td>0.01</td>
<td>467,079</td>
<td>0.02</td>
</tr>
<tr>
<td>Hedge Fund</td>
<td>4</td>
<td>0.02</td>
<td>9,743,901</td>
<td>0.43</td>
</tr>
<tr>
<td>Local Authority</td>
<td>1</td>
<td>0.01</td>
<td>124,072</td>
<td>0.01</td>
</tr>
<tr>
<td>Corporate Holding</td>
<td>5</td>
<td>0.03</td>
<td>456,959,692</td>
<td>20.16</td>
</tr>
<tr>
<td>Investment Trust</td>
<td>1</td>
<td>0.01</td>
<td>52,000</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>18,329</td>
<td>100.00</td>
<td>2,266,260,491</td>
<td>100.00</td>
</tr>
</tbody>
</table>

1. Figures may not add due to rounding.
The tables below show the change in the percentage ownership of Sibanye-Stillwater’s major shareholders, to the knowledge of Sibanye-Stillwater’s management, between 2016 and 2018.

### Investment management shareholdings more than 3% at 31 December

<table>
<thead>
<tr>
<th>Name of Shareholder</th>
<th>Number of Shares</th>
<th>%</th>
<th>Number of Shares</th>
<th>%</th>
<th>Number of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Corporation (SOC) Ltd.</td>
<td>223,673,695</td>
<td>9.87</td>
<td>190,930,628</td>
<td>8.80</td>
<td>76,941,387</td>
<td>8.28</td>
</tr>
<tr>
<td>Exor Investments</td>
<td>184,601,372</td>
<td>8.15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Van Eck Associates Corporation</td>
<td>122,809,448</td>
<td>4.98</td>
<td>232,647,340</td>
<td>10.73</td>
<td>53,555,603</td>
<td>5.76</td>
</tr>
<tr>
<td>Investec Asset Management</td>
<td>113,304,131</td>
<td>5.00</td>
<td>145,619,201</td>
<td>6.71</td>
<td>9,026,558</td>
<td>0.97</td>
</tr>
<tr>
<td>Hosking Partners LLP</td>
<td>86,245,293</td>
<td>3.81</td>
<td>47,388,289</td>
<td>2.19</td>
<td>9,998,424</td>
<td>1.08</td>
</tr>
<tr>
<td>Dimensional Fund Advisors</td>
<td>71,657,654</td>
<td>3.16</td>
<td>60,314,329</td>
<td>2.78</td>
<td>22,462,462</td>
<td>2.42</td>
</tr>
<tr>
<td>BlackRock Inc</td>
<td>37,035,123</td>
<td>1.63</td>
<td>92,159,514</td>
<td>4.25</td>
<td>34,764,380</td>
<td>3.74</td>
</tr>
</tbody>
</table>

* A list of the investment managers holding, to the knowledge of Sibanye-Stillwater’s management, directly or indirectly, 3% or more of the issued share capital of Sibanye-Stillwater as of 26 March 2019 is set forth below:

<table>
<thead>
<tr>
<th>Name of Shareholder</th>
<th>Number of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Corporation (SOC) Ltd.</td>
<td>215,384,200</td>
<td>9.50</td>
</tr>
<tr>
<td>Exor Investments</td>
<td>182,381,372</td>
<td>8.05</td>
</tr>
<tr>
<td>Investec Asset Management</td>
<td>175,184,102</td>
<td>7.73</td>
</tr>
<tr>
<td>Van Eck Associates Corporation</td>
<td>107,085,692</td>
<td>4.73</td>
</tr>
</tbody>
</table>

### Beneficial shareholdings more than 3% at 31 December

<table>
<thead>
<tr>
<th>Name of Shareholder</th>
<th>Number of Shares</th>
<th>%</th>
<th>Number of Shares</th>
<th>%</th>
<th>Number of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold One International Limited</td>
<td>454,608,714</td>
<td>20.06</td>
<td>427,945,215</td>
<td>19.73</td>
<td>185,386,079</td>
<td>19.96</td>
</tr>
</tbody>
</table>

* A list of the individuals and organisations holding, to the knowledge of Sibanye-Stillwater’s management, directly or indirectly, 3% or more of the issued share capital of Sibanye-Stillwater as of 26 March 2019 is set forth below:

<table>
<thead>
<tr>
<th>Name of Shareholder</th>
<th>Number of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold One</td>
<td>448,891,942</td>
<td>19.81</td>
</tr>
<tr>
<td>Government Employees Pension Fund (PIC)</td>
<td>215,384,200</td>
<td>9.50</td>
</tr>
</tbody>
</table>

Sibanye-Stillwater’s ordinary shares are subject to dilution as a result of any non-pre-emptive share issuance, including upon the exercise of Sibanye-Stillwater’s outstanding share options, issues of shares by the Board in compliance with BEE legislation or in connection with acquisitions.

The principal non-United States trading market for the ordinary shares of Sibanye-Stillwater is the JSE Limited, on which they trade under the symbol “SGL”. Sibanye-Stillwater’s American depositary shares (ADSs) trade in the United States on the NYSE under the symbol “SBGL”. The ADRs representing the ADSs were issued by the Bank of New York Mellon (BNYM) as Depositary. Each ADS represents four ordinary shares.

No public takeover offers by third parties have been made in respect of Sibanye-Stillwater’s shares or by Sibanye-Stillwater in respect of other companies’ shares during the last and current fiscal year.
ADMINISTRATION AND CORPORATE INFORMATION

SIBANYE GOLD LIMITED
TRADING AS SIBANYE-STILLWATER
Incorporated in the Republic of South Africa
Registration number 2002/031431/06
Share code: SGL
Issuer code: SGL
ISIN: ZAE E000173951

LISTINGS
JSE: SGL
NYSE: SBGL

WEBSITE
www.sibanyestillwater.com

REGISTERED AND CORPORATE OFFICE
Constantia Office Park
Cnr 14th Avenue & Hendrik Potgieter Road
Bridgeview House
Ground Floor
Weltewetreden Park 1709
South Africa

Private Bag X5
Westonaria 1780
South Africa

Tel: +27 11 278 9600
Fax: +27 11 278 9863

CORPORATE SECRETARY
Lerato Matlosa
Tel: +27 10 493 6921
Email: lerato.matlosa@sibanyestillwater.com

DIRECTORS
Sello Moloko1 (Chairman)
Neal Froneman (CEO)
Charl Keyter (CFO)
Timothy Cumming1
Savannah Danson1
Barry Davison1 2
Harry Kenyan-Slaney1
Rick Menell1
Nkosemntu Nika1
Keith Rayner1
Susan van der Merwe1
Jerry Vilakazi1
1 Independent non-executive
2 Retiring on 28 May 2019

INVESTOR ENQUIRIES
James Wellsted
Senior Vice President: Investor Relations
Cell: +27 83 453 4014
Tel: +27 10 493 6923
Email: james.wellsted@sibanyestillwater.com or ir@sibanyestillwater.com

JSE SPONSOR
JP Morgan Equities South Africa
Proprietary Limited
Registration number 1995/011815/07
1 Fricker Road
Illovo
Johannesburg 2196
South Africa
Private Bag X9336
Sandton 2196
South Africa

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Second Floor
107 Cheapside
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United Kingdom
Tel: +44 20 7796 8644
Fax: +44 20 7796 8645

AUDITORS
For the year ended 31 December 2018
KPMG Inc.
KPMG Crescent
85 Empire Road
Parktown
Johannesburg 2193
South Africa
Tel: +27 11 647 7111

For the year ending 31 December 2019
Ernst & Young Inc. (EY)
102 Rivonia Road
Sandton
Johannesburg 2196
South Africa
Tel: +27 11 772 3000

AMERICAN DEPOSITORY RECEIPTS TRANSFER AGENT
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh
PA15252-8516
US toll-free: +1 888 269 2377
Tel: +1 201 680 6825
Email: shrelations@bnymellon.com

Tatiana Vesselovskaya
Relationship Manager
BNY Mellon
Depositary Receipts
Direct Line: +1 212 815 2867
Mobile: +1 203 609 5159
Fax: +1 212 571 3050
Email: tatiana.vesselovskaya@bnymellon.com

TRANSFER SECRETARIES
SOUTH AFRICA
Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
South Africa
PO Box 61051
Marshalltown 2107
South Africa
Tel: +27 11 370 5000
Fax: +27 11 688 5248

TRANSFER SECRETARIES
UNITED KINGDOM
Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom
Tel: 0871 664 0300
(calls cost 10p a minute plus network extras, lines are open 8.30am – 5pm Mon-Fri) or +44 20 8639 3399 (from overseas)
Fax: +44 20 8658 3430
Email: ssd@capitaregistrars.com
RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on our business, operating results and financial condition, resulting in a decline in the trading price of Sibanye-Stillwater’s ordinary shares or American Depositary Shares (ADSs). The risks set forth below comprise all material risks currently known to us. These factors should be considered carefully, together with the information and financial data set forth in this document.

RISKS RELATED TO SIBANYE-STILLWATER’S BUSINESS

Sibanye-Stillwater is subject to the imposition of various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on Sibanye-Stillwater’s operations and profits

In recent years, governments, communities, non-governmental organisations (NGOs) and 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 Sibanye-Stillwater’s 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. The CRC had a deadline until 30 August 2018 to report their findings to the National Assembly. At this stage, it is not clear what recommendations the CRC may make. In the event that the CRC recommends a Constitutional amendment in favour of expropriation without compensation, various procedural milestones would need to occur, including a bill amending section 25 of the Constitution approved by a majority of the National Assembly, as well as six of the nine provinces of the National Council of Provinces (the NCOP) and signed by the President, among others. On 13 March 2019, the CRC announced that the work to amend section 25 of South Africa’s Constitution would 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.

Section 5(3) of 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.

In South Africa, the ANC has adopted two recommended approaches to interacting with the mining industry. While the ANC has rejected the possibility of mine nationalisation for now, the first approach contemplates, among other things, greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and an increase in the South African government’s holdings in mining companies. For example, Sibanye-Stillwater is engaged in a dispute regarding the valuation of certain property for the purposes of property-related taxes calculation with a South African municipality. The second approach contemplates the South African government taking a more active role in the mining sector, including through the introduction of a state mining company to be involved in new projects either through partnerships or individually.

The adopted policies may impose additional restrictions, obligations, operational costs, taxes or royalty payments on mining companies, including Sibanye-Stillwater, any of which could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

The South African President has 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. On 13 November 2017, following a period of public comment, the Davis Tax Committee issued its final report which largely reaffirmed its initial recommendations. The South African National Treasury will continue to consider the Davis Tax Committee’s final recommendations. It is not clear at this stage which, if any, of the recommendations will be adopted as legislation.

Any of the above could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Economic, political or social instability affecting the regions where Sibanye-Stillwater operates may have a material adverse effect on Sibanye-Stillwater’s operations and profits

Sibanye-Stillwater is a South African domiciled company with the majority of its operations located within South Africa. Changes to or increased instability in the economic, political or social environment in South Africa or in surrounding countries could create uncertainty, which discourages investment in the region and may affect an investment in Sibanye-Stillwater. In addition, socio-political instability and unrest may also disrupt Sibanye-Stillwater’s business and operations, compromise safety and security, increase costs, affect employee morale, impact Sibanye-Stillwater’s ability to deliver under its operational plans, create uncertainty regarding mining licences and cause reputational damage. Any of which could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

In February 2018, Jacob Zuma resigned as President of South Africa and was replaced by Cyril Ramaphosa. South Africa is expected to hold its next elections on 8 May 2019. It is not certain what if any, other political, economic or social impacts either Cyril Ramaphosa or another elected President will have on South Africa, or on Sibanye-Stillwater specifically. 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
operating results and financial condition. Such negative impact on the South African economy may adversely affect the South African mining industry and Sibanye-Stillwater’s business, as funds and other large investors are required by internal rules to sell bonds once two separate agencies rate them as non-investment grade. Any further downgrade of South Africa’s sovereign credit rating may have an adverse effect on Sibanye-Stillwater’s ability to secure financing. This may restrict Sibanye-Stillwater’s future access to international financing and could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

In March 2019, the President of South Africa, Cyril Ramaphosa, announced in parliament that South Africa would move forward with the nationalisation of the SARB. While the SARB’s independence is constitutionally guaranteed, any economic or political instability caused by the nationalisation process, whether or not completed, may impact the general business environment in South Africa, including businesses such as Sibanye-Stillwater. In addition, such process may create issues with the movement of funds into or out of South Africa. Any such negative impact on the South African economy may adversely affect Sibanye-Stillwater’s business, operating results and financial condition.

In addition, 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. See —Sibanye-Stillwater is subject to the imposition of various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on Sibanye-Stillwater’s operations and profits. Any threats, or actual proceedings, to nationalise any of Sibanye-Stillwater’s assets, could halt or curtail operations, resulting in a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition and could cause the value of Sibanye-Stillwater’s securities to decline rapidly and dramatically, possibly causing investors to lose the entirety of their respective investments.

In addition, economic and political instability in regions outside of South Africa or in surrounding countries, such as the ongoing negotiations surrounding the United Kingdom’s exit from the European Union, may result in unavoidable uncertainties and events that could negatively affect costs of business, cause volatility in currency exchange rates, commodity prices, interest rates and worldwide political, regulatory, economic or market conditions and contribute instability in political institutions, regulatory agencies and financial markets. Any of which could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

A further downgrade of South Africa’s credit rating may have an adverse effect on Sibanye-Stillwater’s ability to secure financing

Prior to 2017, 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, or junk, 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 South Africa’s sovereign credit rating of BB+ with a negative 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, citing 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.

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 mining industry, including Sibanye-Stillwater, 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 mining industry and Sibanye-Stillwater’s business, operating results and financial condition.

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 Sibanye-Stillwater’s 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, Sibanye-Stillwater 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 Sibanye-Stillwater operates have been exacerbated by high unemployment and violent crime rates, forced resettlement of residents, environmental incidents and blasting.
RISK FACTORS continued

Responsive measures may require Sibanye-Stillwater to take costly and time consuming remedial measures, including the full restoration of livelihoods of those impacted. In addition, Sibanye-Stillwater is obliged to comply with the terms and conditions of all the mining rights it holds in South Africa. In this regard, the social and labour plans (SLPs) provisions of our mining rights must make provision for local economic development, among other obligations. See —Sibanye-Stillwater’s 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. In addition, as Sibanye-Stillwater has a long history of mining operations in certain regions or has purchased operations that have a long history, issues may arise regarding historical as well as potential future environmental or health impacts in those areas.

In the United States two environmental groups had an anti-mining initiation placed on the ballot in the November 2018 general election in the state of Montana. Citizen Initiative 186 (I-186) would have required the state’s Department of Environmental Equality to deny a permit for any new hard-rock mine, unless the mine’s reclamation plan provided clear and convincing evidence that the mine would not require perpetual treatment of water polluted by acid mine drainage (AMD) or other contaminants. Although Montana voted down the initiative in the general election, there is no guarantee that similar regulatory challenges will not be encountered in the future.

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 Sibanye-Stillwater’s resources and could increase capital and operating costs and have a material adverse effect on our reputation, business, operating results and financial condition.

**Due to the mature infrastructure at Sibanye-Stillwater’s mining operations, unplanned breakdowns, statutory mandated modifications and stoppages may result in production delays, increased costs and industrial accidents**

Nearly all of our operating shafts and processing plants at our gold and PGM operations, including those of our recently acquired assets (and the operations of Lonmin (the acquisition of which remains subject to the satisfaction or waiver of a number of conditions (including, but not limited to, the approval of Lonmin shareholders and Sibanye-Stillwater shareholders and the approval of the scheme of arrangement by the High Court of Justice in England & Wales) as well as an appeal before the Competition Appeal Court of South Africa against the South African Competition Tribunal’s decision to approve the Lonmin Acquisition subject to certain conditions imposed on Sibanye-Stillwater), are relatively mature. Maintaining this infrastructure requires skilled human resources, capital allocation, management and regular, planned maintenance. Once a shaft or a processing plant has reached the end of its intended lifespan or needs modification to comply with the applicable regulatory standards, more than normal maintenance and care is required. Although we have a comprehensive maintenance strategy in place, incidents resulting in production delays, increased costs or industrial accidents may occur. There is also a risk that delays in procuring critical spares for major repairs may result in disruptions to production. Such incidents may have a material adverse effect on our reputation, business, operating results and financial condition.

**Due to the nature of deep level mining and the extensive environmental footprint of Sibanye-Stillwater’s operations, environmental hazards, industrial accidents, seismic activity, mining accidents and pollution may result in operational disruptions such as work stoppages which could result in increased production costs as well as financial and regulatory liabilities**

Mining by its nature involves significant risks and hazards, including environmental hazards, as well as industrial and mining accidents. These include, for example, seismic events, fires, cave-ins and blockages, flooding, discharges of gasses and toxic substances, contamination of water, air or soil resources, unusual and unexpected rock formation affecting ore or wall rock characteristics, ground or slope failures, rock bursts, wild fires, radioactivity and other accidents or conditions resulting from mining activities including, among other things, blasting and the transport, storage and handling of hazardous materials.

We have experienced and continue to remain at risk of experiencing environmental and other industrial hazards, as well as industrial and mining accidents, and we are more susceptible, particularly at our South African operations, than other mining operations to certain of these risks due to mining at depth. In the first six months of 2018 in particular, there were two anomalous safety incidents at Sibanye-Stillwater’s South African operations, which resulted in the death of 12 colleagues (out of 24 total fatalities for the year: 21 fatalities at Sibanye-Stillwater’s South African gold operations and three at Sibanye-Stillwater’s South African PGM operations in a number of incidents). Any future such incidents could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Seismic activity is of particular concern in the underground mining environment, particularly in South Africa, as a consequence of the extent and depth of mining. Seismic events have caused death and injury to employees and contractors, and may result in safety-related stoppages. On 3 May 2018, a seismic event at the Masakhane mine at the Group’s Driefontein operations resulted in the death of seven employees and injury of six employees. At the Ikamva and Manyano mines at the Group’s Kloof operations, five employees suffered non-fatal injuries due to seismic events on 21-22 May 2018. Additionally, seismic activity has also caused a loss of mining equipment, damage to, and destruction of mineral properties and production facilities, monetary losses, environmental damages and potential legal liabilities.

In addition, on 11 June 2018, at Sibanye-Stillwater’s Kloof Ikamva shaft, five employees succumbed to heat exhaustion after they entered a temporarily suspended and appropriately barricaded area, without authorisation and contrary to company policies. The occurrence of these or similar events has and could lead to employee fatalities or injuries, the suspension of operations, the delay or halt of production, mine closures and could negatively impact planned production levels. Any future such events could have a material adverse effect on the Group’s business, operating results and financial condition.

Furthermore, there are risks that relevant regulators, such as the South African Department of Mineral Resources (DMR) in South Africa and the Mine Safety and Health Administration (MSHA) or the Occupational Safety and Health Administration (OHSAA) in the United States, may impose fines and work stoppages (known as Section 54 stoppages in South Africa) for non-compliant mining operating procedures and activities, which could reduce or halt production until lifted. The occurrence of any of these events could delay or halt production, increase production costs and
RISK FACTORS continued

result in financial and regulatory liability for Sibanye-Stillwater, which could have a material adverse effect on its business, operating results and financial condition. Also see —Sibanye-Stillwater’s operations are subject to environmental, health and safety regulations, which could impose additional costs and compliance requirements, and Sibanye-Stillwater has faced, and may face further, claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws.

In addition, the relevant environmental authorities have issued and may issue administrative directives and compliance notices in the future to enforce the provisions of the relevant statutes (including, but not limited to, the National Environmental Management Act, 1998 (Act No 107 of 1998) (NEMA), the National Water Act, 1998 (Act No 36 of 1998) (National Water Act), the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004) and the National Environmental Management: Waste Act, 2008 (Act No 59 of 2008) in South Africa, as well as the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act and the Metals Mines Reclamation Act in the United States) to take specific anti-pollution measures, continue with those measures and/or to complete those measures. The authorities may also order the suspension of part or all of Sibanye-Stillwater’s operations if there is non-compliance with legislation. Contravention of some of these statutes may also constitute a criminal offense and an offender may be liable for a fine or imprisonment, or both.

As a result, the occurrence of any of these events may have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Sibanye-Stillwater’s 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.

Our operations in South Africa are subject to legislation regulating mining rights. This includes Broad-Based Black Economic Empowerment (BBBEE) legislation designed to effect the entry and participation of HDSAs into the mining industry and increase their participation in the South African economy.

The MPRDA, which came into effect on 1 May 2004, transferred ownership of the mineral resources of South Africa 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. Through the DMR, the South African government, as custodian, exercises regulatory control over the exploitation of mineral resources and does so by exercising the power to grant the rights required to prospect and mine for minerals, including through the imposition of terms and conditions. The MPRDA required mining companies to apply 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” mining rights. In order to qualify for these rights, applicants need to satisfy the South African government that the granting of such a right will advance the open-ended broad-based socio-economic empowerment requirements of the Mining Charter published pursuant to the MPRDA (the Mining Charter). The MPRDA also required that mining companies submit to the DMR SLPs, which set out their commitments relating to human resource development, labour planning and socio-economic development planning. In order to give content to the broad-based socio-economic empowerment requirements to the mining industry, the DMR published the Mining Charter, which became effective on 1 May 2004. The Mining Charter required 26% HDSA ownership by the 2014 deadline.

In 2010, the DMR introduced the Amended Mining Charter containing guidelines envisaging, among other things, that mining companies should achieve a minimum of 40% of 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.

On 31 March 2015, the Chamber of Mines (Chamber), which is now known as the Mineral Council SA, 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, the 26% HDSA ownership guidelines under the Mining Charter and the Amended Mining Charter. The position of the Chamber (including Sibanye-Stillwater) is that such historical empowerment transactions should be included in the calculation of HDSA ownership.

The DMR and the Chamber jointly agreed to approach the South African courts 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 Chamber, on the “once empowered always empowered” principle. The Chamber and the DMR filed papers in court and the matter (the Main Application) was placed on the roll to be heard on 15 March 2016. In February 2016, an application was filed by a third party, Malan Scholes Inc., to consolidate the Main Application with its own application for a declaratory order on the empowerment aspects of the Mining Charter and the Amended Mining Charter (the Scholes Application). The Chamber opposed the consolidation of these applications on the basis that, amongst other things, the right to relief in the respective applications does not depend substantially on the same questions of law and/or fact. On 3 May 2016, the court refused to consolidate the two applications. On 16 February 2018, the High Court postponed the Mining Charter hearing indefinitely to allow the Chamber and the Government to engage in further discussions on this matter.

The DMR published a new mining charter (the New Mining Charter) which came into effect on 15 June 2017. The Chamber launched an urgent application (the Interdict Application) in the High Court of South Africa, Gauteng Division, Pretoria (the Gauteng Division High Court) to interdict the implementation of the New Mining Charter, pending an application by the Chamber (the Chamber Application) to set the New Mining Charter 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 New Mining Charter had been seriously flawed. However, the Minister of Mineral Resources and the Chamber reached an agreement on 13 September 2017 under which the Minister of Mineral Resources undertook to suspend the New Mining Charter pending the outcome of the Chamber Application. The Chamber Application has been postponed indefinitely by agreement between the DMR and the Chamber on the basis that the Chamber has entered into a new round of discussions with the newly elected President of South Africa, Cyril Ramaphosa, and the new Minister of Mineral Resources, Gwede Mantashe. On 19 February 2018, the Gauteng Division High Court ordered that the DMR and the Chamber must also involve communities affected by mining activities in these new discussions over the New Mining Charter.
4 April 2018, the Gauteng Division High Court issued a judgment 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 percentage ownership (irrespective of how it was measured) to the 26% HDSA ownership target referred to in the Mining Charter and in the Amended Mining Charter where HDSA shareholding has fallen below the 26% requirement. 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% HDSA ownership had to be retained.

On 19 April 2018, the DMR filed a notice of intention to appeal the Gauteng Division High Court’s judgment. If the DMR’s appeal is successful, then existing and new holders of mining rights will need to comply with the New Mining Charter, which may require, among other things, a further issuance of Sibanye-Stillwater shares to comply with the new ownership requirements, limitation on procurement, changes to management and the payment of additional fees and levies as set out in the New Mining Charter.

On 15 June 2018, the Draft Mining Charter 2018 was published for a 30-day public comment period. On 27 September 2018, the Mining Charter 2018 was promulgated and came into effect. The Mining Charter 2018 effectively repealed the Mining Charter, 2002 and the Amended Mining Charter.

Some material changes contemplated in the Mining Charter 2018 include: (i) existing mining right holders, who had achieved a minimum of 26% HDSA ownership on the date of commencement of the Mining Charter 2018, shall be recognised as being compliant for the duration of that mining right; (ii) existing mining right holders who, at any stage during the existence of their mining right, achieved 26% HDSA ownership, but subsequently fell below the 26% HDSA ownership to the commencement of the Mining Charter 2018) HDSA shareholders exited, resulting in HDSA ownership falling below 26%, shall be recognised as compliant for the duration of the mining right; and (iii) recognition of any mining right holder as being compliant in regards to historical HDSA ownership, lapses upon the transfer of the mining right or a part thereof and such recognition would not be applicable to any new applications for a mining right.

In addition, under the Mining Charter 2018, the renewal of existing mining rights shall be subject to the mining charter requirements that were applicable at the time a mining right renewal application was lodged with the DMR (i.e. any application for renewal lodged prior to 27 September 2018 will be processed in accordance with the Mining Charter, 2010, as read with the Amended Mining Charter, and all renewal applications lodged on or after 27 September 2018 in terms of Mining Charter 2018). A category for pending applications is provided for all applications that have been both lodged and accepted prior to the commencement of the Mining Charter 2018 and such applications are to be processed in terms of the Amended Mining Charter with a 26% HDSA ownership requirement. However, once a mining right is granted and executed, the holder of the mining right is required to achieve a minimum of 30% HDSA ownership within a period of five years from the effective date of the mining right. For all applications for new mining rights, the Mining Charter 2018 requires a minimum of 30% HDSA ownership. At a minimum, the HDSA ownership must be comprised as follows: (i) 5% non-transferrable carried interest to qualifying employees; (ii) 5% non-transferrable carried interest to host communities; and (iii) 20% effective ownership in the form of shares by a BEE entrepreneur. There have also been material adjustments to the minimum compliance requirements relating to, amongst other things, employment equity, inclusive procurement and supplier and enterprise development, which all mining companies must comply with within five years from the commencement of the Mining Charter 2018.

On 26 March 2019, the Chamber filed an application in the High Court of South Africa, Gauteng Division, Pretoria for the judicial review and setting aside of certain clauses of the Mining Charter 2018. In the alternative to the above, the Chamber may apply for a declaratory judgment confirming that the relevant clauses in the Mining Charter 2018 are inconsistent with the principle of legality as enshrined in the South African Constitution, 1996 and ask that they be set aside. Should this application be unopposed, it is anticipated to be heard on or about 4 September 2019. For further details, see —Additional Information—Environmental and Regulatory Matters—Mining Rights.

Any adjustment to the ownership structure of Sibanye-Stillwater’s mining assets in order to meet BBBEE requirements could have a material adverse effect on the value of Sibanye-Stillwater’s securities. Further, Sibanye-Stillwater may in the future incur significant costs or have to issue additional shares as a result of changes in the interpretation of existing laws and guidelines or the imposition of new laws relating to HDSA ownership requirements, which may have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

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 Sibanye-Stillwater, should such holders of 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 of Mineral Resources were to determine that Sibanye-Stillwater is not in compliance with the requirements of the MPRDA and its empowerment requirements, Sibanye-Stillwater 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 required compliance with the MPRDA, required to comply with the BBBEE Act, 2003 (the BBBEE Act) and 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.

If the DMR were to determine that Sibanye-Stillwater is not in compliance with the MPRDA, for any reason, including HDSA ownership, Sibanye-Stillwater may challenge such a decision in court. Any such court action may be expensive and there is no guarantee that Sibanye-Stillwater’s challenge would be successful.

There is no guarantee that any steps Sibanye-Stillwater 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 mining rights would not be significantly less favourable than the terms of its current mining rights. Any further adjustment to the ownership structure of Sibanye-Stillwater’s South African mining assets in order to meet BBBEE requirements could have a material adverse effect on the value of Sibanye-Stillwater’s securities.

In addition, an amendment bill to the MPRDA, namely the MPRDB, was passed by both the National Assembly and the NCOP on 27 March 2014. In January 2015, the President referred the MPRDB back to Parliament for reconsideration and on 1 November 2016, the Portfolio Committee on Mineral Resources tabled non-substantial revisions to the MPRDB in the National Assembly and a slightly revised version of the MPRDB was
Title to Sibanye-Stillwater's properties may be subject to challenge

Certain of Sibanye-Stillwater’s properties may be subject to the rights or the asserted rights of various occupants or claimants to land under restitution and other legislation, which could have an impact on Sibanye-Stillwater’s ability to develop or operate its mining interests. For example, in South Africa, the Extension of Security of Tenure Act (1997), the Restitution of Land Rights Act (1994) and the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (1998) protect various rights to claim and occupy land. Such legislation is complex and sets out the requirements as to how land owners are to deal with certain rights. There is no assurance that Sibanye-Stillwater will be able to successfully predict when these land owner rights will be challenged, which could therefore negatively affect the business results of new or existing projects. Where consultation with occupants or claimants to land is statutorily or otherwise mandated, relations may not remain amicable and disputes may lead to reduced access to properties or delays in operations. For example, in September 2018, a notice of a land claim over certain of the Kroondal operations property was published in the Government Gazette, which Sibanye-Stillwater is opposing. Title to Sibanye-Stillwater’s properties, particularly undeveloped ones, may also be defective or subject to challenge. Title review does not necessarily preclude third parties from contesting ownership.

Sibanye-Stillwater’s US properties in Montana include a number of unpatented mining and mill site claims. The validity of unpatented mining claims on public lands is often uncertain, and possessory rights of claimants may be subject to challenge.

In addition, Sibanye-Stillwater pays annual maintenance fees and has obtained mineral title reports and legal opinions for some of the unpatented mining claims or mill sites making up portions of its US properties, in accordance with applicable laws and what Sibanye-Stillwater believes is standard industry practice. However, Sibanye-Stillwater cannot be certain that applicable laws will not be changed nor that Sibanye-Stillwater’s possessory rights to any of its unpatented claims may not be deemed defective and challenged.

As a result, any such legislation could change the cost of holding unpatented mining claims and could significantly affect Sibanye-Stillwater’s ability to develop ore reserves located on unpatented mining claims. All of the foregoing could adversely affect the economic and financial viability of future mining operations at such mines. Although it is impossible to predict at this point what any legislated royalties might be, enactment could adversely affect the potential for development of such federal unpatented mining claims.

Sibanye-Stillwater may experience unforeseen difficulties, delays or costs in implementing its business strategy and operational plan

The ability to grow the business will depend on the successful implementation of Sibanye-Stillwater’s existing and proposed strategic initiatives and operational plans at its historic operations, recently acquired operations and proposed acquisitions.

The successful implementation of Sibanye-Stillwater’s strategic initiatives and operational plans depend upon many factors, including those outside its control. Sibanye-Stillwater may prove unable to deliver on production targets and other strategic initiatives. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of Sibanye-Stillwater’s business strategy and plans, and such strategy and plans may not result in the anticipated benefits. For example, factors such as volatility in commodity pricing, high fixed costs, safety related issues, organised labour action and technical issues may result in a failure to meet operations targets or strategic goals. See —Due to the nature of deep level mining and the extensive environmental footprint of Sibanye-Stillwater’s operations, environmental hazards, industrial accidents, seismic activity, mining accidents and pollution may result in operational disruptions such as work stoppages which could result in increased production costs as well as financial regulatory liabilities, —Sibanye-Stillwater’s operations and profits have been and may be adversely affected by labour unrest and union activity, —Sibanye-Stillwater’s mineral reserves are estimates based on a number of assumptions, which, if changed, may require Sibanye-Stillwater to lower estimated mineral reserves, —Our business is subject to high fixed costs which may impact its profitability, —Power stoppages, fluctuations and usage constraints may force Sibanye-Stillwater to halt or curtail operations and —Power cost increases in South Africa and elsewhere may adversely affect Sibanye-Stillwater’s results of operations. Any such difficulties, delays or costs could prevent Sibanye-Stillwater from fully implementing its business strategy, which could have a material adverse effect on its business, operating results and financial condition.

In addition, any existing or future 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. Any of the above could have a negative impact on Sibanye-Stillwater’s business, operating results and financial condition.

Changes in the market price for gold and PGMs, which in the past have fluctuated widely, affect the profitability of Sibanye-Stillwater’s gold and PGM mining operations and the cash flows generated by those operations

Sibanye-Stillwater’s revenue from its gold and platinum mining operations is primarily derived from the sale of gold and PGMs that they produce. Sibanye-Stillwater does not generally enter into commodity derivatives or other hedging arrangements in order to establish a price in advance of the sale of its gold or PGM production. However, Sibanye-Stillwater may consider commodity derivatives or other hedging from time to time to protect cash flows of marginal assets. As a result, it is generally fully exposed to changes in the gold and PGM prices, which could lead to reduced revenue should the gold or PGM price decline. For example, during the year ended 31 December 2018, the gold price fluctuated between US$1,777/oz and US$1,360/oz. During the year ended 31 December 2018, the platinum, palladium and rhodium price fluctuated
between US$770/oz and US$1,025/oz, US$857/oz and US$1,276/oz, and US$1,690/oz and US$2,600/oz, respectively. In its US recycling business, Sibanye-Stillwater regularly enters into fixed forward sales contracts for metal produced from catalyst recycling, normally making these commitments at the time the catalyst material is purchased. For Sibanye-Stillwater’s fixed forward sales related to recycling of catalysts, Sibanye-Stillwater is subject to the customers’ compliance with the terms of the agreements, their ability to terminate or suspend the agreements and their willingness and ability to pay.

The market price for gold has historically been volatile and is affected by numerous factors over which Sibanye-Stillwater has no control, such as general supply and demand, speculative trading activity and global economic drivers. For example, gold has historically been used as a hedge against unstable or lower economic performance, thus improved economic performance, particularly in the United States, may have a negative impact on the price for gold. After falling 45% between September 2011 and December 2015, when it hit a low of US$1,060/oz, the gold price recovered in fiscal 2017 hitting US$1,300/oz, before slightly declining again to US$1,285/oz at the end of fiscal 2018. The market price for PGMs has been similarly volatile. Should the gold or PGM price decline below Sibanye-Stillwater’s production costs, it may experience losses and, should this situation remain for an extended period, Sibanye-Stillwater may be forced to curtail or suspend some or all of its projects, operations and/or reduce operational capital expenditures. Sibanye-Stillwater might not be able to recover any losses incurred during, or after, such events.

A sustained period of significant gold or PGM price volatility may also adversely affect Sibanye-Stillwater’s ability to undertake new capital projects or to make other long-term strategic decisions. The use of lower gold and PGM prices in reserve calculations and Life of Mine (LoM) plans could also result in material impairments of Sibanye-Stillwater’s investment in gold or PGM mining properties or a reduction in its reserve estimates and corresponding restatements of its reserves and increased amortisation, reclamation and closure charges.

In addition, changes in demand drivers for PGMs may cause the prices of PGMs to fall over the short or long term. For example, high PGM prices may cause demand destruction, which would make the price of such PGMs fall. In addition, the increase in the number of electric cars in the future may reduce the price for PGMs by reducing demand for catalytic converters (which require PGMs) used in gasoline powered vehicles.

Any of the above could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Because gold and PGMs are generally sold in US Dollars, while the majority of Sibanye-Stillwater’s gold production and a substantial amount of Sibanye-Stillwater’s PGM production costs are denominated in Rand, Sibanye-Stillwater’s operating results and financial condition will be materially harmed if there is a material change in the value of the Rand. Gold and PGMs are principally sold worldwide in the world in US dollars, but Sibanye-Stillwater’s costs of production at its operations in South Africa are primarily incurred in Rand. Recent volatility in the Rand has made our costs and results of operations less predictable than when currency exchange rates are more stable. The Rand has experienced significant devaluation against the US dollar falling from R10.34/US$ as at 31 December 2013 to R15.54/US$ as at 31 December 2015, before strengthening again to R14.35/US$ as at 31 December 2018. Any significant increase or appreciation of the Rand against the US dollar would increase our operating costs in US dollar terms, and reduce revenue in Rand terms, which could materially adversely affect our operating results and financial condition from the South African operations. Conversely, a weakening of the Rand may result in higher inflation in South Africa, which would increase the prices Sibanye-Stillwater pays for products and services. In light of these factors and the likely impact on cash flow, our management regularly re-evaluates its current growth capital expenditure plans. This includes reviewing the planned 2019 capital profile at all operations and projects. Certain projects may be deferred or placed on care and maintenance until commodity prices sustainably improve, and/or currency exchange rate volatility has subsided. Should a strong Rand/US dollar exchange rate persist without a corresponding gain in commodity prices, the Group may consider increasing operational flexibility by adjusting mine plans, reducing capital expenditure, selling assets and, if necessary, consider options to increase funding flexibility. Also see — Sibanye-Stillwater has a large amount of indebtedness and is subject to various covenants and restrictions, and failure to comply with the covenants or difficulties in obtaining additional financing or refinancing could adversely affect Sibanye-Stillwater’s business, operating results and financial condition. All of the above could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Increased regulatory oversight, uncertainty relating to the London Interbank Offered Rate (LIBOR) calculation process and potential phasing out of LIBOR after 2021 may adversely affect the amounts of interest Sibanye-Stillwater pays under its debt arrangements and adversely affect Sibanye-Stillwater’s business, operating results and financial condition.

LIBOR is the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. We have used LIBOR as a reference rate in certain of our credit facilities and loans, such that the interest due to our creditors pursuant to these loans is calculated using LIBOR. As of 31 December 2018, we had outstanding approximately R3,871.6 million (US$269.8 million) of debt that was indexed to LIBOR.

Regulators and law enforcement agencies in the United Kingdom and elsewhere are conducting civil and criminal investigations into whether the banks that contribute to the British Banks’ Association (BBA) in connection with the calculation of daily LIBOR may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR. A number of BBA member banks have entered into settlements with their regulators and law enforcement agencies with respect to this alleged manipulation of LIBOR.

On July 27, 2017, the United Kingdom Financial Conduct Authority (FCA), which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the FCA Announcement). The FCA Announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. The Secured Overnight Financing Rate, has been proposed by the Alternative Reference Rate Committee, a committee convened by the US Federal Reserve that includes major market participants and on which regulators participate, as an alternative rate to replace US Dollar LIBOR. It is not possible currently to predict the effect of the FCA Announcement, including any discontinuation or change in the method by which LIBOR rates are determined, or how any such changes or alternative methods for calculating benchmark interest rates would be applied to any particular existing agreement containing
Sibanye-Stillwater has a large amount of indebtedness and is subject to various covenants and restrictions, and failure to comply with the covenants or difficulties in obtaining additional financing or refinancing could adversely affect Sibanye-Stillwater’s business, operating results and financial condition.

In order to conclude the Stillwater acquisition, Sibanye-Stillwater temporarily increased its debt. The Group raised a US$2.65 billion bridge loan for the Stillwater Acquisition, which was subsequently refinanced through a US$1 billion rights offering, a US$1.05 billion bond offering and a US$450 million convertible bond. As a result of the increased borrowing, Sibanye-Stillwater’s leverage ratio increased from 0.6 times as at 31 December 2016 to 2.6 times as at 31 December 2017, and to 2.5 times as at 31 December 2018. As at 31 December 2018 Sibanye-Stillwater had committed undrawn debt facilities of R5,987 million. Sibanye-Stillwater’s credit facilities contain financial and/or other covenants and restrictions. Such covenants may include restrictions on Sibanye-Stillwater incurring additional financial indebtedness and obligations to maintain certain financial covenant ratios for as long as any amount is outstanding under such facilities. Specifically, Sibanye-Stillwater’s borrowing facilities permit a leverage ratio of 3.5:1 through to 31 December 2019, and 2.5:1, thereafter, calculated on a quarterly basis. Although Sibanye-Stillwater plans to deleverage over time to its targeted leverage ratio of no greater than 1.0:1, there can be no guarantee that this will be achieved.

Sibanye-Stillwater is also required to make production deliveries under the precious metals purchase agreement with Wheaton Precious Metals International Ltd. (Wheaton International) (the Streaming Agreement), which could make obtaining additional financing on favourable terms more difficult to arrange. Furthermore, there is no certainty that Sibanye-Stillwater will receive all funds pursuant to the Streaming Agreement, or that it will be able to meet its delivery obligations thereunder.

In the near-term, Sibanye-Stillwater expects to manage its liquidity needs from cash generated by its operations, cash on hand, the committed and unutilised debt facilities, as well as additional funding opportunities. Sibanye-Stillwater, if necessary in order to manage its covenants, may also consider options to increase funding flexibility which may include, among others, streaming facilities, prepayment facilities, facility restructuring or in the event that other options are not deemed preferable by the Board, an equity capital raise. However, there can be no assurance that funding will be available to Sibanye-Stillwater on acceptable terms, if at all, and that any of the measures which Sibanye-Stillwater may undertake to increase liquidity or actively manage its covenants would be successful. If Sibanye-Stillwater’s cost of debt were to increase or if it were to encounter other difficulties in obtaining financing, its sources of funding may not match its financing needs, which could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Sibanye-Stillwater’s workforce is unionised across all its operations, with a total of approximately 65,000 employees as of 31 December 2018. Organised labour dynamics in the mining sector, particularly in South Africa, are volatile and uncertain and as such, they have had, and may in the future have, a material adverse impact on our operations, production and financial performance. A recent increase in union activity and labour unrest in South Africa has resulted in more frequent industrial disputes and extended negotiations that have, along with other factors, negatively affected South Africa’s sovereign debt rating and subsequently the credit ratings of the country’s leading mining companies. For example, AMCU called a brief strike at the Kroondal operations during May 2016, which was later interdicted by the Labour Court of South Africa on the basis that it was unprotected. Between 6 June 2017 and 3 July 2017, despite communication with employees and agreement with the National Union of Mineworkers (NUM), employees at Cooke embarked on an unprotected strike following the implementation of measures to combat illegal mining following signs of collusion between illegal miners and employees. The illegal mining threatened the sustainability of the Cooke operations and posed a significant risk to the safety of employees and the surrounding communities. As a result of assisting illegal miners, 77 employees were arrested. Following a court interdict obtained by Sibanye-Stillwater on 8 June 2017, disciplinary measures were taken against striking employees, resulting in the dismissal of 99 employees, 407 employees being placed on final warnings and forfeiting their salaries and a further 869 employees forfeiting annual leave, in order to compensate for non-productive shifts. Approximately 300kg of planned gold production, equivalent to about R160 million in revenue, was lost at the Cooke operations during the strike. Also see — Theft of gold, PGM and production inputs, as well as illegal artisanal mining, may occur on some of Sibanye-Stillwater’s properties. These activities are difficult to control, can disrupt Sibanye-Stillwater’s business and can expose Sibanye-Stillwater to liability.

In October 2015, Sibanye-Stillwater concluded a three-year labour agreement with NUM, UASA and Solidarity in relation to Sibanye-Stillwater’s gold mines, but AMCU, which currently has minority recognition status at Beatrix and Kloof and majority status at Driefontein, rejected, and continued to reject, further alternative offers made by Sibanye-Stillwater. Despite the acceptance of the labour agreement by NUM, UASA and Solidarity, and the extension thereof to all other employees, during March 2016, AMCU threatened industrial action should a higher wage not be agreed. This was averted by Sibanye-Stillwater entering into an agreement with AMCU for a marginally higher wage. In November 2017, Sibanye-Stillwater entered into a three-year wage agreement with AMCU, NUM and Solidarity at the Kroondal operations effective from 1 July 2017.

In November 2018, Sibanye-Stillwater concluded a three-year wage agreement, in respect of wages and conditions of service for the period 1 July 2018 to 30 June 2021, with NUM, UASA and Solidarity in relation to Sibanye-Stillwater’s gold mines and service companies. Subsequently, despite ongoing attempts by Sibanye-Stillwater to reach a fair and reasonable outcome during negotiations with AMCU representatives, on 19 November 2018, Sibanye-Stillwater received notice from AMCU that it intended to embark on a protected strike action at Sibanye-Stillwater’s gold mines, effective starting 21 November 2018. On 13 December 2018, Sibanye-Stillwater, NUM, UASA and Solidarity entered into an additional wage agreement, extending the November 2018 wage agreement to other employees at Sibanye-Stillwater’s gold mines who were not parties to the November 2018 wage agreement. In response to the November 2018 strike, Sibanye-Stillwater launched an urgent application to interdict the
strike. On 21 December 2018, the Labour Court dismissed Sibanye-Stillwater’s application on the basis that there was insufficient evidence to demonstrate that NUM, UASA and Solidarity collectively had the majority of Sibanye-Stillwater’s employees as their members.

On 14 January 2019, Sibanye-Stillwater received an additional notice from AMCU, that it intended to embark on a secondary, protected strike at Sibanye-Stillwater’s South African PGM operations in support of the primary strike at Sibanye-Stillwater’s South African gold operations. In response to the secondary strike, on 18 January 2019, Sibanye-Stillwater launched an urgent application to interdict the primary strike on an interim basis, contending that the strike was unprotected because the wage agreement had been extended to employees who were non-parties, and thus such employees could not continue the strike concerning wages. On 22 January 2019, the secondary strike took place for one day with partial support from AMCU. On 8 February 2019, Sibanye-Stillwater’s application to interdict the strike was dismissed due to the fact that the Court upheld AMCU’s special plea that the matter was res judicata. On 14 February 2019, AMCU launched an urgent application seeking an order declaring that the wage agreement extending to non-members was invalid. This matter was heard by the court on 27 February 2019 and judgment was reserved. On 20 March 2019, the Labour Court held that extension of the gold wage agreement concluded on 18 February 2019 with NUM, UASA and Solidarity, and extended to AMCU and other non-unionised employees, was valid and lawful in terms of Section 23(1)(d) of Labour Relations Act 66 of 1995 (the LRA). As a result of the legally binding nature of the extension agreement, Sibanye-Stillwater proceeded with the independent verification process to confirm the relevant unions’ level of representivity required to implement the extension agreement.

The strike is still ongoing.

Furthermore, rivalry between unions, such as AMCU and NUM, may destabilise labour relations in the mining sector. For example, for the period between 21 November 2018 to 15 March 2019, there were seven employee fatalities and several other employees sustained injuries as a result of behaviour in connection with the November 2018 strike action at Sibanye-Stillwater’s gold mines, described above. Although, these fatalities and injuries were not related to Sibanye-Stillwater’s normal operations, they may impact its ongoing labour relations in South Africa.

Despite an apparent decline of incidents of violence following an interdict on violence from the Labour Court and the establishment of picketing rules by the Commission for Conciliation, Mediation and Arbitration (CCMA) at the end of November 2018, violent episodes, including the burning of houses occupied by non-AMCU members, resumed in 2019. These incidents of violence have prompted the intervention of both the Minister of Mineral Resources and the Minister of Police. In addition, Sibanye-Stillwater has instituted a contempt of court application against AMCU, AMCU’s senior officials and the striking employees who have contravened the court order interdicting the violence and prescribing the picketing rules. The contempt of court application is expected to be heard on 25 April 2019. For the period between 21 November 2019 to 15 March 2019, the South African Police Services arrested 153 striking employees for various incidents of unlawful conduct that constitute criminal offences.

In addition, from time to time, Sibanye-Stillwater undertakes processes for operational restructuring under Section 189A of the LRA (Section 189A Processes), which may result in retrenchment of employees and may impact production levels at affected operations. For example, on 26 January 2017, Sibanye-Stillwater announced that it had entered into a Section 189A consultation process at its South African platinum operations. On 1 November 2017, Sibanye-Stillwater further announced that it had concluded a Section 189A Process regarding the proposed restructuring of its gold operations and associated services pursuant to losses at Cooke and Beatrix West. As a result of the consultation process, Beatrix West remained in operation and is still in operation for as long as it makes a profit, on average, over any continuous three-month period, after accounting for All-in sustaining cost (AISC), which will provide employment for approximately 1,640 employees. In addition, in February 2019, Sibanye-Stillwater began a Section 189A consultation process to place the Beatrix 2 Plant on care and maintenance, despite the fact that Beatrix West remains operational. In the event that Beatrix West becomes loss making, its underground operations will be put on care and maintenance. Further, the underground mining operation at the Cooke 1, 2 and 3 shafts were placed on care and maintenance from the end of October 2017, while the Cooke surface processing plant will continue to operate for as long as there is sufficient feed material for it to be profitable, subject to various cost cutting measures being implemented. Through a Section 189A Process, 1,510 employees were transferred within the Company and as care and maintenance personnel for the Cooke underground operations. Approximately 2,025 employees were retrenched, with an additional 1,350 employees electing to take voluntary separation packages. An additional 620 employees replaced contractors involved in non-critical activities across the Company. In total, 3,601 contractors have been displaced while employment for 3,282 employees has been preserved.

On 14 February 2019, Sibanye-Stillwater issued a notice to commence a Section 189A Process regarding the possible restructuring of its gold operations and associated services, pursuant to ongoing financial losses experienced at Sibanye-Stillwater’s Beatrix and Driefontein operations. Subject to the outcome of the Section 189A Process, a total of 5,873 employees and approximately 800 contractors are likely to be directly impacted. In response, AMCU has launched an urgent application seeking an order compelling Sibanye-Stillwater to suspend the Section 189A Process until such time that the wage dispute between the parties is resolved. AMCU’s application is opposed by Sibanye-Stillwater and was heard on 15 March 2019. On 18 March 2019, the Labour Court dismissed AMCU’s application.

Factors that influence the decision to undertake such Section 189A Processes include, among other things, the cost structure of an operation, commodity prices and currency exchange rates. Restructuring options are currently being reviewed at marginal operations and while no decision has been taken, it should be noted that a low Rand commodity price environment, such as the one currently being experienced, increases the likelihood that Sibanye-Stillwater will undertake Section 189A Processes at one or more of its operations is advisable. Any currently underway or future Section 189A Process may lead to labour unrest, reduced production levels and reputational harm to Sibanye-Stillwater. There is no guarantee that any such Section 189A Process will provide the costs savings or other benefits anticipated by management.

In the United States, Sibanye-Stillwater’s employees located at the Stillwater Mine and the Metallurgical Processing facilities are covered by a collective bargaining agreement with the United Steel Workers Local 11-001 (USW Local 11-0001) entered into in 2015. This agreement expires on 1 June 2019, and was re-negotiated for wages in June 2017 with employees receiving a 2% wage increase through January 2018, a 1% increase from January 2018 through June 2018 and a 2% increase in the final year through June 2019. Union negotiations to renew the collective bargaining agreement covering certain employees at the Stillwater Mine and the Metallurgical Processing facilities reopened in March 2019. Sibanye-Stillwater’s employees at the East Boulder Mine are covered by a separate collective bargaining agreement with USW Local 11-0001, which was entered into at the end of 2017 and expires in 2021. Under the new agreement, Sibanye-Stillwater’s employees at the East Boulder Mine received a 1% wage increase effective 1 January 2018 with annual increases of 2% in 2019, 2.5% in 2020 and 2% in 2021 as well as a
RISK FACTORS continued

US$1,000 bonus payment which was paid on 1 February 2018. Sibanye-Stillwater is subject to a risk of strikes and other labour disputes at its US operations, and its ability to alter labour costs is restricted by the fact that unionised employees are party to collective bargaining agreements.

In the event that further industrial relations-related interruptions were to occur at any of Sibanye-Stillwater’s operations, other mines’ operations or in other industries that impact its operations, or that increased employment-related costs were to occur due to union or employee activity, these may have a material adverse effect on its business, production levels, production targets, results of operations, 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 and Sibanye-Stillwater will not re-commence mining until health and safety conditions are considered appropriate to do so.

On 27 November 2018, the President of South Africa signed into law the National Minimum Wage Act 9 of 2018 (the National Minimum Wage Act), the Labour Laws Amendment Act 10 of 2018 (the Labour Laws Amendment Act), the Basic Conditions of Employment Amendment Act 7 of 2018 (the Basic Conditions of Employment Amendment Act), all of which were effective 1 January 2019, and the Labour Relations Amendment Act 8 of 2018 (the Labour Relations Amendment Act), which is not yet effective.

The National Minimum Wage Act introduced a national minimum wage applicable to all employees of R20 per hour. The Basic Conditions of Employment Amendment Act introduces enforcement mechanisms for the provisions of the National Minimum Wage Act. The Labour Relations Amendment Act amended the LRA, instituting changes mainly related to collective bargaining, the extension of bargaining council agreements to non-parties by the Minister of Labour, the prescribing of picketing rules, including providing for the extension of the meaning of ballot for a strike or lock-out to include a secret vote and the creation of an advisory arbitration panel to resolve strikes or lockouts that are, amongst other things, violent or cause national or local crisis affecting the conditions for the normal social and economic functioning of the community or society. The Labour Laws Amendment Act primarily seeks to amend the Basic Conditions of Employment Act 77 of 1995, by introducing new types of leave that employees will be entitled to, such as parental, adoption and surrogacy leave, which varies between 10 days to 10 weeks.

Any of the above could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Sibanye-Stillwater’s operations are subject to environmental, health and safety regulations, which could impose additional costs and compliance requirements, and Sibanye-Stillwater has faced, and may face further, claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws

South Africa

Sibanye-Stillwater’s operations are subject to various environmental, health and safety laws, regulations, permitting requirements and standards in South Africa. For example, Sibanye-Stillwater is required to fund environmental rehabilitation and remediation costs either by making a deposit administrated by the Minister of Mineral Resources, contributions into South African environmental trust funds or by securing a financial guarantee from a bank, insurer or underwriter. Sibanye-Stillwater has and may in the future incur significant costs to comply with environmental, 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. These costs could have a material adverse effect on Sibanye-Stillwater’s business, results of operations and financial condition.

For example, the regulations that determine the extent of financial provision required for funding environmental rehabilitation and remediation costs (published in Government Notice Regulation (GNR) 1147 of 20 November 2015, as amended on 26 October 2016) expressly require financial provision to be set aside for annual rehabilitation and remediation. They also require financial provision for decommissioning and closure activities at the end of prospecting, exploration, mining or production operations and place an emphasis on the need for adequate financial provision for latent or residual environmental impacts (including the pumping and treatment of polluted or extraneous water), which mines often did not fully provide for in the past. In addition, the proposed Financial Provisioning Regulations includes, among other proposals, the potentially mandatory inclusion of 15% value-added tax in all closure provisions. The inclusion of 15% VAT would add approximately R1.1 billion to Sibanye-Stillwater’s total closure liability for its South African operations, as at 31 December 2018. Generally, the regulations have been strongly opposed by the mining industry. There is a concern about the ambiguity in some of the provisions, and how they can be operationalised within the prescribed transitional timeframes. In an attempt to address this issue, the Department of Environmental Affairs (the DEA) indicated that it intended to publish draft amendments to the financial provision regulations for comment. However, the draft amendments to the financial provision regulations have yet to be published for comment.

Sibanye-Stillwater has and may in the future also be subject to litigation and other costs as well as actions by authorities relating to environmental, health and safety matters, including mine closures, the suspension of operations and prosecution for mining accidents as well as significant penalties and fines for non-compliance. In the future, Sibanye-Stillwater may also be subject to litigation in South Africa brought by members of the community affected by environmental-related impacts, as well as NGOs and public bodies. In addition, there can be no assurance that unions will not take action in response to mining accidents, which could lead to losses in Sibanye-Stillwater’s production and negatively affect Sibanye-Stillwater’s reputation. Any additional stoppages in production or increased costs associated with such incidents could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

As environmental laws and regulations are becoming more complex and stringent, Sibanye-Stillwater’s environmental management plans and/or programmes and other environmental licences may be the subject of increasingly strict interpretation or enforcement or become more comprehensive, and could result in increased capital or operating expenditure or financial or other penalties and/or the suspension or loss of Sibanye-Stillwater’s rights. For example, Sibanye-Stillwater faces increasing challenges and costs at its operations in order to comply with regulations, licence and authorisation requirements. Sibanye-Stillwater could face material cost overruns in meeting these compliance obligations. The occurrence of any of these risks could have a material adverse effect on Sibanye-Stillwater’s business, financial condition, results of operations and prospects.
The principal health risks associated with Sibanye-Stillwater’s mining operations arise from occupational exposure and community environmental exposure to silica dust, noise and certain hazardous substances, including toxic gases and radioactive particulates. The most significant occupational diseases affecting Sibanye-Stillwater’s South African workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease) as well as noise induced hearing loss. 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 a civil action under common law (either as individuals or as a class). Such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Sibanye-Stillwater’s South African mines.

Five separate class action certification applications were filed against the Group and several other South African mining companies. The applications were to certify current and former gold mine workers and their dependents who have contracted or died from silicosis and tuberculosis. In August 2013, a notice in terms of rules 10 and 11 of the Uniform Rules of Court was delivered to the respondents in all five separate class action certification applications. The applicants gave notice of their intent to consolidate the five class action certification applications, and to join certain additional applicants. The consolidation, joinder and amendments were not opposed by any of the respondents. Accordingly, in October 2013, the consolidation and joinder applications were granted. Furthermore, the amended pages were delivered in October 2013. In view thereof, all five previously separate applications were effectively consolidated as Case No. 48226/12.

The class action certification application was argued in October 2015. A full bench of the Gauteng Division High Court certified the consolidated class in May 2016. The certification of the class means that the claimants were able to sue the mining companies as a class. The class members would, however, still have to prove their claims as required by the law.

Various respondents to the class action certification application filed an application for leave to appeal the class action certification application judgement. Heads of arguments were exchanged by the parties and the matter was argued before a full bench in June 2016. An oral judgement was handed down in the application for leave to appeal in June 2016, whereby leave to appeal to the Supreme Court of Appeal against the transmissibility of general damages was granted and the leave to appeal the certification of the class action was denied.

Following the refusal to grant leave to appeal the certification of the class action, various respondents filed petitions in the Supreme Court of Appeal in July 2016. The Supreme Court of Appeal subsequently granted leave to appeal the certification of the class action. In January 2018, the Supreme Court of Appeal granted a postponement of the argument of leave to appeal in an attempt to further settlement discussions between the parties.

In May 2018, several South African mining companies, including the Group, (collectively the Gold Working Group) agreed to a class action settlement agreement with the claimants (the Settlement Agreement). The Settlement Agreement provides compensation to all eligible workers suffering from silicosis or tuberculosis who work 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. The Settlement Agreement was provisionally approved by the High Court on 13 December 2018, with a return date set down for May 2019.

The ultimate outcome of these matters remains uncertain, with a possible failure to fulfil all suspensive conditions, including the Settlement Agreement being finally approved by the High Court. The provision is consequently subject to adjustment in the future. In addition, DRDGOLD Limited (DRDGOLD) is not a party to the Gold Working Group’s mediated settlement agreement and maintains the view that it is too early to consider settlement of the matter and to quantify any potential liability. See Annual Financial Report—Consolidated financial statements—Note 26: Occupational healthcare obligation. The failure of the Settlement Agreement becoming effective and/or the payment of compensation for the claims may have an adverse financial impact on the Group.

Any new regulations, potential litigation or any changes to health and safety laws which increase the burden of compliance or the penalties for non-compliance may cause the Group to incur further significant costs and could have a material adverse effect on the Group’s business, operating results and financial position.

Regulators, such as the DMR, can and do issue, in the ordinary course of operations, instructions, such as Section 54 orders, following safety incidents or accidents to partially or completely halt operations at affected mines. Historically, safety orders, such as Section 54 orders, have been more prevalent in the PGM industry and as such, the Rustenburg operation and Kroondal are at a heightened risk of being affected by stoppages resulting from such orders. In addition, South Africa’s deputy Minister of Mineral Resources has stated that the ministry may increase sanctions, including closures, for mines in which fatalities occur because of violations of health and safety rules. In fiscal 2018, Sibanye-Stillwater’s gold operations experienced 219 worker stoppages (2017: 204, 2016: 171 and 2015: 109) at the South African gold operations and 44 Section 54 orders at the South African PGM operations (2017: 26 and 2016: 55). It is Sibanye-Stillwater’s policy to halt production at its operations when serious accidents occur in order to assess the situation and, if necessary, retrain workers. In addition, there can be no assurance that unions will not take industrial action in response to such accidents, which could lead to losses in Sibanye-Stillwater’s production. Any additional stoppages in production, or increased costs associated with such incidents, could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition. Such incidents may also negatively affect Sibanye-Stillwater’s reputation with, among others, employees, unions and regulators.

United States

In the United States, Sibanye-Stillwater is subject to extensive federal, state and local environmental rules and regulations, including regulations associated with the implementation of the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Metal Mine Reclamation Act and numerous permit stipulations as documented in the Record of Decision for each operating entity, including those related to the protection of threatened and endangered species under the Endangered Species Act. Properties controlled by Sibanye-Stillwater in Canada and Argentina are subject to analogous federal and provincial rules and regulations in those respective countries. The body of environmental laws is continually changing and, as a general matter, is becoming more restrictive. Compliance with these regulations requires Sibanye-Stillwater to obtain permits issued by federal, state, provincial and local regulatory agencies. Failure to comply with applicable environmental laws, regulations and permitting
requirements, whether now or in the future, may result in enforcement actions, including orders issued by regulatory or judicial authorities, causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Non-renewal of permits, the inability to secure new permits, or the imposition of additional conditions could eliminate or severely restrict Sibanye-Stillwater’s ability to conduct its operations.

Sibanye-Stillwater’s existing mining operations in the United States are located adjacent to the Absaroka-Beartooth Wilderness Area and are situated approximately 30 miles from the northern boundary of Yellowstone National Park. While Sibanye-Stillwater works closely and cooperatively with local environmental organisations, the Montana Department of Environmental Quality and the United States Forest Services, there can be no assurance that future political or regulatory efforts will not further restrict or seek to terminate Sibanye-Stillwater’s operations in this sensitive area. In addition, environmental hazards or damage may exist on mineral properties held by Sibanye-Stillwater that were caused by previous owners or operators or that may have occurred naturally, and that are unknown to Sibanye-Stillwater at the present time. In some cases, Sibanye-Stillwater could be required to remedy such damage.

Sibanye-Stillwater’s US mining activities are also subject to extensive laws and regulations governing occupational health and safety, including mine safety, toxic substances and other matters. The costs associated with compliance with such laws and regulations are substantial. Sibanye-Stillwater employs various measures in its operating facilities in an effort to protect the health and safety of its workforce. Underground mines in the United States, including the Stillwater and East Boulder mines, are continuously inspected by the MSHA, which inspections can lead to notices of violation. Any of Sibanye-Stillwater’s US mines could be subject to a temporary or extended shut down as a result of a violation alleged by the MSHA. Possible future laws and regulations, or more restrictive interpretations of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of operations and delays in the development of new properties.

Sibanye-Stillwater is required to post and maintain surety for its reclamation obligations, which are substantial. At 31 December 2018, Sibanye-Stillwater had US$42.6 million of outstanding environmental surety bonds in the United States. Such reclamation obligations generally increase over time as costs rise and the physical extent of mining operations expands. Failure to secure and maintain adequate surety coverage could result in the operating permits of such mines being revoked and mining operations terminated.

In addition to formal regulatory requirements, Sibanye-Stillwater’s US operations are party to environmental and social collaborations with local communities and interest groups that are rooted in the Good Neighbor Agreement (GNA). The GNA legally binds Sibanye-Stillwater to certain commitments and holds it to higher standards than federal and state regulations require. These commitments include regular, transparent, and productive interaction with all affected stakeholders, which primarily includes three local stakeholder organisations that meet regularly with Sibanye-Stillwater to discuss operations, future planning, and other issues, including direct impacts on local communities, such as traffic volumes. This framework provides a mechanism for the general public to voice concerns and to become informed on operations.

Failure to comply with any of its regulatory or other commitments could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

**Regulation of greenhouse gas (GHG) emissions and climate change issues may materially adversely affect Sibanye-Stillwater’s operations**

Energy is a significant input and cost to Sibanye-Stillwater’s mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, coal 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 GHG emissions in jurisdictions in which Sibanye-Stillwater operates.

The South African government plans to introduce a carbon tax. The carbon tax was intended to come into effect as of 1 January 2015 but, in order to align the framework of the proposed carbon tax with the desired reduction outcomes, the implementation of the carbon tax was postponed. The National Treasury published for comment a draft carbon tax bill (the Draft Carbon Tax Bill) with a view to implement the tax by January 2017. A new draft bill was adopted in August 2017 and the South African parliament released the draft bill in December 2017 for comment. The South African government proposed to implement the tax as of 1 January 2019 to meet its nationally determined contributions under the 2016 Paris Agreement of the United Nations Framework Convention on Climate Change. On 5 February 2019, the Finance Standing Committee approved a carbon tax bill (the Carbon Tax Bill) and on 19 February 2019, South African Parliament’s National Assembly approved the Carbon Tax Bill, which will now be sent to Parliament’s National Council of Provinces to be debated and voted upon. It will then be 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.

The carbon tax has been designed to fix liability on the person who conducts an activity in South Africa that results in GHG emissions above a certain threshold. The carbon tax design requires the calculation of liability to be based on the sum of GHG emissions, which result from fuel combustion, industrial processes and fugitive emissions. Taxpayers must determine emissions in accordance with the reporting methodology approved by the DEA. The National Treasury has stated that the carbon tax will be designed to ensure that it has no net impact on the electricity price during the initial phase (until 31 December 2022) of the implementation of the carbon tax.

In June 2016, the South African National Treasury published the draft regulations on the “Carbon Offset”. The Carbon Offset is one of the allowances that carbon tax liable entities can employ to reduce their tax-related exposure. In addition, the DEA is currently working on draft legislation that will impose so-called “carbon budgets” on entities in identified high-emitting industries, including mining. The “carbon budgets” are intended to operate as statutory limits for carbon dioxide equivalent emissions (or CO2e), emissions in excess of which may entail a fine or other punitive measures. Companies that participate in the carbon budget system will be eligible for a 5% allowance under the carbon tax during the initial phase of the current Draft Carbon Tax. The National Treasury and the 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: (i) for emissions up to the level of the carbon budget, the current carbon tax design will apply at a tax rate of R120/tCO2e adjusted in line with annual increases and all the tax free allowances will apply; and (ii) 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.

While many aspects of the proposed carbon tax remain uncertain, the direct financial implications of government’s proposed carbon tax for Sibanye-Stillwater, in today’s terms, at the 2018 carbon footprint and at an anticipated rate of R120/t of CO2e, would be between approximately R4 million and R18 million per annum on the premise that electricity (i.e. Scope 2 emissions) is excluded. The potential net effect of proposed allowances is to permit the reduction of a carbon tax by 60% to 95%. In other words, Sibanye-Stillwater’s final liability will be significantly affected by the extent it is able to make use of the full suite of allowances that are built into the carbon tax design. The National Treasury presented its draft response to submissions that were made on the Draft Carbon Tax Bill on 7 June 2018. It indicated that a review of the impact of the carbon tax after at least three years implementation will be conducted. Adjustments to the carbon tax will depend on the economic circumstances and emissions mitigation efficiency that has been achieved. Any future changes to rates and tax-free thresholds in the carbon tax will follow only after the review is completed.

In addition, a number of other regulatory initiatives are underway in countries in which Sibanye-Stillwater operates that seek to reduce or limit industrial GHG emissions. These regulatory initiatives will be either voluntary or mandatory and are likely to impact Sibanye-Stillwater’s operations directly or by affecting the cost of doing business, for example by increasing the costs of its suppliers or customers. Inconsistency of regulations particularly between developed and developing countries may affect both Sibanye-Stillwater’s decision to pursue opportunities in certain countries and its cost of operations.

In the United States, Sibanye-Stillwater is subject to legislative and regulatory initiatives that are underway to limit GHG emissions. The US Congress has considered legislation that would control GHG emissions through a “cap and trade” program and several US states have already implemented programs to reduce GHG emissions. In addition, the US Supreme Court determined in a 2007 ruling that GHG emissions are “air pollutants” within the meaning of the federal Clean Air Act. In response the US Environmental Protection Agency (the EPA) promulgated an endangerment finding paving the way for regulation of GHG emissions under the Clean Air Act. In 2010, the EPA issued a final rule, known as the “Tailoring Rule”, which makes certain large stationary sources and modification projects subject to permitting requirements for GHG emissions under the Clean Air Act. In June 2014, the US Supreme Court invalidated portions of the federal Tailoring Rule, but the ruling upheld the EPA’s authority to require new or modified facilities that are already subject to permitting requirements for conventional pollutants to comply with Best Available Control Technologies (BACT) for GHGs, as well. In 2015, the EPA rescinded the portions of the Tailoring Rule that had been overturned by the Supreme Court. However, the EPA indicated that new or modified sources subject to permitting for conventional pollutants will be required to access BACT for GHG if the new source or the modification will result in an annual increase of 75,000 tons per year of CO2e. During 2016, US legislative and regulatory initiatives to limit GHG emissions were primarily focused through the Clean Power Planning Rule which is intended to limit emissions from power generating facilities.

In 2009, the EPA issued a final rule requiring the reporting of GHGs from specified large GHG emission sources in the United States beginning in 2011. The Stillwater Mine holds a Title V Major Air Quality Permit. As a result, Sibanye-Stillwater is required to annually calculate the GHG emissions from the Stillwater Mine and compare these amounts against reporting thresholds. However, the Stillwater operation is not required to report GHG emissions at this time, given current levels are below reporting thresholds. Additionally, the assessment of GHG emissions is becoming an increasingly important part of US National Environmental Policy Act (NEPA) assessments, and as a result Sibanye-Stillwater may be required to mitigate its GHG emissions in connection with any future NEPA review.

Nevertheless, regulation of GHG emissions is relatively new, and a great deal of debate continues to ensue. As a result, further regulatory, legislative and judicial developments are difficult to predict. Due to the uncertainties surrounding the regulation of and other risks associated with GHG emissions, Sibanye-Stillwater cannot predict the financial impact of future US GHG regulations and related developments on the Stillwater operations.

There can be no assurance that Sibanye-Stillwater will be able to meet its voluntary targets relating to GHG emissions or comply with targets that may be imposed upon the mining industry by external regulators. 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 Sibanye-Stillwater’s business, financial condition, results of operations and prospects. Furthermore, the potential physical impacts of climate change on Sibanye-Stillwater’s operations are highly uncertain and may adversely impact the cost, production and financial performance of Sibanye-Stillwater’s operations.

Sibanye-Stillwater’s operations are subject to water use regulation, which could impose significant costs and burdens

Sibanye-Stillwater’s operations are subject to regulatory controls on their usage and disposal of water and waste. Under South African law, mining operations are subject to water use licences and/or authorisations 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. The Driefontein water use licence was issued on 9 March 2017 and an amendment to correct various issues in the licence was submitted to the Department of Water and Sanitation (DWS) on 19 May 2017. The licence is currently under review by the DWS. Beatrix currently operates under several pre-existing permits of indefinite length; however, it has submitted an application for a licence under the current regime. The Rand Uranium section of the Cooke operations was issued a water licence on 22 November 2013 and on 17 July 2015 for the backfill operations. The water licence defines the water management regulatory requirements for the Cooke surface operations, as well as for the Cooke 1, 2 and 3 underground mining operations. In 2017, an Integrated Water Use Licence Application (IWULA) was submitted for Rand Uranium. The Ezulwini Mining Company (Proprietary) Limited (Cooke 4) was issued a new order water use licence on 11 June 2015 and a request was made for changes to some of the conditions on 7 September 2015. In 2017, an IWULA was submitted for the proposed partial closure of Ezulwini and a general authorisation was received for the reclamations of impacted wetlands on 2 March 2018. The Aquarius operations currently operate under a water licence issued by DWS on 17
March 2016. Burnstone operates under a water use licence that was issued on 23 July 2010, and as this licence was granted over seven years ago, an IWULA application is currently underway to ensure all activities are appropriately licenced. Kloof received an updated water use licence on 7 July 2016 and an amendment to apply for corrections to the water use licence was submitted in December 2016, which is currently under review by DWS. Sibanye-Stillwater expects to incur significant expenditure to achieve and maintain compliance with the licence requirements at each of its operations. Any failure on Sibanye-Stillwater’s part to achieve or maintain compliance with the requirements of these licences with respect to any of its operations could result in Sibanye-Stillwater being subject to substantial claims, penalties, fees and expenses, significant delays in operations, criminal proceedings, or the revocation of the relevant water use licence, which could curtail or halt production at the affected operation. Any of the above could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition. For example, Aquarius has been continually engaging with DWS for several years regarding the issue of a water use licence for Kroondal’s West-West Pit. This was initially refused by DWS on the basis that the liner design did not fulfil DWS’s engineered design requirements. The water use licence was issued once DWS was satisfied with the revised design.

Sibanye-Stillwater has identified a risk of potential long-term AMD issues which are currently being experienced by peer mining groups. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. Should Sibanye-Stillwater’s current preventative measures not be successful such that Sibanye-Stillwater were to experience any AMD issues, it could result in failure to comply with its water use licence requirements and could expose Sibanye-Stillwater to potential liabilities and unforeseen costs associated with the pumping and treatment of polluted and extraneous water to the extent that it has not made adequate financial provision for this in terms of the financial provision requirements of Government Notice Regulation (GNR) 1147 of 20 November 2015, as amended on 26 October 2016.

Sibanye-Stillwater’s mineral reserves are estimates based on a number of assumptions, which, if changed, may require Sibanye-Stillwater to lower estimated mineral reserves

The mineral reserves of Sibanye-Stillwater are estimates based on assumptions regarding, among other things, Sibanye-Stillwater’s costs, expenditures, commodity prices, currency exchange rates, metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors, many of which are beyond our control. For example, at the Stillwater Mine, unexpected geologic conditions, particularly faulting, have been, and can expect to be encountered as mining proceeds. The effect of faulting and its effects on geologic units that are close to the J-M Reef in some areas can result in additional dilution of ore grade during mining operations. In the event that we adversely revise any of the assumptions that underlie our mineral reserves, this may result in a revision of mineral reserves. In addition, mineral reserve estimates depend to some extent on statistical inferences drawn from limited drilling samples, which may prove to be unreliable or unrepresentative. Should Sibanye-Stillwater encounter mineralisation or formations at any of its mines or projects different from those predicted by drilling, sampling and similar examinations, mineral reserve estimates may have to be adjusted and mining plans may have to be altered. Any downward revision in Sibanye-Stillwater’s mineral reserves and, over the longer term, any failure to replace reserve ounces as they are mined may have a material adverse effect on its business, operating results, life of operations and financial condition.

Our business is subject to high fixed costs which may impact its profitability

The mining industry, particularly the gold and PGM mining industry, is generally labour intensive and characterised by high fixed costs on a short-term operating basis. The majority of operating costs of each mining operation does not vary significantly with the production rate and, therefore, a relatively small change in productivity as a result of, for example, strikes or other work stoppages could have a disproportionate effect on operating and financial results. Costs are generally more stable than revenues, the latter being driven by commodity price and currency exchange rates which can be volatile. Accordingly, changes in revenue due to commodity price or currency exchange rate movements could have a material adverse effect on Sibanye-Stillwater’s growth or financial performance. Above inflation increases in fixed costs such as labour or electricity costs may cause parts of Sibanye-Stillwater’s resources to become uneconomical to mine and lead to the closure of marginal shafts or other areas at its operations. This would impact on planned production levels and declared reserves and could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition. See Annual Financial Report—Overview—Management’s discussion and analysis of the financial statements—Factors affecting Sibanye-Stillwater’s performance—Costs.

Power stoppages, fluctuations and usage constraints may force Sibanye-Stillwater to halt or curtail operations

Electricity supply in South Africa has been constrained over the past decade and there have been multiple power disruptions. 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% 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 and may continue to lead to rolling blackouts, unscheduled power cuts and surveillance programs to ensure 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 could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

During the period of load shedding, Eskom burned significant amount of diesel to run its gas turbines and called large power users to curtail their power demand. In addition, 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. 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% tariff increase. See —Power cost increases in South Africa and elsewhere may adversely affect Sibanye-Stillwater’s results of operations.

Although operations management has been able to comply with the curtailment requirements in response to the load curtailment events experienced in the fourth quarter of fiscal 2018 and the first quarter of fiscal 2019 without incurring material production losses, there can be no
guarantee that Sibanye-Stillwater will be able to comply with such curtailment requirements without incurring material production losses in the future.

In addition to supply constraints, labour unrest in South Africa has before, and may in the future, disrupt the supply of coal to power stations operated by Eskom or incapacitate the power stations directly, resulting in curtailed supply. For example, in June 2018, during tense wage negotiations, workers embarked on an illegal strike, which resulted in power constraints and load curtailment. Despite the fact that Eskom has adopted a policy of asking households to reduce usage before asking industrial users to do so in order to reduce the economic impact of such disruptions, Eskom has warned that power constraints will continue, as experienced during the fourth quarter of fiscal 2018 and the first quarter of fiscal 2019.

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 into separate entities, which may require legislative and/or policy reform. It is expected that this process will take time to implement, causing continued poor reliability of the supply of electricity and an instability in prices and a possible tariff increase above inflation, which are expected to continue through the unbundling process. Should Sibanye-Stillwater experience further power tariff increases, its business operating results and financial condition may be adversely impacted.

The South African Department of Public Enterprises is developing a recovery programme in an attempt to improve the reliability of power supply in South Africa. However, there can be no assurance that this programme will provide sufficient supply for the needs of the country or for Sibanye-Stillwater to run its operations at full capacity or at all. While Sibanye-Stillwater has backup generating capacity available during power emergencies, this is insufficient for all operations to continue operating as normal, however, it is sufficient for safety purposes. This capacity is generated at a significantly higher cost than electricity supplied by Eskom.

In addition, to a lesser degree, power fluctuations have occurred and do occur at Sibanye-Stillwater’s US operations, which can cause operational outages.

Any further disruption or constraint in the electrical power supply available to Sibanye-Stillwater’s South African-based operations or power fluctuations at Sibanye-Stillwater’s US operations could have a material adverse effect on its business, operating results and financial condition.

### Power cost increases in South Africa and elsewhere may adversely affect Sibanye-Stillwater’s results of operations

Sibanye-Stillwater’s mining operations in South Africa depend upon electrical power generated by the state-owned power supply utility, Eskom. See —Power stoppages, fluctuations and usage constraints may force Sibanye-Stillwater to halt or curtail operations. Eskom supplies 95% of the country’s electricity needs. Eskom tariffs are regulated by NERSA. 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 the 2019 and 2020 financial year. Eskom has indicated that it intends to challenge NERSA’s decision not to grant the requested 19.9% tariff increase and recently filed court papers to challenge the 4.41% tariff increase in the RCA ruling. In the same period, Eskom submitted their 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% for these years. The application was later revised to 17%, 15% and 15% 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% (effectively 13.81% when combined with the previously agreed 4.4% increase that comes into effect April 2019), 8.1% and 5.22% 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. Eskom is also expected to submit to NERSA requests for three regulatory clearance account applications for the 2014 to 2015, 2015 to 2016 and 2016 to 2017 fiscal years, amounting to nearly R66 billion. Should all three applications be granted and liquidated in one year, this could result in approximately a 34% tariff increase. 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 through the unbundling process is expected to continue. Should Sibanye-Stillwater experience further power tariff increases, its business operating results and financial condition may be adversely impacted.

In the United States, power costs are openly traded and can fluctuate based on power outages across the United States. Over the longer term, changes in the US energy market, including a potential movement away from coal power, may increase the operating cost of Sibanye-Stillwater’s US operations, which could have a material adverse effect on its business, operating results and financial condition.

If we lose senior management or are unable to hire/or and retain sufficient technically skilled employees or sufficient HDSA representation in management positions in South Africa, our business may be materially adversely affected

Our ability to operate or expand effectively depends largely on the experience, skills and performance of our senior management team and technically skilled employees. However, the global mining industry, especially in South Africa, including Sibanye-Stillwater, continues to experience a shortage of qualified senior management and technically skilled employees. We may be unable to hire or retain (due to departure or unavailability) appropriate senior management, technically skilled employees or other management personnel, or we may have to pay higher levels of remuneration than we currently intend in order to do so. In the United States, Sibanye-Stillwater depends on experienced management and other key personnel in order to maintain its operations and support its projects. A loss of key management or other personnel at Sibanye-Stillwater’s US operations could prevent Sibanye-Stillwater from capitalising on business opportunities in the United States, as prior to the Stillwater Acquisition, Sibanye-Stillwater did not have any operational experience with the acquired assets or in the United States.

Additionally, as a condition of our mining rights in South Africa, we must ensure sufficient HDSA participation in our management and core and critical skills and failure to do so could result in fines or the loss or suspension of our mining rights. See —Sibanye-Stillwater’s 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 we are unable to hire or retain appropriate management and technically skilled personnel or are unable to obtain sufficient HDSA representation in management positions, or if there are not sufficient succession plans in place, this could have a material adverse effect on our business, including production levels, operating results and financial position.

The failure of a tailings storage facility could negatively impact Sibanye-Stillwater’s business, reputation, operating results and financial condition

Mining companies face inherent risks in their operation of tailings storage facilities. Tailings storage facilities are engineered structures built for the containment of the uneconomical milled ore residue and water, known as tailings. The use of tailings storage facilities exposes Sibanye-Stillwater to certain risks, including the failure of a tailings dam due to events such as high rainfall, snow melt, overtopping of the dam, piping or seepage failures. The potential occurrence of a dam failure at one of Sibanye-Stillwater’s tailings storage facilities could lead to the loss of human life and/or extensive property and environmental damage.

Sibanye-Stillwater maintains measures to manage its dams’ safety, including compliance with the International Council on Mining and Metals’ Tailings Governance Position Statement, Sibanye-Stillwater’s Code of Practice and undertakes routine reviews by independent consulting companies. Although Sibanye-Stillwater has a tailings storage facility management system, the effectiveness of its designs, construction quality or regular monitoring cannot be guaranteed throughout its operations and it cannot be guaranteed 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. In addition, although Sibanye-Stillwater generally requires its partners to maintain such systems, we cannot guarantee that our partners maintain similar safety precautions or monitoring systems on their tailings storage facilities. There is no assurance that any safety measures implemented will prevent the failure of any tailings storage facility.

The failure of a tailings storage facility would lead to multiple legal proceedings and investigations, which could include securities class actions, criminal proceedings and public civil actions (against Sibanye-Stillwater 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 2015 and January 2019 dam failure in Brazil, as well as in Canada in 2014 (neither of which are associated with Sibanye-Stillwater) 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 Sibanye-Stillwater operates, which may ban the storage of wet tailings completely. In addition, changes in laws and regulations may impose more stringent conditions in connection with the construction of tailings dams, particularly with respect to upstream tailings dams which could also be made illegal, 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 such risks could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

To the extent that Sibanye-Stillwater seeks to expand further through acquisitions or enters into business combination transactions, it may experience delays or other issues in executing acquisitions or combinations or managing and integrating the acquisitions or combinations with its existing operations

Sibanye-Stillwater has pursued, is pursuing and may continue to pursue growth opportunities through acquisitions or enter into business combination transactions, in order to enhance or sustain its ability to pay an industry leading dividend and to allow it to consolidate operations, increase scale and implement best practices across operations. Sibanye-Stillwater has also entered and may continue to seek to enter mining sectors related to its existing operations through acquisitions or other business combination transactions. For example, between 2016 and 2018, Sibanye-Stillwater concluded the Rustenburg operation Transaction, the Aquarius Transaction and the Stillwater Transaction. On 14 December 2017, the boards of Sibanye-Stillwater and Lonmin announced that they had reached an agreement on the terms of a recommended all-share offer pursuant to which Sibanye-Stillwater, and/or a wholly-owned subsidiary of Sibanye-Stillwater, would acquire the entire issued and to be issued ordinary share capital of Lonmin, which is a major mine-to-market producer of PGMs with core operations in South Africa. The Lonmin Acquisition remains subject to the satisfaction or waiver of a number of conditions, as set out in the announcement published pursuant to Rule 2.7 of the UK City Code on Takeovers and Mergers on 14 December 2017. See —Risks related to the Acquisitions. Further growth may occur through the acquisition of other companies and assets, business combinations, development projects, or by entering into joint ventures.

The Stillwater Acquisition has expanded Sibanye-Stillwater’s operations to new geographies in which Sibanye-Stillwater has no prior operational experience. As an operator of mines in the United States, Sibanye-Stillwater is now exposed to an increase in US reporting requirements with which it may have difficulties complying. In addition, Sibanye-Stillwater, at a corporate level, has limited experience with the MSHA, which oversees and enforces regulations pertaining to the health and safety of workers at Sibanye-Stillwater’s US operations.

Sibanye-Stillwater’s recent acquisitions have led to increased costs related to ensuring governance, regulatory, legal and accounting compliance across multiple regions. Any future acquisitions, business combinations or joint ventures may change the scale of Sibanye-Stillwater’s business and operations and may expose it to new geographical, geological, commodity, political, social, labour, operational, financial, legal, regulatory and contractual risks. Further, the acquisition of any assets that produce commodities other than gold or PGMs will expose Sibanye-Stillwater to the risk of operating in an environment and market with which its management has less experience. In addition, to the extent Sibanye-Stillwater participates in the development of a project through a joint venture or any other multi-party commercial structure, there could be disagreements, legal or otherwise, or divergent interests or goals amongst the parties, which could jeopardize the success of the project. There can be no assurance that any acquisition, business combination or joint venture, including the proposed Lonmin Acquisition once completed (which remains subject to the satisfaction or waiver of a number of conditions (including, but not limited to, the approval of Lonmin shareholders and Sibanye-Stillwater shareholders and the approval of the scheme of arrangement by the High Court of Justice in England & Wales) as well as an appeal
RISK FACTORS continued

before the Competition Appeal Court of South Africa against the South African Competition Tribunal’s decision to approve the Lonmin Acquisition subject to certain conditions imposed on Sibanye-Stillwater or the acquisitions of Stillwater, the Rustenburg operation and Aquarius, or the acquisition of any new mining assets or operations, will achieve the results intended, and, as such, could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Sibanye-Stillwater faces intense competition for the acquisition of attractive mining properties. From time to time, Sibanye-Stillwater evaluates the acquisition of ore reserves, development properties or operating mines, either as stand-alone assets or as part of existing companies. The decision to acquire these properties may be based on a variety of factors, including historical operating results, estimates and assumptions regarding the extent of the ore reserve, cash and other operating costs, gold and other mineral prices, projected economic returns and evaluations of existing or potential liabilities associated with the relevant property and its operations and how these factors may change in the future. Other than historical operating results, these factors are uncertain and could have an impact on revenue, cash and other operating costs, as well as the process used to estimate the ore reserve.

The integration of any acquired assets requires management capacity. There can be no assurance that Sibanye-Stillwater’s current management team has sufficient capacity, or that it can acquire additional skills to supplement that capacity, to integrate any acquired or new assets and operations into the Group and to realise cost and operational efficiencies at the acquired assets or maintain those at the existing operations.

To the extent that Sibanye-Stillwater seeks to further expand its current mining operations, it may experience problems associated with mineral exploration or developing mining projects

In order to expand its operations and reserve base organically, Sibanye-Stillwater relies on its existing exploration programmes and investigates, and may continue to investigate, the exploitation of mineralisation below the current mining levels and infrastructure limits at its operations. Sibanye-Stillwater is currently undertaking brownfields exploration at selected operations in South Africa. Brownfields exploration aimed at the depth extensions of Sibanye-Stillwater’s Beatrix operations is currently underway. In addition, ongoing drilling to further refine existing reserves as well as for the definition of future reserves is currently being undertaken at the Blitz Project. Sibanye-Stillwater (in conjunction with its joint venture partner, Regulus Resources) has also been undertaking exploration activities at the Altar project, a large porphyry-style copper-gold deposit in Argentina. Projects of this nature are generally capital intensive, have a long lead time and are subject to risks relating to the location of economic ore bodies, the development of appropriate extractive processes, cost overruns and delays, the receipt of necessary governmental permits and regulatory approvals and the extension of mining and processing facilities at the mining site.

Further, in cases where Sibanye-Stillwater explores the production of commodities other than gold or PGMs, Sibanye-Stillwater may be exposed to further risk of operating in an environment and market of which its management has less experience.

There can be no assurance that any exploration or expansion projects will be successful, partially or at all, and the failure of Sibanye-Stillwater to expand its reserves through such projects could have a material adverse effect on its 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 Sibanye-Stillwater’s operations and profits

Sibanye-Stillwater’s results of operations may be affected by the availability and pricing of raw materials and other essential production inputs, including, for example, explosives, fuel, steel, cyanide and other reagents required at our mining and processing operations. 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 could require Sibanye-Stillwater to find acceptable substitute suppliers and could require Sibanye-Stillwater to pay higher prices for such materials. The prices of certain of Sibanye-Stillwater’s production inputs are impacted by, among other things, the prices of oil and steel which may be volatile. Any significant increase in the prices of these materials will increase Sibanye-Stillwater’s operating costs and affect production considerations.

Theft of gold, PGM and production inputs, as well as illegal artisanal mining, may occur on some of Sibanye-Stillwater’s properties. These activities are difficult to control, can disrupt Sibanye-Stillwater’s business and can expose Sibanye-Stillwater to liability

Sibanye-Stillwater has experienced illegal and artisanal mining activities and theft of precious metals bearing materials (which may be by employees or third parties) at its South African-based properties. In June 2017, with the agreement of NUM, Sibanye-Stillwater prohibited food being taken underground by employees at Cooke in order to prevent support from being provided to illegal miners by employees, following signs of collusion. After the implementation of these and other measures to combat illegal mining, 472 illegal miners surfaced from underground, and were arrested. In addition, 77 employees were arrested for assisting illegal miners at Cooke. See — Sibanye-Stillwater’s operations and profits have been and may be adversely affected by labour unrest and union activity. In addition, at the Gloria mine in Middelburg, 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 South African 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. The activities of illegal and artisanal miners could also lead to a reduction 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 or damage to property for which Sibanye-Stillwater could potentially be held responsible, leading to fines or other costs.

Rising gold or PGM prices may result in an increase in gold or PGM theft, expected to be principally at its South African-based mines. The occurrence of any of these events could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.
Because our operations are regionally concentrated, disruptions in these regions could have a material adverse impact on the operations

The majority of our gold mining operations are located in the north western and south western margins of the Witwatersrand Basin in South Africa, and our South African platinum operations, as well as those of Lonmin (the acquisition of which remains subject to the satisfaction or waiver of a number of conditions (including, but not limited to, the approval of Lonmin shareholders and Sibanye-Stillwater shareholders and the approval of the scheme of arrangement by the High Court of Justice in England & Wales) as well as an appeal before the Competition Appeal Court of South Africa against the South Africa Competition Tribunal’s decision to approve the Lonmin Acquisition subject to certain conditions imposed on Sibanye-Stillwater), are located in the Western Bushveld Complex in close proximity to the town of Rustenburg in the North West Province. Our US operations are concentrated in the state of Montana. As a result, any adverse economic, political or social conditions affecting these regions or surrounding regions, as well as natural disasters or coordinated strikes or other work stoppages, could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of some of Sibanye-Stillwater’s South African-based operations may disrupt its business or may lead to greater social or regulatory impositions on Sibanye-Stillwater

There are a number of informal settlements located in the vicinity of some of Sibanye-Stillwater’s South African-based operations. These settlements are populated by mining company employees (including Sibanye-Stillwater employees), the families of mining company employees and others. As at 31 December 2018, 48% of Sibanye-Stillwater’s South African-based workforce opted to receive a “living out allowance” and management expects that a number of these individuals reside in informal settlements. In recent years, the size of these settlements has grown substantially. Poor living conditions in these settlements may lead to the spread of disease or other health hazards, which may increase absences or affect the productivity of employees. The population of such settlements or the surrounding communities may also demand jobs, social services or infrastructure from the local mining operations, including Sibanye-Stillwater. Any such demands or other demands from these communities may lead to increased costs or regulatory burdens on Sibanye-Stillwater. Such demands may also lead to protests or other actions that may hinder Sibanye-Stillwater’s ability to operate.

Any of the above factors could have a material adverse effect on Sibanye-Stillwater’s business, reputation, operating results and financial condition.

Sibanye-Stillwater’s insurance coverage may not adequately satisfy all potential claims in the future

Sibanye-Stillwater has an insurance programme, including partial self-insurance. However, it may become subject to liability against which it has not been insured, cannot insure or is insufficiently insured, including those relating to past mining activities. Sibanye-Stillwater’s existing property and liability insurance contains specific exclusions and limitations on coverage. For example, should Sibanye-Stillwater be subject to any regulation or criminal fines or penalties, these amounts would not be covered under its insurance programme. Should Sibanye-Stillwater suffer a major loss, which is insufficiently covered, future earnings could be affected. In addition, certain classes of insurance may not continue to be available at economically acceptable premiums. As a result, in the future, Sibanye-Stillwater’s insurance coverage may not fully cover the extent of claims against it or any cross-claims made.

Sibanye-Stillwater 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 Sibanye-Stillwater’s operations and business

Sibanye-Stillwater utilises and is reliant on various internal and external information, communication and technology system applications to support its business activities, in particular SAP, mining applications and other applications. Damage or interruption of Sibanye-Stillwater’s 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 Sibanye-Stillwater’s business, operating results and financial condition.

The information security management system protecting Sibanye-Stillwater’s 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. While no material losses related to cyber security breaches have been discovered, given the increasing sophistication and evolving nature of this threat, we 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 Sibanye-Stillwater’s data processes and practices. Complying with these various laws is difficult and could cause Sibanye-Stillwater 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, 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.

**Sibanye-Stillwater is subject to risks associated with litigation and regulatory proceedings**

As with most large corporations, Sibanye-Stillwater is involved, from time to time, as a party in various lawsuits, arbitrations, regulatory proceedings or other disputes. Litigation, arbitration, regulatory proceedings and other types of disputes involve inherent uncertainties and, as a result, Sibanye-Stillwater faces risks associated with adverse judgements or outcomes in these matters. Even in cases where Sibanye-Stillwater may ultimately prevail on the merits of any such dispute, Sibanye-Stillwater may face significant costs defending its rights, lose certain rights or benefits during the pendency of any such litigation, arbitration, regulatory proceeding or other dispute, or suffer reputational damage as a result of its involvement therein. Sibanye-Stillwater is currently engaged in a number of legal and regulatory proceedings, including as described in the "Accountability—Directors’ report—Litigation. There can be no assurance as to the outcome of any litigation, arbitration, regulatory proceeding or other dispute, and the adverse determination of material litigation could have a materially adverse effect on Sibanye-Stillwater’s business, operating results and financial condition. Also see — Sibanye-Stillwater’s operations are subject to environmental, health and safety regulations, which could impose additional costs and compliance requirements, and Sibanye-Stillwater has faced, and may face further, claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws.

**An actual or alleged breach or breaches in governance processes, or fraud, bribery and corruption may lead to public and private censure, regulatory penalties, loss of licences or permits and impact negatively upon our empowerment status and may damage Sibanye-Stillwater’s reputation**

The legal and regulatory framework in which Sibanye-Stillwater operates is complex, and its governance and compliance policies and processes may not prevent potential breaches of law or accounting or other governance practices. Sibanye-Stillwater’s operating and ethical codes, among other standards and guidance, may not prevent instances of fraudulent behaviour and dishonesty, nor guarantee compliance with legal and regulatory requirements.

To the extent that Sibanye-Stillwater suffers from any actual or alleged breach or breaches of relevant laws (including South African anti-bribery and corruption legislation or the US Foreign Corrupt Practices Act of 1977) under any circumstances, they may lead to regulatory, civil or criminal fines, litigation, public and private censure, loss of operating licences or permits and impact negatively upon Sibanye-Stillwater’s empowerment status and may damage its reputation. The occurrence of any of these events could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

**Sibanye-Stillwater’s US recycling business is dependent on relationships with third-party suppliers and has other credit and operational risks**

In the United States, Sibanye-Stillwater sources automotive and industrial catalyst materials from third-parties through both purchase and tolling arrangements. Sibanye-Stillwater has entered into sourcing arrangements for recycled materials with various suppliers, and it depends on those suppliers to provide catalyst and other industrial sources for recycling. Sibanye-Stillwater is subject to the suppliers’ compliance with the terms of these arrangements and to their contractual right to terminate or suspend the agreement. Should one or more of these sourcing arrangements be terminated, Sibanye-Stillwater might be unable to source replacement recyclable materials on terms that are acceptable to Sibanye-Stillwater. If Sibanye-Stillwater is unable to source sufficient quantities of recycled materials, the US recycling business would become less profitable, and this loss could negatively affect Sibanye-Stillwater’s business and results of operations. Similarly, these suppliers in turn typically source material from various other third-parties in a competitive market, and there can be no assurance of the suppliers’ continuing ability or willingness to source material on behalf of Sibanye-Stillwater at current volumes and prices. Any constraint on the suppliers’ ability to source material could reduce the profitability of Sibanye-Stillwater’s US recycling business.

From time to time, Sibanye-Stillwater may advance cash to third-party brokers and suppliers to support the purchase and collection of spent catalyst materials and other industrial sources. These advances are normally made at the time material is ready for shipment or already in transit to Sibanye-Stillwater’s facilities. In some cases, Sibanye-Stillwater has a security interest in the materials that the suppliers have procured but for which Sibanye-Stillwater has not yet received. The unsecured portion of these advances is fully at risk.

Sibanye-Stillwater regularly advances money to its established recycling suppliers for catalyst material that Sibanye-Stillwater has physically received and carries in its processing inventories. These advances typically represent some portion of the estimated total value of each shipment until final assays are completed determining the actual PGM content of the shipment. Upon completion of the shipment assays, a final settlement takes place based on the actual value of the shipment. However, pending completion of the assays, the payments are based on the estimated PGM content of each shipment, which could vary significantly from the actual PGM content upon assay. Should the estimated PGM content upon assay significantly exceed the actual PGM content, Sibanye-Stillwater may be at risk for a portion of the amount advanced. Should the supplier be unable to settle such an overpayment or seek protection from creditors, Sibanye-Stillwater could incur a loss to the extent of any overpayment.

In its US recycling business, Sibanye-Stillwater regularly enters into fixed forward sales contracts for material produced from catalyst recycling, normally making these commitments at the time the catalyst material is purchased. For Sibanye-Stillwater’s fixed forward sales related to recycling of catalysts, Sibanye-Stillwater is subject to the customers’ compliance with the terms of the agreements, their ability to terminate or suspend the agreements and their willingness and ability to pay. The loss of any of these agreements or failure of a counterparty to perform could require Sibanye-Stillwater to sell or purchase the contracted metal in the open market, potentially at a significant loss. Sibanye-Stillwater’s revenues for the year ended 31 December 2018, included 16% from recycling sales and tolling fees in the United States.
RISK FACTORS continued

Many of Sibanye-Stillwater’s US recycling suppliers are comparatively small businesses with limited assets and relatively little credit capacity. While Sibanye-Stillwater monitors funds being advanced to such businesses and seeks to limit its exposure to any one supplier, if a problem develops with such a supplier, Sibanye-Stillwater might not be able to fully recover amounts previously advanced to that supplier. Volumes of recycling materials available in the marketplace fluctuate substantially in response to changes in commodity prices. Lower PGM and steel prices normally reduce the volume of recycling material available in the market, resulting in less earnings and cash flow from the recycling segment, and therefore less economic support for the mining operations. Should it become necessary at any point to reduce or suspend operations at the mines, the proportion of processing costs allocated to the recycling segment would increase substantially. Further, the ability to operate the smelter and refinery without significant volumes of mine concentrates and the contained copper and nickel has never been demonstrated and would likely require modification to the processing facilities. There is no assurance that the recycling facilities can operate profitably in the absence of significant mine concentrates, or that capital would be available to complete necessary modifications to the processing facilities.

For its PGMs mined in the United States, Sibanye-Stillwater’s sales arrangements concentrate all its final refining activity and a large portion of its PGM sales from mine production with one entity

Under the terms of Sibanye-Stillwater’s agreements with Johnson Matthey, Sibanye-Stillwater utilises Johnson Matthey for all of its precious metals refining services for Sibanye-Stillwater’s US mining operations. In addition, with the exception of certain pre-existing platinum sales commitments to Tiffany & Co., all of Sibanye-Stillwater’s current mined palladium and platinum in the United States is committed for sale to Johnson Matthey. Separately, Johnson Matthey has the right to bid on any recycling PGM ounces Sibanye-Stillwater has available in the United States.

This significant concentration of business with Johnson Matthey could leave Sibanye-Stillwater without precious metal refining services in the United States should Johnson Matthey experience significant financial or operating difficulties during the contract period. Under such circumstances, it is not clear that sufficient alternate processing capacity would be available to cover Sibanye-Stillwater’s requirements, nor that the terms of any such alternate processing arrangements as might be available would be financially acceptable to Sibanye-Stillwater. Any such disruption in refining services could have a negative effect on Sibanye-Stillwater’s ability to generate revenues, profits, and cash flows.

Sibanye-Stillwater’s appointment of a new independent registered public 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 JSE, and Sibanye-Stillwater’s new independent registered public accounting firm may interpret accounting rules differently than its former firm, which could adversely impact its business

On 26 September 2018, Sibanye-Stillwater announced its intention to dismiss its former independent registered public accounting firm, KPMG, Inc., and its plan to engage a new firm, Ernst & Young Inc., to serve in that role. Consequently, Sibanye-Stillwater’s new independent registered public accounting firm will be reviewing and auditing its financial reporting in the future. Sibanye-Stillwater’s 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 Sibanye-Stillwater and its management held by the previous auditor, and the transition will require significant additional efforts on the parts of Sibanye-Stillwater’s personnel and management.

Given the complexities of public-company accounting rules, the differences in how those rules are interpreted by various accounting firms, it is possible that Sibanye-Stillwater’s new independent registered public accounting firm will require it to characterise certain transactions and/or present financial data differently than previously audited financial information. Similarly, it is possible that the new independent registered public accounting firm will disagree with the way Sibanye-Stillwater 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 Sibanye-Stillwater’s 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 Sibanye-Stillwater’s costs which could have a material adverse effect on Sibanye-Stillwater’s business, operating results, and financial condition.

We have identified material weaknesses in our disclosure controls and internal controls over financial reporting which may adversely affect the accuracy and reliability of our financial statements, and our reputation, business and the price of our ordinary shares and ADRs, as well as lead to a loss of investor confidence in us

In connection with the 1 July 2018 tax rate change in New Jersey, we did not conduct an effective risk assessment, on one of our US PGM operations consolidation reporting packs, to assess the impact of changes in US tax regulations on US deferred tax and related internal controls that were responsive to risks of misstatement. In addition, we did not have an effective exchange of information and communication process to ensure that relevant and reliable information was communicated on a timely basis such that certain process and control owners could perform their financial reporting and control responsibilities appropriately, specifically relating to (1) the recognition, measurement and disclosure of US deferred taxes associated with consolidation entries in one of the US PGM operations consolidation reporting packs and (2) the recognition and measurement of certain period end closing entries related to cash and cash equivalents, trade receivables, trade and other payables, and short-term borrowing facilities. These deficiencies resulted in a material misstatement to the US deferred taxes in the initial consolidated financial information, that was adjusted prior to the release of our condensed consolidated preliminary financial statements, Annual Financial Report and this Annual Report on Form 20-F. However, the control deficiencies created a reasonable possibility that a material misstatement to the consolidated financial statements would not be prevented or detected on a timely basis. As described under “Controls and Procedures”,
RISK FACTORS continued

management has concluded that these deficiencies constitute material weaknesses in our internal control over financial reporting and, accordingly, disclosure controls were not effective as of 31 December 2018.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements would not be prevented or detected on a timely basis.

While the issue relating to the risk assessment and information and communication relating to the US deferred tax was remediated as of the date of filing this report, the controls that gave rise to the material weaknesses were not operating effectively as of 31 December 2018. In addition, the remediation of the information and communication deficiency relating to certain closing entries is still in progress. If we identify additional material weaknesses in our internal controls over financial reporting or disclosure controls in the future, our ability to analyse, record and report financial information accurately, to prepare our financial statements within the time periods specified by the rules and forms of the SEC or the JSE and to otherwise comply with our reporting obligations under the federal securities laws and the laws of South Africa, will likely be adversely affected.

The occurrence of these material weaknesses and any future material weaknesses in our internal controls over financial reporting or other ineffective disclosure controls may adversely affect the accuracy and reliability of our financial statements and disclosure. Any such issue may have a material adverse effect on our reputation and business.

The effect of US tax reform legislation on Sibanye-Stillwater and its subsidiaries is uncertain

On 22 December 2017, new federal tax reform legislation, known as the Tax Cuts and Jobs Act, was enacted in the United States, resulting in significant changes from previous US federal tax law. The changes include, among others, a reduction to the US federal corporate income tax rate to 21% from 35%, effective 1 January 2018. However, notwithstanding the reduction in the corporate income tax rate, the overall impact of the Tax Cuts and Jobs Act on Sibanye-Stillwater and its subsidiaries, whether adverse or favourable, is still uncertain and may not become evident for some period of time.

In addition, in July 2018, the New Jersey Governor in the United States signed a number of bills implementing numerous tax changes that affected the US PGM operations. The most significant change in the New Jersey law resulted in tax being calculated together on all US entities under common control (greater than 50% voting ownership). This resulted in an increase in the estimated deferred tax relating to the US PGM operations and a deferred tax charge of R1,545 million (US$108 million) in the Consolidated Financial Statements of the Sibanye-Stillwater Group.

Sibanye-Stillwater’s financial flexibility could be materially constrained by South African Exchange Control Regulations

South Africa’s Exchange Control Regulations restrict the export of capital from South Africa. Transactions between South African residents (including companies) and non-residents (excluding residents of the Republic of Namibia and the Kingdoms of Lesotho and Swaziland, known collectively as the CMA) are subject to exchange controls enforced by the SARB. As a result, Sibanye-Stillwater’s ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder Sibanye-Stillwater’s financial and strategic flexibility, particularly its ability to raise funds outside South Africa.

HIV/AIDS, tuberculosis and other contagious diseases pose risks to Sibanye-Stillwater in terms of lost productivity and increased costs

The prevalence of HIV/AIDS in South Africa poses risks to Sibanye-Stillwater 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 during the latter 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 Sibanye-Stillwater’s business, operating results and financial condition.

Additionally, the spread of contagious diseases such as respiratory diseases is exacerbated by communal housing and close quarters. The spread of such diseases could impact employees’ productivity, treatment costs and, therefore, operational costs.

RISKS RELATED TO THE ACQUISITIONS

Sibanye-Stillwater may face challenges in the integration of Lonmin’s business (upon successful completion), which could disrupt its current operations or result in higher costs or worse overall performance than we anticipate

If we are unable to integrate Lonmin’s business following completion of the Lonmin Acquisition (which remains subject to the satisfaction or waiver of a number of conditions (including, but not limited to, the approval of Lonmin shareholders and Sibanye-Stillwater shareholders and the approval of the scheme of arrangement by the High Court of Justice in England & Wales) as well as an appeal before the Competition Appeal Court of South Africa against the South African Competition Tribunal’s decision to approve the Lonmin Acquisition subject to certain conditions imposed by Sibanye-Stillwater) with our own operations in a timely and cost-effective manner, the potential benefits of the Lonmin Acquisition, including the estimated revenue and cost synergies we expect to achieve, may not be realised. In particular, if the effort we devote to the integration of our businesses with that of Lonmin diverts more management time or other resources from carrying out our operations than we originally planned, our ability to maintain and increase revenues as well as manage our costs could be impaired. Furthermore, our capacity to expand other parts of our existing businesses may be impaired.

Any of the above could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.
Our growth strategy, including the acquisitions and reorganisation of our business, may not be successful

Prior to our acquisitions of a number of PGM operations in Southern Africa and the United States, the first of which was completed in April 2016, our core businesses were primarily focused on owning and operating underground and surface gold operations, as well as operating extraction and processing facilities for treatment of gold-bearing ore before it is refined. As noted in—Risks related to Sibanye-Stillwater’s business—Changes in the market price for gold and PGMs, which in the past have fluctuated widely, affect the profitability of Sibanye-Stillwater’s gold and PGM mining operations and the cash flows generated by those operations, market prices for gold and PGMs have fluctuated widely in the past, affecting the profitability of the Group’s gold and PGM mining operations and the cash flows generated by those operations. These operations have experienced significant volatility during the recent past.

Following the Stillwater acquisition, Rustenburg operation acquisition, the Aquarius acquisition, as well as the announcement of the proposed Lonmin Acquisition, key components of our strategy have been to reorganise the Group’s operations into a Southern African division/region and a US division/region, and to potentially grow our operations through expansion into further markets. Our growth strategy requires significant investment and places strain on our financial and management resources, as well as our compliance systems, as our management team will be required to support and oversee operations in an industry where they may have limited or no experience while at the same time ensuring that our management systems are suitable for our expanding operations. We cannot assure that we will be able to achieve the objectives our management anticipates or that our management will be able to manage any such processes successfully. Failure to achieve such objectives or any significant weakening of our overall management controls could have a material adverse effect on our business, operating results and financial condition.

If any of Lonmin (following completion of the Lonmin Acquisition), Stillwater, the Rustenburg operation or Aquarius does not perform in line with our expectations, we may be required to write-down the carrying value of our investment, which could affect our ability to pay dividends

Under IFRS, we are required to test the carrying value of long-term assets or cash-generating units for impairment at least annually and more frequently if we have reason to believe that our expectations for the future cash flows generated by these assets may no longer be valid. If, following completion, the results of operations and cash flows generated by Lonmin (the acquisition of which remains subject to the satisfaction or waiver of a number of conditions (including, but not limited to, the approval of Lonmin shareholders and Sibanye-Stillwater shareholders and the approval of the scheme of arrangement by the High Court of Justice of England & Wales as well as an appeal before the Competition Appeal Court of South Africa against the South African Competition Tribunal’s decision to approve the Lonmin Acquisition subject to certain conditions imposed on Sibanye-Stillwater)), Stillwater, the Rustenburg operation or Aquarius are not in line with our expectations, we may be required to write-down the carrying value of the investment. Any write-down could materially affect our business, operating results, operations and financial condition.

We may discover contingent or other liabilities within Lonmin, Stillwater, the Rustenburg operation or Aquarius or other facts of which we are not aware that could expose Sibanye-Stillwater to loss

Although Sibanye-Stillwater has received certain representations, warranties and indemnities regarding Stillwater, the Rustenburg operation and Aquarius under the terms of the agreements regarding those acquisitions, and it has conducted general due diligence in connection with the Stillwater acquisition, Rustenburg operation acquisition, Aquarius acquisition and proposed Lonmin Acquisition (the acquisition of which remains subject to the satisfaction or waiver of a number of conditions (including, but not limited to, the approval of Lonmin shareholders and Sibanye-Stillwater shareholders and the approval of the scheme of arrangement by the courts of England and Wales) as well as an appeal before the Competition Appeal Court of South Africa against the South African Competition Tribunal’s decision to approve the Lonmin Acquisition subject to certain conditions), such due diligence was necessarily limited. There can be no assurance that Sibanye-Stillwater identified all the liabilities of, and risks associated with, the Stillwater acquisition, Rustenburg operation acquisition, Aquarius acquisition and proposed Lonmin Acquisition or that it will not be subject to unknown liabilities of, and risks associated with, the acquisitions, including liabilities and risks that may become evident only after Sibanye-Stillwater has been involved in the operational management of the Stillwater acquisition, Rustenburg operation acquisition, Aquarius acquisition and proposed Lonmin Acquisition. Sibanye-Stillwater may incur losses in excess of this maximum amount provided for in the relevant indemnities, or the matters giving rise to the losses may not be recoverable against the relevant warranties or indemnities or at all.

Sibanye-Stillwater’s operations in Zimbabwe are subject to rules and regulations that limit its ability to export unrefined platinum or to remit revenue generated out of the country; such rules and regulations may also impact the ownership structure of these operations

One of Sibanye-Stillwater’s joint ventures, the Mimosa operations, is located in Zimbabwe. The Mimosa operations delivered attributable production for the year ended 31 December 2018 of 124,576oz (4E) and contributed a profit of R211 million. Under Zimbabwean exchange control legislation, up to 80% of the revenue generated from Sibanye-Stillwater’s Zimbabwe operations must be retained in the country. Sibanye-Stillwater is limited in its ability to remit profits from Zimbabwe to South Africa. Further, due to the short supply of US dollars in Zimbabwe, the funds retained in Zimbabwe create increased exposure to economic and inflationary risks.

Furthermore, a number of years ago, the Government of Zimbabwe announced that a 15% royalty would be imposed on the export of unrefined platinum beginning in January 2017. The implementation date has been deferred a number of times, the most recent of which was until 1 January 2022. If such royalty is imposed, it could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.
Mimosa has commissioned feasibility studies to explore expanding its smelter operations in Zimbabwe. The construction of such facilities would be subject to several challenges including, amongst others, the time required, the substantial capital expenditure and a lack of adequate infrastructure.

The Zimbabwean Indigenisation and Economic Empowerment Act (the Indigenisation Act) promulgated in 2008, previously required the transfer of a 51% shareholding in all foreign-owned companies to indigenous Zimbabweans. The Indigenisation Act was fundamentally amended by Section 42 of the Finance Act No. 1 of 2018 (the Finance Act). The Indigenisation Act, as amended provides as follows: (i) Section 2A of the Indigenisation Act states that the Indigenisation Act shall only apply to those businesses in the reserved sector of the economy and those specified in Section (3); (ii) Section 3(1) states that the State shall have at least 51% shares or an ownership interest in a designated extractive business, being entities or businesses involved in the extraction of platinum and diamonds and the 51% stake reserved for the State is to be owned by a designated entity, being the Zimbabwe Mining Development Corporation, the Zimbabwe Consolidated Diamond Company or the National Indigenisation and Economic Empowerment Fund; and (iii) the Minister of Industry, Commerce and Enterprise Development in terms of section 3(6) of the Indigenisation Act is empowered to relax the 51% State-ownership quota by permitting a business in the designated extractive sector to achieve the quota through the use of credits, and for such a period as the Minister shall prescribe.

On 12 April 2016, in a statement clarifying the Indigenisation Act, Zimbabwe’s former President announced that foreign mines could retain ownership control as long as 75% of the gross value of exploited resources is retained in Zimbabwe. The Zimbabwean Indigenisation Act was amended on 1 December 2017 to codify the former President’s statements into law.

Although Sibanye-Stillwater currently exceeds the proposed 75% threshold, there can be no guarantee that it will continue to do so in the future or that this interpretation will remain in force. Any of the above could have a material adverse effect on the Mimosa operations.

Social, political and economic uncertainty and instability in Zimbabwe and targeted sanctions against certain Zimbabwean entities may affect future foreign investment in the country

Zimbabwe’s social, political and economic climate is currently highly uncertain, with the economy having been in decline since 1999. Many sectors, including the health sector, have virtually collapsed. There is a general shortage of clean water owing to non-functional facilities and a lack of chemicals.

Zimbabwe is the subject of targeted sanctions by the United States, EU and the United Kingdom. The sanctions are limited in scope, targeting only designated individuals and entities, including certain members of the government, who are deemed to be undermining democratic institutions and processes in Zimbabwe.

In terms of the Minerals Marketing Corporation Act, 1983 (MMCZ Act), the Mineral Marketing Corporation of Zimbabwe (MMCZ) is the sole legal exporter of all minerals mined in Zimbabwe and is entitled to a commission in relation to all sales, as an agent to the mining companies, which is stipulated by the MMCZ Act. The Mimosa operations paid MMCZ US$2.8 million in fiscal 2018. The MMCZ is an entity specifically sanctioned by the US Office of Foreign Assets Control and listed on its Specially Designated Nationals list. Under the sanctions, MMCZ’s assets are blocked and US persons are prohibited from dealing with the entity. There is no requirement, legal or otherwise, for MMCZ to be involved in the Mimosa operations management or operations and Sibanye-Stillwater has no contractual or other relationship with MMCZ outside of the MMCZ Act requirements.

Continued economic and political uncertainty in Zimbabwe and targeted sanctions against certain Zimbabwean entities may affect future foreign investment in the country and may lead to the imposition of further exchange controls, restrictions on the ownership of Sibanye-Stillwater’s assets and its ability to raise funds for or operate its business and export minerals and metals from Zimbabwe. Should such events occur, they may have an adverse effect on Sibanye-Stillwater’s business and operations in Zimbabwe as well as its financial condition.

RISKS RELATED TO SIBANYE-STILLWATER’S SHARES AND AMERICAN DEPOSITARY SHARES (ADSs)

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 Sibanye-Stillwater

Securities laws of certain jurisdictions may restrict Sibanye-Stillwater’s ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Sibanye-Stillwater. In particular, holders of Sibanye-Stillwater securities who are located in the United States (including those who hold ordinary shares or the ADSs) may not be able to participate in securities offerings by or on behalf of Sibanye-Stillwater 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 Sibanye-Stillwater’s ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Sibanye-Stillwater. 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 consent or approvals or need to observe any other formalities to enable them to participate in any offering of Sibanye-Stillwater securities.
Investors in the United States and other jurisdictions outside South Africa may have difficulty bringing actions, and enforcing judgments, against Sibanye-Stillwater, the directors and the 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

Sibanye-Stillwater is incorporated in South Africa. Most of the directors and executive officers reside outside of the United States. Substantially all of the assets of these persons and approximately 45% of the assets of Sibanye-Stillwater are located outside the United States. As a result, it may not be possible for investors to enforce against these persons or Sibanye-Stillwater a judgment obtained in a US 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. Whether a judgment is contrary to public policy will depend on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be contrary to public policy and contractually stipulated penalties are subject to and limited by the provisions of the Conventional Penalties Act, 1962. South African courts cannot enter into the merits of a foreign judgement and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. However, a South African court may, in certain circumstances, require expert evidence in relation to the law of the jurisdiction which governs the contract in question. It is doubtful whether an original action based on US 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 judgement is not directly enforceable in South Africa, but only constitutes a cause of action. Such a judgement will be enforced by South African courts only if certain conditions are met.

Sibanye-Stillwater may not pay dividends or make similar payments to its shareholders in the future due to various factors and any dividend payments may be subject to withholding tax

Sibanye-Stillwater’s current dividend policy is to return at least 25% to 35% of normalised earnings to shareholders. Sibanye-Stillwater may pay 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 Sibanye-Stillwater’s 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, Sibanye-Stillwater 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, and is permitted to do so in terms of the Memorandum of Incorporation. Given these factors and the Board’s discretion to declare cash dividends or other similar payments, dividends may not be paid in the future. It should be noted that a 20% withholding tax is required to be withheld on dividends paid by, among others, certain South African resident companies (including Sibanye-Stillwater), to any person. Withholding taxes have been in effect from 1 April 2012 and the percentage was increased on 22 February 2017 from 15% to 20%.

The withholding tax on dividends is subject to domestic exemptions or relief in terms of an applicable double taxation treaty. The application of such domestic exemptions or relief in terms of an applicable double taxation treaty is subject to the making of certain declarations and undertakings by the beneficial owner of the dividends and providing the same to the Company or regulated intermediary making payment of the dividend. See Further Information—Additional information—Taxation—Certain South African tax considerations—Withholding tax on dividends and Further Information—Financial information—Dividend policy and dividend distributions.

Sibanye-Stillwater’s 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 Sibanye-Stillwater’s shares have historically been paid in Rand. The US dollar or other currency equivalent of future dividends or distributions with respect to Sibanye-Stillwater’s shares, if any, will be adversely affected by potential future reductions in the value of the Rand against the US 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 Further Information—Additional Information—South African Exchange Control limitations affecting security holders.

Sibanye-Stillwater’s shares are subject to dilution as a result of any non-pre-emptive share issuance, including upon the exercise of Sibanye-Stillwater’s outstanding share options, conversion of convertible bonds, issues of shares by the Board in compliance with BBBEE legislation or in connection with acquisitions, and a large volume of sales of Sibanye-Stillwater’s shares, or the perception that such large sales may occur, could adversely affect the trading price of Sibanye-Stillwater’s shares

Shareholders’ equity interests in Sibanye-Stillwater will be diluted to the extent of future exercises or settlements of rights under the Sibanye-Stillwater 2013 Share Plan or the Sibanye-Stillwater 2017 Share Plan and any additional rights. Sibanye-Stillwater shares are also subject to dilution in the event that the Board is required to issue new shares in compliance with applicable BBBEE legislation. See —Risks related to
Sibanye-Stillwater’s business—Sibanye-Stillwater’s 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.

On 19 September 2017, Sibanye-Stillwater launched an offering of US$450 million senior unsecured guaranteed convertible bonds due 2023 with the initial conversion ratio of 120,627 ordinary shares per bond (the 2023 Convertible Bond). The 2023 Convertible Bond has a coupon of 1.875% per annum payable semi-annually in arrear in equal instalments on 26 March and 26 September of each year, commencing on 26 March 2018.

Sibanye-Stillwater cannot predict the timing or amount of conversions of the 2023 Convertible Bond or the size or terms of future issuances of equity securities or securities convertible into equity securities or the effect, if any, that future issuances and sales of the securities will have on the market price of Sibanye-Stillwater’s ordinary shares. In addition, the conversion price of the 2023 Convertible Bond is subject to adjustment in certain circumstances. Any transaction involving the issuance of previously authorised but unissued ordinary no par value shares, or securities convertible into ordinary no par value shares, would result in dilution, possibly substantial, to shareholders. Exercises of presently outstanding stock options may also result in dilution to shareholders.

The Board of Sibanye-Stillwater has the authority to authorise certain offers and sales of the securities without the vote of, or prior notice to, Sibanye-Stillwater shareholders. Such additional issuances may involve the issuance of a significant number of ordinary no par value shares at prices less than the current market price.

Sales of substantial amounts of securities, or the availability of the securities for sale, could adversely affect the prevailing market prices for the securities and dilute investors’ earnings per share. A decline in the market prices of the securities could impair Sibanye-Stillwater’s ability to raise additional capital through the sale of additional securities should Sibanye-Stillwater desire to do so.

Further, the issuance of shares in connection with any acquisition (whether in the form of consideration or otherwise) may result in dilution to existing shareholders. For example, on 16 May 2014, Sibanye-Stillwater concluded the acquisition of Cooke. As consideration for the acquisition, Sibanye-Stillwater issued 156,894,754 new Sibanye-Stillwater shares at R28.61, representing 17% of Sibanye-Stillwater’s issued share capital on a fully diluted basis.

The Newshelf 1114 Empowerment Partner has a put option in respect of their 24% shareholding in Newshelf 1114, which allows them to acquire shares in Sibanye-Stillwater, subject to certain conditions. These conditions include in particular confirmation by the DMR that implementation of the put option will not detrimentally affect the empowerment status of Newshelf 1114. If the Newshelf 1114 Empowerment Partner exercises this put option, Sibanye-Stillwater must acquire its shares in Newshelf 1114 based on the net attributable fair value of the underlying assets and liabilities of Newshelf 1114. Pursuant to the exercise of the put option by a Newshelf 1114 Empowerment Partner, if Sibanye-Stillwater is required and elects to issue shares to the Newshelf 1114 Empowerment Partner, the number of shares in Sibanye-Stillwater to be issued shall be determined on the basis of the 30-day VWAP of Sibanye-Stillwater on the JSE. The Newshelf 1114 Empowerment Partner’s net attributable fair value will be adjusted by the original subscription loan still due by the Newshelf 1114 Empowerment Partner on acquiring the 24% shareholding in 2013. The subscription loan balance at 31 December 2018 was R712 million. The option can be exercised until 8 February 2021.

A large volume of sales of Sibanye-Stillwater’s shares by this partner or another shareholder, all at once or in blocks, could decrease the prevailing market price of Sibanye-Stillwater’s shares and could impair Sibanye-Stillwater’s ability to raise capital through the sale of equity securities in the future. Additionally, even if substantial sales are not affected, the mere perception of the possibility of these sales could decrease the market price of Sibanye-Stillwater’s shares and could have a negative effect on Sibanye-Stillwater’s ability to raise capital in the future.

Further, anticipated downward pressure on Sibanye-Stillwater’s ordinary share price due to actual or anticipated sales of shares could cause some institutions or individuals to engage in short sales of Sibanye-Stillwater’s shares, which may itself cause the price of the shares to decline.
INFORMATION ON THE COMPANY

SIBANYE-STILLWATER’S MINING OPERATIONS

US PGM OPERATIONS: STILLWATER AND EAST BOULDER
The Stillwater (including the Blitz expansion project) and East Boulder mines are located near the towns of Nye and McLeod in Montana, USA. Both are shallow to intermediate depth underground PGM mines. PGM production commenced in 1986 and has largely been uninterrupted.

The mining assets are located on the front range of the Beartooth Mountains with elevations exceeding 2,700m above mean sea level (amsl). The two mines are within the Custer and Gallatin national forests.

Snow in the winter occasionally poses adverse operating conditions and can have an impact on mine site access, but has not significantly hindered operations since mining commenced.

The operations both target the J-M Reef zone, predominantly via mechanised ramp and fill (R&F) mining method (+80%).

All surface infrastructure and tailings management facilities are located within Stillwater and East Boulder mine operating permits, which covers an area measuring 1,396ha. Ore from the two mines is milled and treated at integrated concentrator complexes located at each mine-site. Concentrate smelting and refining takes place at the Columbus smelter complex.

Stillwater mine has two principal mining sections. The current section, which has been in operation since 1986 and currently produces 330,000oz per annum of platinum and palladium in concentrate. The Blitz section, a major expansion project currently under development, started ore production in 2017 and is currently producing 30,000oz per annum. The current section of mine is accessed by a 580m deep shaft and five portals. The Blitz section is accessed by one portal.

East Boulder has been in operation since 2002 and currently produces 230,000oz per annum of platinum and palladium in concentrate. The East Boulder mine is accessed via two 5,800m tunnels.

Stillwater holds or leases 1,704 patented and unpatented lode, placer, tunnel or mill site claims in the Stillwater, Sweet Grass and Park counties of south-central Montana, encompassing over 10,522ha. The 1,498 unpatented claims are renewed annually and are in good standing. Stillwater owns 206 patented lode claims.

The 1,396ha of permitted operating areas are in good standing.

The J-M Reef is a magmatic reef type PGM deposit defined as the palladium-platinum rich stratigraphic interval, mainly occurring within a troctolite (OB-I zone) of the Lower Banded Series.

Palladium and platinum are the main PGMs, both constituting between 15g/t to 25g/t over a variable thickness with economic mineralised thickness ranging from 0.9m-2.7m and averaging 1.8m.

Ratios of palladium to platinum in metallurgical concentrate are known to range from 3.4:1 (in situ 3.5:1) at Stillwater to 3.5:1 (in situ 3.6:1) at East Boulder.

By-products of gold, rhodium, copper and nickel are recovered at the concentrators, smelter and refinery.

Other associated PGMs such as iridium, ruthenium and osmium occur in low quantities and are generally not evaluated by Stillwater.

The visual identification of the J-M Reef is facilitated by the presence of approximately 0.25% to locally 3% visible associated disseminated copper-nickel pathfinder sulphide minerals.

Key infrastructure includes the mining operations and ancillary buildings that contain the concentrator, workshop and warehouse, changing facilities, headframe, hoist house, sand and paste plants, water treatment, storage facilities and offices.

Key infrastructure includes the mining operations and ancillary buildings that contain the concentrator, workshop and warehouse, changing facilities, twin tunnels to access mine, sand plant, water treatment, storage facilities and offices.

<table>
<thead>
<tr>
<th>Operating shaft</th>
<th>Operating hoisting capacity (ktpm)</th>
<th>Planned production (ktpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stillwater Shaft</td>
<td>165</td>
<td>107</td>
</tr>
<tr>
<td>Blitz Rail</td>
<td>122</td>
<td>92</td>
</tr>
<tr>
<td>East Boulder Rail</td>
<td>137</td>
<td>80</td>
</tr>
</tbody>
</table>

1 Planned production is five-year hoisted average from 2019 onwards.
Mining method

The three principal mining methods are the following:

- Mechanised R&F (both overhand and underhand) (80 – 90%)
- Sub-level extraction (SLE) by long hole open stoping with hydraulic backfilling (10 – 15%)
- Overhand cut and fill (C&F) stopeing, utilising either raisebore or Alimak for access (<5%)

Life of mine

Stillwater

It is estimated that the current Mineral Reserves will sustain the Stillwater operation until 2044, and the Blitz project has the potential to significantly expand the Mineral Reserves beyond 2055.

East Boulder

It is estimated that the current Mineral Reserves will sustain East Boulder until 2056.

Mineral processing and capacity

<table>
<thead>
<tr>
<th>Plant name</th>
<th>Type</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stillwater</td>
<td>Flotation</td>
<td>3,100¹</td>
<td>2,500</td>
<td>92.2</td>
<td>UG</td>
</tr>
<tr>
<td>East Boulder</td>
<td>Flotation</td>
<td>1,800</td>
<td>1,600</td>
<td>90.8</td>
<td>UG</td>
</tr>
</tbody>
</table>

¹ Stillwater concentrator capacity is planned to increase to meet design capacity in 2021 that is needed to process ore from the Blitz area.

Tailings disposal and capacity

Stillwater

- Currently 55% of all concentrator tailings are returned underground for backfill; the remaining 45% is sent via pipeline to Hertzler TSF situated 11km north of Stillwater.
- Current storage facility has 5,900kt of storage remaining with expansion planned to add an additional 10,200kt of storage in 2030; the Hertzler storage facility, with the planned expansion, will have adequate storage for current Proved and Probable Mineral Reserves.

East Boulder

- Currently 50% of all concentrator tailings are returned underground for backfill; the remaining 50% is sent via pipeline to a TSF adjacent to the mine site.
- The current storage facility has 5,600kt of storage remaining; an expansion is planned to add an additional 4,950kt of storage in 2038; the facility, including the planned expansion, will have adequate storage for the current Proved and Probable Mineral Reserves.

Key developments and brownfield projects (on-mine)

- The approved Blitz project is expected to expand the Stillwater Mine 6,000m to the east of the existing mining operations.
- All primary development in the Blitz area will be 5m high by 5m wide, which will significantly reduce the amount of underground support personnel per tonne mined versus the current mining operation.
- The average Blitz reserve grade is 24g/t with localised stoping (ore) areas in excess of 30g/t.
- First production was in October 2017 and is expected to reach a sustaining level of 300Koz per annum in 2022.

US PROJECTS

The US entity is supported by a pipeline of projects, distributed throughout the Americas, including the Altar, Marathon and Rio Grande exploration stage projects.

The Altar project, located within San Juan province, Argentina, is an advanced stage porphyry copper-gold exploration project, requiring additional drilling success and studies to allow transition to feasibility.

During the course of 2018, Regulus Resources Inc. listed its Argentine assets, including the Rio Grande project, into a newly formed company, Aldebaran Resources Inc (Aldebaran). Aldebaran has entered into a joint venture and option agreement with Stillwater Canada LLC (Stillwater), an indirect subsidiary of Sibanye-Stillwater, to acquire up to an 80% interest in Peregrine Metals Ltd (Peregrine), a wholly-owned subsidiary of Sibanye-Stillwater, which owns the Altar copper-gold project. Under the agreement, Sibanye-Stillwater retained a direct interest in the Altar project of either 40% or 20% (should Aldebaran exercise its additional earn-in option), as well as an indirect exposure to all Aldebaran assets (including the Rio Grande project) through its 19.9% shareholding in Aldebaran. As at 31 December 2018, no earn-in on Altar had been effected and 100% of the Mineral Resource is reported.

The Rio Grande project (owned and managed by Aldebaran) is an iron oxide copper-gold (IOCG) type, copper-gold, exploration stage project located in north-western Argentina, approximately 250km west of the provincial capital of Salta and approximately 1,400 km north-west of Buenos Aires. The Mineral Resources of the Rio Grande deposit are reported on an attributable basis based on the Group’s 19.9% shareholding in Aldebaran.

The Marathon project is an exploration stage, layered igneous type, PGM-gold-copper project, situated 10km north of Marathon, Ontario province, Canada. The Marathon project was the subject of a feasibility study (FS) conducted in March 2014, after which the decision was made to revert from a development project back to an exploration project.
### US PROJECTS: ALTAR

#### General
The Altar project is a shallow to intermediate depth, copper-gold porphyry deposit located in San Juan province, Argentina, approximately 10km from the Argentine-Chile border and 180km west of the city of San Juan. Surface elevations within the project area range between 3,100m and 4,000m above sea level and the relief in the project area is characterised by long mountain ranges, cut by narrow valleys. The climate is continental semi-arid. Temperatures ranges from -3°C to 15ºC in summer and from -25°C to 7°C in winter.

Multiple changes in ownership have occurred since 1999, with Stillwater acquiring Altar in 2011. Sibanye-Stillwater acquired the Altar project in 2017. Following the transaction with Regulus and Aldebaran in 2018, management has reverted to Aldebaran.

The Altar deposit was discovered in the mid-1990s and early phase exploration and access continued until 1999. Project evaluation work to date has primarily focussed on assessing the feasibility of an open pit operation.

Exploration activities are focussed on further expanding and defining the porphyry hosted mineralisation that includes diamond drilling, geophysical surveys, geologic mapping and geochemical surveys.

#### Licence status and holdings
The property and mineral concessions are held by Peregrine, which includes the Argentine subsidiary Minera Peregrine Argentina, SA.

The Altar project consists of nine mining concessions, one exploration permit and nine mining rights of way (servidumbres). It also includes an option on the five adjacent Rio Cenicero concessions, four of which are adjacent to the Altar property and one located to the south-west. The Altar concessions and exploration permits collectively cover about 8,444ha and the Rio Cenicero concessions cover an additional 3,717ha. In addition, permits to open and service the camp, as well as take water for exploration purposes, are maintained annually. All legal aspects and tenure are in order.

Baseline environmental surveys (glacial, hydrologic, archeological, flora-fauna and hydrologic monitoring) have continued each year under Stillwater.

#### Deposit type and mineralisation characteristics
Two main ore zones within the Altar area of the deposit that are called the Altar Central and the Altar East zones. The Quebrada de la Mina (QDM) Resource (inclusive to the Altar project) is located 3km west of the main Altar deposit and is a near-surface gold resource hosted in pyrite within a dacite porphyry.

The Altar porphyry was deposited in an environment that transitions from the basal roots of a high sulfidation epithermal lithocap to a sub-volcanic porphyry copper environment at depth. The deposit is described as telescoped because of the close spatial distance between the porphyry and the high sulfidation alteration systems. The age of the porphyry copper mineralisation is estimated to be Miocene, approximately 10 to 12 million years old.

Mineralisation at the Altar deposits is closely associated with the different porphyry stocks and related hydrothermal breccias, but is also found in Pachon Rhyolite, Pachon Andesite and Pachon Volcanic Breccia. The well-developed copper mineralisation shows a strong relationship to the distribution and intensity of sericitic and potassic alteration.

The copper mineralisation associated with the potassic alteration, mainly porphyry style chalcopyrite–bornite mineralisation, was reconstituted as hypogene assemblages of pyrite, chalcocite and bornite within the sericitic alteration zone.

#### Key developments and intentions
The feasibility study to date focusses on extracting copper and gold. The basis for the statement of Mineral Resources is that Altar will be a high production rate open pit. The component of the mineralisation that meets the Mineral Resource requirements for "reasonable prospects of economic extraction" was based on the results of a floating cone pit algorithm. The effective date of the last Altar Mineral Resource estimate is at 11 October 2013.

Since the generation of the 2014 technical report, exploration focussed on discovery of additional porphyry stocks away from the main Altar deposit. A total of 10,133m of drilling was completed after the 2014 technical report, through 2017 on isolated targets generated from geophysical and prospecting surveys.

Following the transaction with Regulus and Aldebaran, the focus will remain on effecting the earn in through focussed exploration to further expand and define the porphyry hosted mineralisation.

#### Exploration results
A new copper-gold discovery was made east of the QDM gold deposit named QDM-Radio-Porphyry in 2016 and 2017. Drill density is too sparse for a Mineral Resource update currently. A drill programme to test the deep extensions down to 1,500m depth of the QDM-Radio-Porphyry, Altar East and Altar Central was conducted in 2018.

- The core drilling programme of 4,923m was completed with three new holes, plus one drillhole extension with maximum depths of 1,540m from surface
- All boreholes encountered significant mineralisation

In addition, the following work continued:
- Extension of the QDM ground magnetic survey
- Talus fine geochemical survey
- Surface prospecting work
US PROJECTS: MARATHON

General

The Marathon PGM-copper project is located approximately 10km north of the town of Marathon, Ontario, situated adjacent to the Trans-Canada highway No 17 on the north-east shore of Lake Superior. The climate is typical of northern areas within the Canadian Shield, with long winters and short, warm summers. The annual average temperature is 1°C with the highest average monthly temperature of 15°C in August and lowest in January of -15°C. The Marathon PGM-copper property is located in an area characterised by moderate to steep hilly terrain, with a series of creeks and lakes and dense vegetation.

Exploration for copper and nickel deposits in the greater Marathon area started in the 1920s and continued until the 1940s with the discovery of several titaniferous magnetite and disseminated chalcopyrite occurrences. During the past four decades, the Marathon PGM-copper project has undergone several phases of exploration and economic evaluation, including geophysical surveys, prospecting, trenching, DD programme, geological studies, resource estimates, metallurgical studies, mining studies and economic analyses. Ongoing exploration efforts continue along the prospective margins of the Coldwell Complex intrusive.

Licence status and holdings

The property consists of five Crown leases and 32 unpatented mining claim blocks totalling 5,740ha. The leases and claims are held in the name of Stillwater Canada Inc (Stillwater Canada), a fully owned subsidiary of Stillwater. All required permits and mineral property tenure requirements relative to the status of the exploration project have been obtained and are in good standing.

Deposit type and mineralisation characteristics

The Marathon deposit consists of five large, thick and continuous zones of disseminated sulphide mineralisation hosted within the Two Duck Lake Gabbro. The mineralised zones occur as shallow dipping sub-parallel lenses that follow the basal gabbro contact and are labelled as footwall, main, hanging wall zones and the W horizon. The main zone is the thickest and most continuous zone. For 516 drillhole intersections, with intervals greater than 4m thick, the average thickness is 35m and the maximum is 183m.

Sulphides in the Two Duck Lake Gabbro consist predominantly of chalcopyrite, pyrrhotite and minor amounts of bornite, pentlandite, cobaltite, and pyrite. The proportions of sulphide minerals as determined in a QEMSCAN survey of a bulk sample are 2.75% pyrrhotite, 0.79% copper-iron sulphides (chalcopyrite and bornite), 0.09% pentlandite and trace amounts of pyrite, galena and sphalerite.

A prominent feature of the Marathon deposit is the local and extreme enrichment of PGM with respect to copper. For example, high grade samples from the W horizon that contain between 25g and 50g/tonnes palladium might also contain very low concentrations of copper (<0.02%). The separation of PGM from copper is observed throughout the deposit but is most common near the top of the mineralised zone.

In the southern half of the deposit, PGM enrichment is most prominent in the W horizon. The Marathon PGM-copper deposit formed by sulfide accumulation in basins and troughs of the magma conduit and underwent significant upgrading of copper and PGM contents by the process of multistage dissolution upgrading that was described for similar disseminated mineralisation in the Noril’sk region by Kerr and Leitch (2005).

Key developments and intentions

Stillwater Canada continued advanced exploration at the Marathon deposit from January 2011 until the present. However, with the acquisition of the neighbouring Bermuda property from Benton Resources in December 2010, the focus of exploration has expanded from the Marathon deposit to include numerous copper/sulphide occurrences located along the northern margin of the Coldwell Complex encountered to the north and west of the Marathon deposit.

A pre-feasibility study was conducted in 2014 which indicated that under the current economic climate the project is deemed not financially feasible for exploitation. As a result, Marathon is currently an exploration stage project. The exploration target is higher grade feeders and zones that could enhance the economics of the lower grade pit Mineral Resource defined in the feasibility. In addition, baseline environmental studies are ongoing.

Exploration has been focussed around the margins of the Coldwell Complex. The character of exploration at the Marathon deposit by staff of Stillwater Canada has changed to include a more detailed approach to petrography and geochemistry in order to gain a greater understanding of the host Marathon Series as well as the fine grained series and layered series that comprise the Eastern Gabbro. This detailed work has resulted in a new model for the intrusion of the Eastern Gabbro and is now widely used as a framework for exploration elsewhere in the complex.

Exploration results

During 2018, the following exploration activities were performed:

- Geologic prospecting mapping and trench sampling continued at the Boyer zone where surface mineralisation was extended 800m
- Passive seismic survey was completed over the Marathon property (1024 geophones) as a research project funded by a H2020 European grant. The data is currently being processed with the goal of locating high velocity zones that correlate with massive sulfide high-grade feeders at Marathon
- Gravity survey line (6,000m) was surveyed in 2018 across a seismic high-velocity zone to verify higher-density (confirmed)
- Baseline environmental stream sampling and a modest community relations programme continued during the year
# US PROJECTS: RIO GRANDE

## General
The project is located in north-western Argentina, approximately 250km west of the provincial capital of Salta and approximately 1,400km northwest of Buenos Aires.

The property is located at high elevation (3,600m to 4,600m above sea level) in the desert area of the Andes Mountains. Local relief on the property is generally formed by low hills, but some steep areas also exist. Vegetation and water are scarce on the property.

The project has been explored by various operators since 1999, including Mansfield Minerals Inc, Teck-Cominco, Antares, and Regulus from 2011 to June 2018. Exploration activities have included prospecting, mapping, trenching, geophysics, geochemistry, and drilling. From 2001 to 2012, 130 drillholes totalling 74,210m were completed on the property. The most recent drilling was conducted in 2013 when Regulus drilled four holes for 1,200m at Cerro Cori, located east of Rio Grande.

## Licence status and holdings
The project consists of one contiguous block comprised of nine mining concessions, totalling 180 claims, covering an area of approximately 16,953ha, with an expiry date of 22 May 2020.

## Deposit type and mineralisation characteristics
The Rio Grande area consists of two overlapping andesitic volcanic centres, as well as numerous flanking shallow intrusive plugs, dikes, and sills. Both are constructed of dacitic to andesitic flows, sills and dikes, intruding and flanked by volcaniclastic rocks, including breccias, agglomerates, and lahars, generally dipping away from the volcanic centres.

Alteration is roughly concentrically zoned and is strongly influenced by rock type. The occurrence of veining and mineralisation in Rio Grande is associated with the development of several distinctive hypogene events during the evolution of the deposit. In addition, supergene types of mineralisation in Rio Grande were developed during the uplift and erosion of the deposit in younger stages and up to the present-day time.

The Rio Grande deposit has been the subject of much debate concerning the origin of the mineralisation and deposit type. Different styles of copper-gold mineralisation with associated alteration have been recognised. There is an early mineralised system with affinities to IOCG type deposits, and a later mineralised system with affinities to porphyry style copper-gold deposits.

## Key developments and intentions
Roscoe Postle Associates Inc (RPA) was retained by Aldebaran to prepare an independent technical report on the Rio Grande project (the project or the property), located in Salta province, northern Argentina. The purpose of this report is to support the disclosure of the updated Mineral Resource estimate for the project. This technical report conforms to National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI43-101). RPA visited the property from 8 to 14 August 2017.

RPA updated the Rio Grande Mineral Resource estimate based on the information available at 17 August 2018. Mineral Resources are based on a potential open pit scenario, with a combination heap leaching and flotation envisaged for the processing of oxide, transition, and sulphide material types.

Some viable process options were investigated for copper and gold recovery, but a definitive processing route for the Rio Grande mineralisation has not been determined yet and additional metallurgical studies are required.

Drilling and exploration activities at the project have outlined potentially economic mineralisation and a number of exploration targets that warrant further work. Regulus has identified four targets for exploration with the sulphate-rich/sulphide-bearing system target designated the highest priority. The 2018 43-101 technical report recommends a 7,500m drilling programme for the Rio Grande Sofia zone, consisting of 32 shallow infill drillholes. The proposed budget also includes metallurgical test work to support the completion of more advanced studies on the project and a 8,000m drilling programme consisting of four 2,000m drillholes, aimed at targeting copper-gold-sulphide mineralisation at depth.

A Fortuna Silver property, named Lindero, began development in 2018 and is slated for initial production in 2019. Rio Grande is only 10km in distance from Lindero with a similar type of mineral deposit.

## Exploration results
The most recent work conducted was initiated in 2013-present, when Regulus Resources completed an extensive relogging and data reinterpretation programme at Rio Grande.
SA PGM OPERATIONS: RUSTENBURG
| General                                                                 | The Rustenburg operation is located in the North West province, north-east of the towns of Rustenburg and Kroondal, 123km west of Pretoria and 126km north-west of Johannesburg. The lease area covers approximately 130km² and is in excess of 20km from east to west and 15km from north to south. Surface climatic conditions are mild and minimally affect the underground mining operations. Rustenburg consists of three intermediate depth operating vertical shafts, which utilise a conventional mining method (Siphumelele 1, Khuseleka 1 and Thembelani 1), and Bathopele, which is a shallow mechanised operation. The Mineral Resource is accessed from surface using conventional underground mining methods to 34 Level (the lowest working level) at Siphumelele Shaft, approximately 1,350m below surface, to 28 Level (the lowest working level) at Khuseleka, approximately 2,105m below surface, and 29 Level (the lowest working level) at Thembelani Shaft. The Mineral Resource at Bathopele is accessed from surface via two decline clusters using mechanised mining methods to a depth of approximately 500m below surface. The vertical shafts target both the Merensky Reef and UG2 Reef horizons, whilst the shallow, mechanised Bathopele targets only the UG2 Reef. The underground ore is treated at both the Waterval UG2 and Waterval retrofit concentrators, after which it is subject to a purchase of concentrate agreement with the Rustenburg section of Anglo American Platinum. The Waterval UG2 concentrator has an integrated chrome recovery circuit, which recovers a chrome concentrate from the UG2 ore. Apart from the underground operations, there are also two tailings retreatment operations:  
| - Western Limb Tailings Retreatment Plant treats tailings from the old Waterval and Klipfontein TSFs, via hydro mining  
| - Tails from the Waterval TSFs and Waterval UG2 and retrofit concentrators are retreated at the Platinum Mile plant |
| Licence status and holdings | Sibanye Rustenburg Platinum Mines Proprietary Limited (SRPM) is the holder of a converted mining right under DMR Ref No NW30/5/1/2/72 MR (SRPM MR) valid from 29 July 2010 to 28 July 2040. A notarial deed of cession was executed on 1 November 2016 in terms whereof the SRPM mining right was ceded from Rustenburg Platinum Mines Limited to Sibanye Rustenburg Platinum Mines Proprietary Limited. The SRPM mining right was registered in the Mineral and Petroleum Titles Registration Office (MPTRO) on 3 October 2011 under Ref No 67/2011. |
| Mineralisation characteristics | Two reef types are mined at the Rustenburg operation: UG2 Reef and Merensky Reef, both dipping at ~9° towards the north-east. The UG2 Reef consists of a main chromitite seam with an average thickness of 70cm. The mining cut includes the main seam and various components of hangingwall and footwall to a planned mining width varying from 105cm (conventional) to 120cm (mechanised). The Merensky Reef lies 140m above the UG2 Reef and consists of pegmatoidal feldspatic pyroxenite, with thin top and bottom contact chrome stringers, and has an average width of 20cm. The mining cut includes the Merensky Reef and various components of hangingwall and footwall to a planned minimum width varying between 105cm and 120cm. Both the UG2 and Merensky mineralisation occurs as tabular orebodies, and are laterally continuous with relatively long-range grade consistency and predictability. Reef disruptions in the form of potholing, faulting, IRUP and dykes occur throughout the orebody resulting in an average geological loss of ~10%. |
| Infrastructure | Rustenburg is a large, established mine, with all the necessary surface infrastructure to support mining operations. Apart from the four operating shafts, being Kuseleka, Thembelani, Siphumelele and Bathopele, it hosts a number of shafts under care and maintenance. |
### Hoisting and production capacities

<table>
<thead>
<tr>
<th>Operating shaft</th>
<th>Operating hoisting capacity (ktpm)</th>
<th>Planned production (ktpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siphumelele</td>
<td>195</td>
<td>65</td>
</tr>
<tr>
<td>Khuseleka</td>
<td>225</td>
<td>140</td>
</tr>
<tr>
<td>Thembelani</td>
<td>220</td>
<td>140</td>
</tr>
<tr>
<td>Bathopele</td>
<td>280</td>
<td>260</td>
</tr>
</tbody>
</table>

1 Planned production is five-year hoisted average from 2019 onwards.

### Mining method
- Vertical shafts: conventional scattered breast mining
- Mechanised declines: bord and pillar

### Life of mine
35 years (until 2053) based on current Mineral Reserves

### Mineral processing and capacity

<table>
<thead>
<tr>
<th>Plant name</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waterval UG2 concentrator</td>
<td>450</td>
<td>420</td>
<td>84.0</td>
<td>UG2 from underground</td>
</tr>
<tr>
<td>Waterval retrofit concentrator</td>
<td>650</td>
<td>450</td>
<td>74.0</td>
<td>MER and UG2 from underground</td>
</tr>
<tr>
<td>CRP¹</td>
<td>440</td>
<td>440</td>
<td>11.0</td>
<td>Fresh UG2 tailings</td>
</tr>
<tr>
<td>WLTR plant</td>
<td>450</td>
<td>380</td>
<td>28.0</td>
<td>Historic tailings</td>
</tr>
<tr>
<td>Platinum Mile</td>
<td>800</td>
<td>650</td>
<td>12.0</td>
<td>Fresh and historic tailings</td>
</tr>
</tbody>
</table>

¹ Chrome retreatment plant (CRP) treats UG2 rougher middlings to recover a saleable chromite concentrate.

### Tailings disposal and capacity
- The two TSFs cater for the planned 750ktpm depositional requirements to beyond 2053
- Hoedspruit TSF active dam with tonnes being added from WLTR plant
- Paardekraal TSF active dam with tonnes being added from Retrofit and UG2 plants

### Key developments and brownfield projects (on-mine)
Hoedspruit Platinum Exploration was granted a PR under DMR Ref No NW30/5/1/1/2/1300 PR which lapsed on the 14 December 2011. An application for renewal of the PR was submitted and initially refused. However, an appeal was lodged against the refusal of the decision and the appeal was upheld. The granting of the renewal application has been finalised.

Plans are underway to incorporate this PR into the SRPM mining right.
**SA PGM OPERATIONS: KROONDAL**

**General**

Kroondal is situated in the magisterial district of Rustenburg, approximately 120km north-west of Johannesburg and about 120km west of Pretoria (Tshwane) in the North West province of South Africa.

The Kroondal mine is a 50/50 joint venture with Anglo American Platinum and is subject to a pooling and sharing agreement (PSA), whereby the Sibanye-Stillwater infrastructure is utilised to access Mineral Resources on the Anglo American Platinum held MR. The joint venture is managed by Sibanye-Stillwater.

Kroondal consists of established shallow, mechanised PGM operations in the Western Limb of the Bushveld Complex.

The UG2 Reef is exploited, and the deposit is accessed from surface using decline systems and mined via bord and pillar method. Mining takes place at depths between 250m and 550m below surface.

Run of mine (ROM) ore is treated via two concentrator processing plants (K1 and K2) and there is spare processing capacity at a third concentrator plant, which is currently under care and maintenance (Marikana plant). The concentrate is sold to RPM, a wholly owned subsidiary of Anglo American Platinum, under an off-take agreement.

The Kroondal Extension area, an area situated down-dip of the original PSA agreement area, is mined on a royalty basis to Anglo American Platinum.

**Licence status and holdings**

Kroondal Operations Proprietary Limited is the holder of a converted mining right under DMR Ref No NW30/5/1/2/2(104) MR (Kroondal MR), valid from 17 October 2006 to 16 October 2022, in respect of a mining area, totalling approximately 1,722ha. The mining right comprises various farms (or portions thereof).

The Kroondal mining right was registered in the MPTRO on 26 April 2007 under Ref No 35/2007 MRC.
### Mineralisation characteristics

UG2 Reef is exploited at Kroondal operations, which consists of two chromite rich horizons hosting PGM minerals, separated by a pyroxenite parting forming the mineable horizon. The reef dips at ~9º towards the north-east.

The two chromitite horizons, termed the UG2 leader seam and the UG2 main seam, are about 20cm and 70cm thick respectively, and the pyroxenite parting has a variable thickness of up to 4m, but is typically <1.5m.

The mining cut typically includes both the seams, and the minimum mining width is 200cm and the maximum is 270cm, which includes the internal pyroxenite.

The orebody is tabular, laterally continuous with relatively long-range grade consistency and predictability. Reef disruptions in the form of potholing, faulting, IRUP and dykes occur throughout the orebody, resulting in an average geological loss of ~15%.

### Infrastructure

Kroondal is a large, established mine with all the necessary surface infrastructure to support mining operations. Apart from the five operating shafts, Kwezi, K6, Kopaneng, Simunye and Bambanani, it hosts five shafts under care and maintenance, in the Marikana area.

### Hoisting and production capacities

<table>
<thead>
<tr>
<th>Operating shaft</th>
<th>Operating hoisting capacity (ktpm)</th>
<th>Planned production (ktpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kwezi</td>
<td>150</td>
<td>145</td>
</tr>
<tr>
<td>K6</td>
<td>140</td>
<td>125</td>
</tr>
<tr>
<td>Kopaneng</td>
<td>186</td>
<td>144</td>
</tr>
<tr>
<td>Simunye</td>
<td>160</td>
<td>141</td>
</tr>
<tr>
<td>Bambanani</td>
<td>130</td>
<td>120</td>
</tr>
</tbody>
</table>

1 Planned production is five-year hoisted average from 2019 onwards.

### Mining method

Bord and pillar

### Life of mine

It is estimated that the current Mineral Reserves will sustain the operations until 2030

### Mineral processing and capacity

<table>
<thead>
<tr>
<th>Plant name</th>
<th>Type</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>K1</td>
<td>Concentrator</td>
<td>290</td>
<td>290</td>
<td>81.7</td>
<td>UG2</td>
</tr>
<tr>
<td>K2</td>
<td>Concentrator</td>
<td>300</td>
<td>300</td>
<td>80.0</td>
<td>UG2</td>
</tr>
</tbody>
</table>

- Currently ore from Kwezi, Simunye and Bambanani Shafts is processed at K2 plant
- Ore from K6 and Kopaneng Shafts is processed at K1 plant

### Tailings disposal and capacity

The three TSFs currently cater for the 600ktpm depositional requirements. Although the current available capacity is not sufficient to cater for the LoM Mineral Reserves, projects are being conducted to assess additional storage facilities in redundant, worked-out open pits.

- K1 TSF receives tailings from K1 concentrator plant
- K150 TSF receives tailings from K1 and K2 concentrator plants
- K2 TSF receives tailings from K2 concentrator plant
- Marikana TSF receives tailings from K2 concentrator plant

All delivered ore from underground goes through a dense medium separation plant that removes ±30% of total volume delivered, which is principally waste material (pyroxenite). This process enhances the feed grade of the ore received by the concentrators and also assists to minimise the tailings depositional requirements.

### Key developments and brownfield projects (on-mine)

Current operations fully utilise the defined and finite Mineral Resource with no upside identified that can be explored or exploited. Studies are ongoing to optimise drone extraction via improved technology.
SA PGM OPERATIONS: MIMOSA

Mimosa is a shallow, mechanised PGM and base metal mining operation located in the Wedza sub-chamber of the Great Dyke of Zimbabwe, some 32km West of Zvishavane, a major mining centre situated 340km southwest of Harare, the capital city of Zimbabwe.

Mimosa Mining Company is jointly owned by Implats and Sibanye-Stillwater on a 50:50 shareholding, following the conclusion of a deal on 12 April 2016, which resulted in Sibanye-Stillwater acquiring all the shares formerly belonging to Aquarius (Pvt) Ltd. The operation is managed by Impala Platinum.

Mimosa is an ongoing underground operation on the South Hill ore deposit, consisting of two shafts, namely the Wedza Shaft and the Mtshingwe Shaft. The Wedza Shaft, on the northern part of South Hill, has been extensively mined, while Mtshingwe Shaft is at development stage.

There are two mineralised zones at Mimosa, of which only the MSZ is economical and being mined.

The Mimosa mining right is covered by a mining lease covering an area of 6,594ha. The mining lease, Lease No 24, was granted to Mimosa Mining Company on 5 September 1996. The lease was registered for nickel, copper, cobalt, gold, silica, chromite and PGMs and Mimosa Mines (Pvt) Ltd currently holds the mining right to that lease.

The lease agreement gives Mimosa Mining Company exclusive mining rights for PGMs and base metals within the vertical limits of its boundary.
## Mineralisation characteristics

The Main Sulphide Zone (MSZ) is typically 2m to 3m thick, but is locally up to 20m thick, with a marked decrease in grade with thickening of the zone. Although mineralisation is very consistent, localised disruption to reef due to pegmatiods and washout channels have been encountered in some areas of the mine. Unlike the BC, the reef is not in contact with or within chromitite seams. The MSZ has definitive metal profiles which are consistent.

## Infrastructure

- Two adits (Blore and Wedza) for access to the mine and material handling
- 21km underground conveyor network with ore bunker
- Two 850kW, four 280kW, two 220kW and one 900kW main primary exhaust fans
- 10 raise bore ventilation shafts with four planned for future sinking
- Two main surface magazines and four underground distribution stores
- Anfo mixing shed and bulk emulsion storage facilities
- Surface administration offices, change houses, surface workshops and a clinic

## Hoisting and production capacities

<table>
<thead>
<tr>
<th>Operating shaft</th>
<th>Operating hoisting capacity (ktpm)</th>
<th>Planned production (ktpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wedza and Mtshingwe</td>
<td>220</td>
<td>217</td>
</tr>
</tbody>
</table>

1. Planned production is five-year hoisted average from 2019 onwards.

## Mining method

Bord and pillar

## Life of mine

It is estimated that the current Mineral Reserves will sustain the operations until 2032

## Mineral processing and capacity

<table>
<thead>
<tr>
<th>Plant name</th>
<th>Type</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mimosa Concentrator</td>
<td>Concentrator</td>
<td>185</td>
<td>227</td>
<td>77.7</td>
<td>UG MSZ</td>
</tr>
</tbody>
</table>

Concentrates transported by road to South Africa for smelting and refining at the Implats facilities

## Tailings disposal and capacity

Tailings are contained on site in a dedicated TSF, which has sufficient storage capacity to sustain the LoM Mineral Reserves.

## Key developments and brownfield projects (on-mine)

Exploration development is currently ongoing at the Mtshingwe Shaft on 14 Level South. The Mtshingwe Block has not been fully evaluated yet. Two holes were drilled at the end of 2017 and showed that the reef is more than 100m below that of South Hill. It is in a graben with sympathetic faults present in the orebody. More exploration holes are planned to be drilled in future.
The Hoedspruit project is located near the town of Rustenburg in North West province of South Africa. The property comprises a square block of ground about 4km down-dip from SRPM’s Siphumelele Shaft and 4km along strike from the Siphumelele Shaft (Bleskop) on Turffontein.

Sibanye-Stillwater, through its acquisition of Aquarius in 2016, holds both directly and indirectly, 74% of the outstanding share capital of Hoedspruit Platinum Exploration, with the remaining 26% held by Watervale Proprietary Limited (Watervale), an empowerment company controlled by Savannah Resources Proprietary Limited.

Hoedspruit Platinum Exploration was granted a prospecting right under DMR Ref No NW30/5/1/1/2/1300 PR, which lapsed on the 14 December 2011. An application for renewal of the prospecting right, was submitted, but initially refused. However, an appeal was lodged against the refusal. Sibanye-Stillwater intends on submitting an application in terms of the MPRDA to incorporate this project into the existing 82MR, so that this ground can be exploited from the existing Rustenburg underground infrastructure.

Both the Merensky and UG2 Reefs are developed on the property with the Merensky developed at depths ranging from 898m to 1,315m, while the depth of the UG2 Reef varies from 1,042m to 1,408m. Mineralisation characteristics are similar to that of Rustenburg section. This project is contiguous to SRPM’s Siphumelele 1 Shaft and the strategic intent is to apply for the amendment of the current 82MR of Rustenburg to incorporate the Hoedspruit project area. This is currently in progress.
SA PGM PROJECTS: ZONDERNAAM

The Zondernaam project is an exploration stage project situated along the east-west trending, northern part of the Eastern Limb of the Bushveld Complex.

The Zondernaam project is located about 35km east of Lebowakgomo, Limpopo province. It comprises seven contiguous farms to the north of the Phosiri dome and to the west of the producing Lebowa mine.

The project comprises two prospecting rights held by Zondernaam Mining Proprietary Limited, a joint venture between Aquarius Platinum (SA) Corporate Services Proprietary Limited (74%) and Bakgaga Mining (26%), with DMR Ref No LP30/5/1/1/2/0406 PR and LP30/5/1/1/2/0824 PR. LP30/5/1/1/2/0406 PR expired on 10 October 2010 and LP30/5/1/1/2/0824 PR expired on 12 September 2011. Applications for renewal of both prospecting rights were lodged timeously and the renewal granting letters for these rights have been issued and are awaiting execution.

The UG2 Reef and Merensky Reef horizons of the Bushveld Complex are targeted, but are not known to outcrop on the project area. They are estimated to truncate at depth (~1,500m) against the Transvaal sequence.

The Merensky Reef is generally comprised of a pyroxenite with partings or “internal waste” of varying compositions. Two thin chromitite stringers are usually present, one in the upper portion of the pyroxenite and another in the lower portion of the pyroxenite. A marked increase in the amount of sulphide minerals, as well as increased PGM values are usually expected within the pyroxenites close to these stringers.

The UG2 Reef as observed on the Zondernaam project is a homogeneous chromitite layer of a varying thickness from between 80cm in BAK2 to approximately 1,65m. In most of the boreholes that intersected the UG2 Reef, Leader Seams overlie the Main Seam and are reasonably well developed. The middling between the Leader Seams and the UG2 Main Seam varies in thickness.

Due to the depth of the mineralisation (in excess of 1,500m) the project is not being considered for advancement or development under prevailing PGM prices. No work was conducted in 2018. To date, seven exploration holes have been drilled and confirmed the presence of both the UG2 Reef and Merensky Reefs.
SA PGM PROJECTS: VYGENHOEK

The Vygenhoek project, a 50:50 joint venture between Sibanye-Stillwater and Sylvania Platinum, is an advanced stage exploration project situated 35km southwest of the town of Mashishing and 30km north-east of Roossenekal in Mpumalanga, South Africa.

The Vygenhoek project targets the UG2 Reef and is based on an envisaged shallow open cast operation. Resource definition drilling has been completed, and based on study work, Kroondal Operations Proprietary Limited, a subsidiary of Sibanye-Stillwater, applied for a mining right over the Vygenhoek project area under DMR Ref No MP30/5/1/2/2/10039 MR (Vygenhoek mining right application). An agreement has been reached with Sylvania Platinum Limited to cede the mining right to Macleary 603 Proprietary Limited upon the mining right being granted.

The Vygenhoek mining right application is still pending and the company is liaising with the DMR to resolve outstanding queries relating to the application.

The Mineral Resource in the area is present as an “island” of outcropping, gentle dipping UG2, extending to average depths of 240m.

The UG2 Reef is thought to have been deposited in a synclinal structures in the floor rocks in which mineralisation has “ponded”. The UG2 consists of a main chromitite seam of 30cm to 80cm, separated by pyroxenite from the two to three leaders seams, which are typically 5cm to 15cm thick. At its widest point the remaining UG2 Resource on the Vygenhoek project area has a width of 630m east-west and a length of 1.7km north-south.
SA PGM Projects: Blue Ridge

The Blue Ridge project 50:50 joint venture with Imbani Platinum, is situated on Blaauwbank farm approximately 30km south-east of Groblersdal on the Eastern Limb of the Bushveld Complex.

The project was originally owned by Ridge Mining, who developed it in partnership with Imbani Platinum. Ridge Mining started exploration in 2001 and completed a feasibility by the end of 2005. Mine development started in January 2007 and Aquarius acquired Ridge Mining in July 2009. The mine was placed on care and maintenance in 2011, on the back of depressed PGM prices, and has remained on care and maintenance ever since. Sibanye-Stillwater owes its 50% stake in the joint venture following its acquisition of Aquarius in 2016.

Blue Ridge Platinum Proprietary Limited is the holder of a converted mining right under DMR Ref No LP30/5/12/2/177 MR (Blue Ridge MR), valid from 21 May 2014 to 20 May 2044, in respect of a mining area totalling approximately 1,889.0ha.

The orebody targeted is the UG2 Reef of the BC, with mineralisation varying in thickness from 60cm to 130cm. Mineralisation occurs as A, B and C chromitites locally separated by internal pyroxenites.

The Blue Ridge orebody is preserved in an enclave on the eastern flank of the Dennilton Dome, a positive feature in the floor rocks to the Bushveld Complex and which outcrops southeast of Groblersdal.

This mining operation remains under care and maintenance and the Group is currently considering its strategic options to maximise value from its shareholding in the joint venture. No exploration work has been undertaken on this operation since being placed under care and maintenance in 2011.
**GOLD OPERATIONS: BEATRIX**

**General**
Beatrix, a shallow to intermediate level gold mine, has been producing gold since 1983, in the southern portion of the Free State Goldfield. Beatrix is located in the district municipality of Lejweleputswa, near the towns of Welkom and Virginia, approximately 240km south-west of Johannesburg, in the Free State province of South Africa.

No extreme climatic conditions are experienced and climate has little influence on mining activities. However, During February 2018, extreme wind caused power outages when electric pylons were blown over. The area is semi-arid (~600mm rainfall per year) with relatively flat grassland. Before the advent of mining the land was used for agricultural purposes, principally maize and cattle farming.

**Licence status and holdings**
Beatrix is operated under a converted mining right in terms of the MPRDA, with Department of Mineral Resources (DMR) Ref No FS30/5/1/2/81 MR (Beatrix MR). The Beatrix mining right was valid from 7 February 2007 to 6 February 2019 in respect of a mining area totalling 16,835ha.

A renewal application for the Beatrix mining right was submitted on 27 July 2018 in order to extend the period of validity of the Beatrix mining right by up to a further 30 years. The Beatrix mining right renewal application is still pending. It must be noted that in terms of the provisions of Section 24(5), a mining right in respect of which an application for renewal has been lodged, shall despite its expiry date, remain in force until such time as such application has been granted or refused.

All required operating permits for the abovementioned mining right have been obtained and are in good standing. A new SLP for the 2017-2021 cycle was approved in July 2017.
Mineralisation characteristics

The orebodies at Beatrix are laterally continuous with relatively long-range predictability. This lends to clear patterns of mineralisation governed by sedimentary characteristics.

The Beatrix Reef (BR) was exploited as the main reef, but has since changed to the main production from the VS5 (Elsburg Formation), the Aandenk (AAR), Kalkoenkrans (KKR) Composite Reefs.

In general, the Composite VS5/AAR Reefs ranges between 130cm and 350cm wide reef packages. The orebody is shallow dipping at 10º – 15º, with typical open fold structures. In most cases the reefs are deemed to be both bottom loaded since most of the gold grade is concentrated along the basal contact.

Infrastructure

Beatrix has three vertical shaft complexes (one sub-shaft) and two mineral processing plants.

Supporting infrastructure to service the operating shaft sections is also in place.

- South Section (1 and 2 Shafts) – on care and maintenance
- North Section (3 Shaft) – operational
- West Section (4 Shaft) – operational
- Beatrix 1 plant – operational
- Beatrix 2 plant – on care and maintenance

Hoisting and production capacities

<table>
<thead>
<tr>
<th>Operating shaft</th>
<th>Operational hoisting capacity (ktpm)</th>
<th>Planned production (ktpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>216</td>
<td>162</td>
</tr>
<tr>
<td>1</td>
<td>120</td>
<td>26</td>
</tr>
<tr>
<td>4</td>
<td>75</td>
<td>18</td>
</tr>
</tbody>
</table>

1 Planned production is five-year hoisted average from 2019 onwards except for 1 Shaft which is planned to close in 2019.

Mining method

Underground
- Conventional breast mining (virgin areas) – 99%
- Conventional breast mining (remnants and pillar extraction) – 1%

Surface

- SRD mining (LHD and truck)

Life of mine

Five years (until 2023) based on current Mineral Reserves

Mineral processing and capacity

<table>
<thead>
<tr>
<th>Plant name</th>
<th>Type</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CIL</td>
<td>233</td>
<td>235</td>
<td>95.4</td>
<td>EG and SRD</td>
</tr>
<tr>
<td>2</td>
<td>CIP</td>
<td>130</td>
<td>130</td>
<td>93.0</td>
<td>Under care and maintenance</td>
</tr>
</tbody>
</table>

Tailings disposal and capacity

Two TSFs with LoM deposition requirements estimated at 29.5Mt against a combined capacity of 111.2Mt (surplus of 81.7Mt)

Key developments and brownfield projects (on-mine)

A scoping study into the Bloemhoek decline project was finalised during 2018 and shows potential for extraction of the ore body below the current 3 Shaft infrastructure to the north of 3 Shaft into the SOFS mining right area. A pre-feasibility study will be initiated in 2019 to determine the optimum extraction plan before being included in the LoM.
GOLD OPERATIONS: DRIEFONTEIN

Driefontein, a mature shallow to ultra-deep level gold mine, started production in 1952. It is located in the West Wits Line of the Witwatersrand Basin, near Carletonville, approximately 70km west of Johannesburg, in the Gauteng province of South Africa.

Topography is characterised by relatively flat grassland, classified as Bankenveld. Livestock farming and intermittent crop farming are present in the surrounding areas. Before the advent of mining, land was used predominantly for agricultural purposes. Climatically the area has no extremes in temperature or rainfall that influence mining activities. Underground deposits and SRDs are exploited at Driefontein.

Driefontein is operated under a converted mining right in terms of the MPRDA with DMR Ref No GP30/5/1/2/(51) MR (Driefontein MR), valid from 30 January 2007 to 29 January 2037 in respect of a mining area totalling 8,561ha.

An application has been submitted in terms of the provisions of Section 102 of the MPRDA in order to incorporate the Driefontein 4 TSF area, measuring approximately 929ha, into the Driefontein mining right but this application has not yet been finalised.

All required operating permits have been obtained and are in good standing.

The SLP for period 2017-2021 has been submitted to the DMR and is awaiting approval.
Mineralisation characteristics
The orebodies at Driefontein are laterally continuous with relatively long-range predictability. This lends to clear patterns of mineralisation governed by sedimentary characteristics. The principle mining at Driefontein takes place on the Multiband Carbon Leader Reef (MBCLR). In most cases, the reef was deposited along a structurally controlled basin edge, which created discrete unconformable surfaces of deposition. This led to typical main channel, wide reef packages, which are generally >2m thick and bottom loaded.

Infrastructure
Driefontein has nine shaft complexes (one tertiary shaft and three sub-shaft systems) and one mineral processing plant. Supporting infrastructure to service the operating sections is in place.
- Masakhane (1 Shaft) – operational
- Pitseng (2 Shaft) – operational
- Ya Rona (4 Shaft) – operational
- Hlanganani (5 Shaft) – operational
- Bamisanani (6 Shaft) – care and maintenance
- Rethabile (7 Shaft) – care and maintenance
- Khomanane (8 Shaft) – operational
- Ithembalethu (9 Shaft) – care and maintenance
- Thabelang (10 Shaft) – operational – pumping only
- Driefontein 1 plant – operational

Hoisting and production capacities

<table>
<thead>
<tr>
<th>Operating shaft</th>
<th>Operational hoisting capacity (ktpm)</th>
<th>Planned production (ktpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 SV</td>
<td>81</td>
<td>19</td>
</tr>
<tr>
<td>1 T</td>
<td>68</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>95</td>
<td>82</td>
</tr>
<tr>
<td>4</td>
<td>42</td>
<td>26</td>
</tr>
<tr>
<td>5</td>
<td>69</td>
<td>56</td>
</tr>
<tr>
<td>8</td>
<td>54</td>
<td>23</td>
</tr>
</tbody>
</table>

1 Planned production is five-year hoisted average from 2019 onwards.
2 Includes 4SV and 5SV production.

Mining method
Underground
- Scattered-conventional breast mining – 74%
- Pillars extraction (white areas) – 26%
Surface
- SRD mining (shovel and truck)

Life of mine
12 years (until 2030) based on current Mineral Reserves

Mineral processing and capacity

<table>
<thead>
<tr>
<th>Plant name</th>
<th>Type</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CIP</td>
<td>240</td>
<td>240</td>
<td>97</td>
<td>UG and SRD</td>
</tr>
</tbody>
</table>

Tailings disposal capacity
TSFs with LoM deposition requirements at 15Mt against combined capacity of 24.7Mt (surplus of 9.7Mt)

Key developments and brownfield projects (on-mine)
The infrastructure optimisation project between Driefontein 1, 2, 4 and 5 Shafts is currently underway in order to understand and potentially exploit operational and cost synergies between the shafts in order to decrease the paylimit.
Ongoing exploration of secondary reef targets yields Mineral Resource growth year-on-year.
Kloof, a shallow to ultra-deep level gold mine, was formed when the Venterspost, Libanon, Leudoorn and Kloof gold mines were amalgamated in 2000. The first shaft however, was already established in 1934 at Venterspost. The Kloof operation is situated in the West Wits Line of the Witwatersrand Basin, near the towns of Randfontein and Westonaria, approximately 60km west of Johannesburg, in the Gauteng province of South Africa.

Mining at Kloof is not influenced by climatic extremes, with relatively flat grasslands. Urban areas cover large areas, but agricultural activities are also present.
Kloof is operated under a converted mining right, held in terms of the provisions of the MPRDA under DMR Ref No GP30/5/1/2/2(66) MR (Kloof MR). The Kloof mining right is valid from 30 January 2007 to 29 January 2027 in respect of a mining area totalling 20,087ha.

Based on the current LoM and prevailing economic conditions, if needed, Kloof will request an extension of the Kloof mining right through a renewal application in terms of the provisions of the MPRDA.

Kloof held a PR with DMR Ref No GP30/5/1/1/2(10096) PR in respect of a small area (24ha) confined within the Kloof mining right boundary. An application was submitted in terms of the provisions of Section 102 of the MPRDA to amend the Kloof mining right to incorporate the area covered by GP30/5/1/1/2(10096) PR into the Kloof MR. The application is pending.

In 2015, an additional application was submitted in terms of the provisions of Section 102 of the MPRDA to incorporate the Venterspost North and Venterspost South TFSs as well as the Regional TFS into the Kloof mining right area. This application is pending.

All required operating permits have been obtained and are in good standing. The SLP for period 2017-2021 has been submitted to the DMR. There are ongoing engagements and consultation to secure approval.

The Ventersdorp Contact Reef (VCR) is the main exploited reef 73%, with additional reefs mined, being the Middelvlei Reef (MVR) 8%, Kloof Reef (KR) 18% and Libanon Reef (LR) 1%. Numerous secondary reefs are mined (KR, MVR and LR) as multicycle, wide reef packages, which are highly channelised in nature and make up a significant part of the Mineral Resource and Mineral Reserve.

Approximately 2% of the total planned gold production comes from the substantial surface Mineral Reserves in the form of SRD.

Kloof has seven vertical shaft complexes (four with sub-shafts) and two mineral processing plants. Supporting infrastructure to service the operating shaft sections is also in place.

- Thuthukani (1 Shaft) – operational
- Hlalanathi (3 Shaft) – operational
- Ikamva (4 Shaft) – operational
- Manyano (7 Shaft) – operational
- Masimthembe (8 Shaft) – operational
- 9 Shaft – care and maintenance
- Celemanzi (10 Shaft) – pumping
- Kloof 1 plant – operational, processing SRD material
- Kloof 2 plant – operational, processing underground and SRD material

<table>
<thead>
<tr>
<th>Operating shaft</th>
<th>Operational hoisting capacity (ktpm)</th>
<th>Planned production (ktpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100</td>
<td>60</td>
</tr>
<tr>
<td>3</td>
<td>55</td>
<td>24</td>
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<td>4</td>
<td>82</td>
<td>72</td>
</tr>
<tr>
<td>7</td>
<td>32</td>
<td>13</td>
</tr>
<tr>
<td>8²</td>
<td>15</td>
<td>26</td>
</tr>
</tbody>
</table>

¹ Planned production is five-year hoisted average from 2019 onwards.
² Planned to increase with build-up project.

Underground
- Scattered-conventional breast mining – 81%
- Pillars extraction (white areas) – 19%

Surface
- SRD mining (shovel and trucks)

14 years (until 2032) based on current Mineral Reserves
### Mineral processing and capacity

<table>
<thead>
<tr>
<th>Plant name</th>
<th>Type</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CIL</td>
<td>180</td>
<td>180</td>
<td>88</td>
<td>SRD</td>
</tr>
<tr>
<td>2</td>
<td>CIP</td>
<td>120</td>
<td>167</td>
<td>99</td>
<td>UG</td>
</tr>
</tbody>
</table>

### Tailings disposal and capacity

Two TSFs with LoM deposition requirements at 36.2Mt against combined capacity of 41.4Mt (surplus of 5.2Mt)

### Key developments and brownfield projects (on-mine)

The depth extension project at 4 Shaft, to access the area between 45 and 47 Levels, has progressed to a point just above 46 Level during 2018. Development is expected to continue to 47 Level.

The Kloof 8 Shaft expansion project, designed to increase current production levels at 8 Shaft, was approved in 2018 and is expected to be fully operational by 2020.

The Kloof integration project, designed to optimise operating shafts and close redundant infrastructure, commenced in 2018. This project is expected to significantly decrease the operating costs of the operation.

The Eastern Boundary Area area remains significant with very high grade opportunity as included in the Mineral Resource.

Secondary reef exploration on the KR, LR and MVR Reefs continues. The area below 7 Shaft remains a significant high grade opportunity and is included in the Mineral Resource.
INFORMATION ON THE COMPANY

GOLD OPERATIONS: COOKE

Cooke is a shallow to intermediate level (1,150m to 1,390m maximum depths) gold and uranium mine, which has been in production since 1961. Situated in the West Wits Line of the Witwatersrand Basin, near the town of Randfontein, Cooke is approximately 35km south-west of Johannesburg, in the Gauteng province of South Africa. It includes four vertical production shafts and two gold processing plants (one with an integrated uranium recovery circuit). Apart from the underground workings, the Cooke operations also includes an active tailings mining and retreatment operation, Randfontein Surface Operation (RSO).

The climate is subtropical, with mild and sunny winters with cold nights and pleasantly warm summers. The most rain occurs in the summer, winter is the dry season, with rare and sporadic rains. No climatic extremes that influence mining at Cooke is normally experienced. Cooke is surrounded by a mixture of urban areas and agricultural land.

The underground workings were placed on care and maintenance during the 2017 reporting period and the Ezulwini gold plant is used to treat SRDs from other operations.

The principal orebodies historically exploited were the Middle Elsburgs (Cooke 1 Shaft to 4 Shaft) and Upper Elsburgs (Cooke 4 Shaft) Reefs, with supplementary Kimberley and VCR Reef mining.
Cooke has three separate mining rights in terms of the MPRDA. Rand Uranium Proprietary Limited (Rand Uranium) (a subsidiary of Sibanye Gold Limited t/a Sibanye-Stillwater) holds a converted MR over the operation known as Cooke 1, 2 and 3 MR, valid from 18 December 2007 to 17 December 2037 and covering a total area of 7,875ha.

Rand Uranium also holds a converted mining right over the operation known as Randfontein Surface Operation in terms of the MPRDA, under DMR Ref No GP30/5/1/2/2/173 MR (RSO MR) valid from 7 May 2009 to 6 May 2039, with a total area of 3,230ha.

Ezulwini Mining Company Proprietary Limited (Ezulwini) (a subsidiary of Sibanye Gold Limited t/a Sibanye-Stillwater) holds a MR in terms of the provisions of section 23 of the MPRDA over the operation known as Cooke 4 (Ezulwini), under DMR Ref No GP30/5/1/2/2/38 MR (Ezulwini MR), valid from 20 November 2006 to 19 November 2036 and covering a total area of 3,718ha.

In addition, Cooke has three separate prospecting rights in terms of the MPRDA.

Rand Uranium holds two prospecting rights, the first being held under DMR Ref No GP30/5/1/1/2/10055 RPR and is located over the Cooke 4 South TSF, measuring 244ha in extent, and the second held under DMR Ref No GP30/5/1/1/2/10054 RPR and is located over the Millsite tailings complex, measuring 1,240ha in extent. The Millsite complex is currently being exploited by the Randfontein Surface Operations.

An application was submitted in terms of the provisions of section 102 of the MPRDA in 2015 for the areas held under the prospecting rights with DMR Ref No GP30/5/1/1/2/10055 RPR and GP30/5/1/1/2/10054 RPR to be incorporated into the Cooke 1, 2 and 3 mining right area. The two prospecting rights have lapsed, but the Section 102 application was submitted prior to the lapsing of the prospecting rights. These applications are not yet finalised.

Ezulwini also held a PR under DMR Ref No GP30/5/1/1/2/10151 PR (Zuurbekom PR) in respect of a contiguous area (6,842ha) to the east of the Cooke 1, 2 and 3 mining right and Ezulwini mining right. This PR has lapsed, but an application was submitted in terms of the provisions of Section 102 of the MPRDA prior to the lapsing of the Zuurbekom PR to incorporate the Zuurbekom PR area into the Ezulwini mining right area. The Section 102 application is not yet finalised.

All required operating permits have been obtained and are in good standing.

An updated SLP for Cooke 1,2,3 for period 2017-2021 was submitted to the DMR in July 2018, but has not been approved.

The second cycle of the Ezulwini SLP expired in 2016 and a new SLP catering for the care and maintenance status is being prepared. The DMR has been informed about this process.

The principal horizons of the Middle and Upper Elsburgs consists of multiple reefs in a structurally and sedimentologically complex arrangement. The Elsburg Reefs occurs in a distinct mineralised sedimentary alluvial fan setting, with closely spaced, multiple reefs in a sub-cropping relationship in the proximal areas.

This "composite nature" of the reefs in the proximal areas, led to these mines originally being mechanised, initially extracting a composite package of conglomerates.

Downdip from the proximal areas, the orebodies at Cooke are laterally continuous with relatively long-range predictability. This lends to clear patterns of mineralisation governed by sedimentary characteristics.

The UE1A composite reefs (including A2, A3b and A5) and VCR were the main reefs exploited, with additional reefs mined being the Kimberley Reef and the Upper Elsburg Reef.

Cooke has four vertical shaft complexes (including one with a sub-shaft) and two mineral processing plants. Supporting infrastructure to service the operating shaft sections is also in place.

<table>
<thead>
<tr>
<th>Operating shaft</th>
<th>Operational hoisting capacity (ktpm)</th>
<th>Planned production (ktpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>54</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>56</td>
<td>0</td>
</tr>
</tbody>
</table>

1 Planned production is five-year hoisted average from 2019 onwards.
INFORMATION ON THE COMPANY continued

**Mining method**

**Underground**

Although the shafts are on care and maintenance, the principal mining methods employed were as follows.

- Cooke 1 to 3 Shafts:
  - Conventional breast
  - Conventional board and pillar
  - Conventional trenching and benching with bag-fill cement support
  - Conventional stope strike crush pillar extraction with bag-fill cement support
  - TM3 trackless pillar extraction with bag-fill cement support
- Ezulwini/Cooke 4 Shaft:
  - TM3 destress cut with drift and bench mining and back fill support
  - Conventional breast mining

**Surface**

- Mining of the TSF is via hydro (waterjet) methods

**Life of mine**

- Underground – no Mineral Reserves reported
- TSF – four years up to 2022

**Mineral and processing capacity**

<table>
<thead>
<tr>
<th>Plant name</th>
<th>Type</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooke</td>
<td>CIL</td>
<td>400</td>
<td>385</td>
<td>57.1</td>
<td>TSF</td>
</tr>
<tr>
<td>Ezulwini</td>
<td>CIP</td>
<td>200</td>
<td>140</td>
<td>85.4</td>
<td>SRD</td>
</tr>
</tbody>
</table>

- Cooke plant treats TSF material from RSO
- Ezulwini plant is toll treating SRD material from third parties and other Sibanye-Stillwater operations
- Immediately prior to closure of the underground workings, all Cooke underground material was toll treated at Harmony’s Doornkop plant, connected to the shafts via rail
- The Ezulwini plant has an integrated uranium extraction circuit, which has been used in the past to extract U308 from Middle Elsburg ore, but this is currently dormant

**Tailings disposal and capacity**

- Tailings from the Cooke plant (RSO) are deposited into historic, dormant and unrehabilitated open pits connected to the old underground workings of the Randfontein Estates mine as part of an approved EMPR
- A total of 7.4Mt of depositional capacity is still available at the Cooke 4 (Ezulwini) TSF complex
- There is sufficient capacity for depositing the four year LoM residue tailings material

**Key developments and brownfield projects (on-mine)**

Cooke has no development or brownfields projects.

The Zuurbekom area, situated downdip from the Cooke 1 – 4 operations, has been the subject of a scoping level study, but no Mineral Resource or Mineral Reserves are being declared due to economic considerations.

Studies are currently underway to increase feed volumes of tailings into the Cooke plant to enhance profitability.

The WRTRP assets excluded from the transaction with DRDGOLD, i.e. the Cooke TSFs.
GOLD OPERATIONS: DRDGOLD (38.05% ATTRIBUTABLE)
Ergo Mining Proprietary Limited (Ergo) (100% DRDGOLD owned) is a South African gold producer, recovering gold from the retreatment of historic gold mine surface tailings facilities. Ergo operates near Johannesburg, and owns various plants and TSFs in the Central and East Rand:

- The Ergo plant, and its associated TSFs are located 70km east of Johannesburg in the Gauteng province and is accessed via the N17 Johannesburg-Springs highway, near Benoni and Brakpan
- The Crown operations are situated on the outskirts of Johannesburg and consist of the City Deep (Germiston), Crown Mines (3Cs) and Knights areas. Access to the Crown Mines is via Xavier Road on the M1 Johannesburg-Kimberley-Bloemfontein highway. Access to City Deep is via the Heidelberg Road on the M2 Johannesburg-Germiston highway. Knights is located at Stanley and Knights Road, Germiston, off the R29 Main Reef Road

In August 2018 a transaction between DRDGOLD and Sibanye-Stillwater was completed, whereby Sibanye-Stillwater traded selected assets from its WRTRP project (now DRDGOLD Far West Gold Recoveries (FWGR)) for a 38.05% shareholding in DRDGOLD. The transaction increased DRDGOLD’s gold Mineral Reserves at the time by ~90%, from 2.99 Moz to 5.71 Moz.

FWGR is situated in the West Rand of the Gauteng province, 30km south of Johannesburg in the vicinity of Randfontein, Westonaria, Fochville and Carletonville. The FWGR includes historical TSFs with a total area of 412ha, and includes the Driefontein 1 and 2 gold plants.

DRDGOLD intends to develop the selected assets into a large scale (1.2 Mtpm), long life (20 years) operation to reclaim gold through a phased approach. Phase one has already commenced, and the first tailings were pumped from the Driefontein TSF assets in December 2018.
**Licence status and holdings**

DRDGOLD mining rights and prospecting rights are listed under the Ergo and East Rand Proprietary Mines Limited. Ownership of the surface rights and mine dumps vest in various legal entities (owned by DRDGOLD or agreements with land owners). The necessary agreements are in place for all properties in the LoM plan.

The Crown operations mining rights have been converted to new order rights under the MPRDA and the mining rights in respect of the 3Cs and Knights were registered at the MPTO in January 2014. All rights were transferred to Ergo in March 2014.

The DRDGOLD FWGR assets, situated at Kloof and Driefontein, both have existing mining rights registered under Sibanye-Stillwater. Various Section 102 (MPRDA) applications in regard to the WRTRP were submitted to the DMR in 2015. In 2016 the DMR stated that there can be a reasonable expectation for granting of these applications.

The historical TSFs are classified as moveable assets and as such there is no requirement to transfer any part of the mining rights to DRDGOLD (SPV). Rehabilitation liability of the TSFs were transferred to the SPV, along with existing WRTRP funds held by Sibanye-Stillwater.

**Mineralisation characteristics**

The mineral assets are historical gold plant tailings material from the mining of auriferous and uraniferous ore from the gold-bearing, late Archaean (2.7Ga to 3.2Ga), Witwatersrand Basin in the West Rand Goldfield. The typical composition is quartz (70 – 80%), mica (10%), chlorite and chloritoid (9% – 18%) and pyrite (1% – 2%). Gold, uranium oxide, zirconium and chromium are minor constituents.

The composition of a TSF depends on the geochemical make-up of the material being mined and the chemicals used in the mining and extraction process. Further, the internal structure of the TSF reflects the mining strategy and depositional methodologies employed for each operation. The bulk density of tailings material and the lateral and vertical variation in moisture content is a critical factor in the accurate estimation of tonnages. In addition, secondary processes such as metal re-mobilisation, erosion, weathering, leaching and acid mine drainage can affect the geochemical characteristics of a TSF. Gold can undergo mobilisation within the TSF over time, and hence, may exhibit areas of re-concentration, and even be present in the sub-structure (footprint) soil. These factors can result in a considerable variation in gold content and distribution throughout the TSF and such variation has an impact on final recoveries and projected revenues for the operation.

**Infrastructure**

**ERGO (Benoni, Springs area)**
- Ergo plant
- Elsburg tailings complex (including 4L50), Van Dyk 5L29 TSF, Brakpan/Withok TSF, Daggafontein TSF, Ezekiel TSF

**Crown operations (3Cs) (Johannesburg Germiston and Boksburg area)**
- Crown plant (closed and rehabilitated)
- City Deep plant/milling and pump stations
- Knights plant

**FWGR**
- Driefontein 2 and 3 plants
- Driefontein 3, 4 and 5 TSFs, Kloof 1 TSF, Venterspost North and South TSFs, Libanon TSF

Once decommissioned, the following infrastructure will be transferred to DRDGOLD for no additional consideration:
- Driefontein 1 and 2 TSF, Kloof 2 TSF, Leedoom TSF

**Mining method**

Hydraulic mining (hydro-mining) using high-pressure water cannons to hydraulically excavate tailings material

**Life of mine**

Ergo LoM is estimated at 12 years until 2030 and the FWGR has sufficient volume to allow processing of an eventual 1.2Mtpm for approximately 20 years.

<table>
<thead>
<tr>
<th>Mineral and processing capacity</th>
<th>Plant name</th>
<th>Type</th>
<th>Design capacity (ktpm)</th>
<th>Current operational capacity (ktpm)</th>
<th>Average recovery factor (%)</th>
<th>Material treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ergo Plant</td>
<td>CIL</td>
<td>1,800</td>
<td>1,800</td>
<td>43.8</td>
<td>Surface</td>
<td></td>
</tr>
<tr>
<td>City Deep plant</td>
<td></td>
<td></td>
<td></td>
<td>47.2</td>
<td>Surface</td>
<td></td>
</tr>
<tr>
<td>Knights plant</td>
<td>CIL</td>
<td>250</td>
<td>250</td>
<td>50.6</td>
<td>Surface</td>
<td></td>
</tr>
<tr>
<td>DP2</td>
<td>CIL</td>
<td>500</td>
<td>500</td>
<td>58.0</td>
<td>Surface</td>
<td></td>
</tr>
<tr>
<td>DP3*</td>
<td>CIL</td>
<td>120</td>
<td>N/A</td>
<td>N/A</td>
<td>Surface</td>
<td></td>
</tr>
</tbody>
</table>

*DP3 on care and maintenance.*
Tailings disposal and capacity/recovery percentage

For Ergo, the Brakpan/Withok tailings deposition facility has sufficient capacity to dispose of the LoM reserves processing residue material.

For FWGR, the Phase one production tailings will be deposited on the Driefontein 4 TSF, which has sufficient capacity for six years production at 500ktpm. To fully exploit the larger FWGR Mineral Resources, feasibility studies have been conducted into the construction of a large, central deposition facility.

Key development projects

The current focus at DRDGOLD is to develop the FWGR project in a phased approach.

- Phase one: Upgrade Driefontein 2 and 3 plants to 500ktmp capacity and process Driefontein 5 TSF with redepositing onto Driefontein 4 TSF
- Conduct a DFS on the viability of Phase two whether to proceed onto Phase two or an alternative option
INFORMATION ON THE COMPANY continued

GOLD PROJECTS: BURNSTONE

Burnstone is a shallow gold mine project in execution, situated near Balfour in the Mpumalanga province, South Africa, with Johannesburg 80km to the north-west.

Burnstone is located in the Highveld escarpment and is mostly surrounded by farms, game farms and bushveld. Coal mining also forms a major part of the landscape. Vegetation is dominated by grassland, vleiland and low lying hills. The area has a warm, temperate climate with no extremes impacting on mining activities.

Sibanye-Stillwater bought Burnstone in 2014. The feasibility study was independently reviewed in 2015, finance was approved in 2016 and development started in 2017. Development was stopped in May 2018 due to operational requirements and focused was instead on establishing underground engineering infrastructure in preparation for mining production in 2021.

Burnstone holds a 13,136ha mining right, DMR Ref No MP30/5/1/2/248MR, valid until 16 February 2027 and may extract gold, silver and aggregate.

In 2013 a Section 102 application was submitted to the DMR to include various prospecting rights into the mining right that will enlarge the Burnstone mining right to 38,900ha. Finalisation of the Section 102 is pending.

All required operating permits have been obtained and are in good standing.

The UK9a Mining Reef is a thin (<1m), highly channelised fluvial deposit, shallow dipping (<10%) orebody. The minimum cut includes waste to a total of 110cm.

20 years until 2038, based on current Mineral Reserves
GOLD PROJECTS: SOUTHERN ORANGE FREE STATE

General
The Southern Orange Free State (SOFs): Bloemhoek and De Bron Merriespruit (DBM) projects are situated close to Virginia in the Free State province of South Africa. SOFS is situated in a semi-arid region with very flat topography covered in agricultural land. No severe climatic occurrences that can influence mining activities are present.

In 2014, Sibanye-Stillwater acquired 100% of Wits Gold. SOFS formed part of this acquisition. The SOFS DBM project was at feasibility study level and an application for the SOFS mining right was already submitted to the DMR when Sibanye-Stillwater integrated Wits Gold into the company.

A feasibility study for the SOFS: Bloemhoek project was started in 2016 (expected to be finalised in 2019). In 2017 the application for the SOFS mining right was executed and development should enter the Bloemhoek project area from Beatrix 3 shaft in 2021. Both the Bloemhoek and DBM projects will utilise existing Beatrix support infrastructure, thus limiting the amount of capital funding needed to reach production phase.

Licence status and holdings
SOFs holds a mining right with DMR Ref No FS30/5/1/2/10005 MR to extract gold, silver and uranium from a 17,022ha area. This right is valid until 13 June 2040, but registration at the MPRTO is still outstanding.

All required operating permits have been obtained and are in good standing.

Mineralisation characteristics
Clear patterns of mineralisation, characterised by a highly channelised fluvial depositional environment, can be distinguished.

Expected mineral extraction is estimated to be at depths varying between 450m and 2,500m below surface and will focus on shallow gold/uranium deposits comprising the BXR/VS5, AAR, B and Leader Reefs.

Life of mine
DBM: 23 years until 2041, based on current Mineral Reserves
RESERVES OF SIBANYE-STILLWATER AS OF 31 DECEMBER 2018

INTRODUCTION

Sibanye-Stillwater reports its mineral reserves in accordance with SAMREC, the South African Code for the reporting of Mineral Asset Valuation and other relevant international codes such as the SEC’s Industry Guide 7. Only the reserves at each of our operations and exploration projects as of 31 December 2018, which qualify as reserves for purposes of the SEC’s Industry Guide number 7, are presented in the tables below. In accordance with the requirements imposed by the JSE, we report our 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 tons to be processed at mill feed head grades, allowing for estimated mining dilution, mining recovery and other factors.

US PGM operations

Geology

The J-M Reef of the Stillwater Complex is a world class PGM deposit and is the prime exploration and mining target for palladium-platinum mineralisation mined at Stillwater and East Boulder mines. It is a typical stratiform magmatic reef type PGM deposit located primarily within the olivine-bearing-I (OB-I), which thickens and thins dramatically along strike. It has some lithological and stratigraphic similarities to the Merensky Reef of the BC, but also has some fundamental differences. Unlike the Merensky Reef, the J-M Reef is not pitholed but shows a higher degree of variability in grades and thickness at a local level with PGM bearing sulphide often transgressing into footwall rocks. In addition, the J-M Reef has PGM grades that are significantly higher than the Merensky Reef grades and the grade does not drop as the reef thickens.

The Stillwater Complex is a large layered igneous complex resulting from magma intrusion through regional transverse faults into highly deformed Archaean sedimentary rocks. The magma intrusion and emplacement was accompanied by fractionation and accumulation of magmatic crystals that gave rise to the conspicuous magmatic layering observed in the complex. The magmatic layering is reflected in the changes in mineralogy, mode, grain size and texture across the stratigraphic profile of the complex. However, the overall texture of the lithological units in the Stillwater Complex is typified by subhedral to euhedral cumulate grains in a framework of post-cumulus interstitial material including oikocrysts. The mineralogical, modal, grain size and textural variations formed the basis for subdividing the Stillwater Complex into five major series as follows: the Basal Series, Ultramafic Series, Lower Banded Series, Middle Banded Series and Upper Banded Series (McCallum, 2002). The Ultramafic Series (UMS) is further subdivided into the Bronzite Zone and Peridotite Zone.

The contact between the Bronzite Zone and Lower Banded Series has been mapped over much of the Stillwater Complex showing the extensive nature of the economic Lower Banded Series, of which the J-M Reef is part.

The Lower Banded Series consists of norite and gabbronitrite units and minor olivine bearing cumulates that host the target J-M Reef. The series has been subdivided into norite I (N-I), gabbro-norite-I (GN-I), OB-I, norite-II (N-II), g-II (GN-II) and olivine-bearing-II (OB-II) zones. It is to be noted that the J-M Reef is generally confined to the OB-I (troctolite) zone, but not restricted to a particular stratigraphic position within this zone.

For evaluation purposes, the J-M Reef is defined as the palladium-platinum rich stratigraphic interval mainly occurring within a troctolite or OB-I zone of the Lower Banded Series. It is characterised by a variable thickness ranging from 0.9m to 2.7m and averaging 1.8m, but locally forms keel shaped footwall zones, which transgress the footwall mafic rocks, commonly reaching thicknesses of 6m and greater. Palladium and platinum are the main PGMs, with palladium being the more significant of the two (in situ palladium:platinum ratio of 3.4:1 to 3.6:1). Other associated PGMs such as rhodium, iridium, ruthenium, osmium, and gold occur in low abundances. The J-M Reef contains approximately 0.25% to 3% visible disseminated copper-nickel sulphide minerals, predominantly chalcopyrite, pyrrhotite and pentlandite, with microscopic PGM minerals and platinum-iron alloys within a complex cumulate of olivine, plagioclase, bronzite and augite.

Structurally, most of the regional faults affecting the Stillwater Complex have been ascribed to the Laramide Orogeny, and these have been grouped according to trends as follows:

- North-west to south-east striking thrust faults
- East to west striking south dipping steep reverse faults
- East to west trending vertical faults
- North-east to south-west steep dipping transverse faults

Ore reserves determination methodology

The US PGM operations utilise statistical methodologies to calculate ore reserves based on interpolation between and projection beyond sample points.

Interpolation and projection are limited by certain modifying factors including geologic boundaries, economic considerations and constraints imposed by safe mining practices. Sample points consist of variably spaced drill core intervals through the J-M Reef obtained from drill sites located on the surface and in underground development workings. Results from all sample points within the ore reserve area are evaluated and applied in determining the ore reserve.

For proven ore reserves, distances between samples range from 25 to 100 feet but are typically spaced at 50 foot intervals both horizontally and vertically. The sample data for proven ore reserves consists of survey data, lithologic data and assay results. Quality Assurance and Quality Control (QA/QC) protocols are in place at both of the Group’s Montana mines to test the sampling and analysis procedures. To test assay accuracy and reproducibility, pulps from core samples are resubmitted and compared. To test for sample label errors or cross-contamination, blank core (waste core) samples are submitted with the mineralised sample lots and compared. The QA/QC protocols are practiced on both resource delineation and development and production samples. The resulting data is entered into a 3-dimensional modelling software package and is analysed to produce a 3-dimensional solid block model of the resource. The assay values are further analysed by a geostatistical modelling...
technique (kriging) to establish a grade distribution within the 3-dimensional block model. Dilution is then applied to the model and a diluted tonnage and grade are calculated for each block. Ore and waste tons, contained ounces and grade are then calculated and summed for all blocks.

Two types of cut-off grades are recognised for the J-M Reef, a geologic cut-off grade and an economic cut-off grade. The geologic cut-off grade for both the Stillwater Mine and the East Boulder Mine falls in the range of 0.2 to 0.3 troy ounces of palladium plus platinum per ton. The economic cut-off grade is lower than the geologic cut-off and can vary between the mines based on cost and efficiency factors. The determination of the economic cut-off grade is completed on a round by round basis and is driven primarily by available mill capacity, geologic character encountered at the mining face and incremental costs of processing the broken rock.

Probable ore reserves estimations are based on longer projections than proven reserves, and projections up to a maximum radius of 1,000 feet beyond the limit of existing drill hole sample intercepts of the J-M Reef are used. Statistical modelling and the established continuity of the J-M Reef, as determined from results of 32 years of mining activity to date, support the US PGM operations’ technical confidence in estimates of tonnage and grade over this projection distance. Where appropriate, projections for the probable ore reserves determination are constrained by any known or anticipated restrictive geologic features.

The US PGM operations review its methodology for calculating ore reserves on an annual basis. Conversion, an indicator of the success in upgrading probable ore reserves to proven ore reserves, is evaluated annually as part of the reserve estimation process. The annual review examines the effect of new geologic information, changes implemented or planned in mining practices and mine economics on the measures used for the estimation of probable ore reserves. The review includes an evaluation of the US PGM operations’ rate of conversion of probable ore reserves to proven ore reserves. The proven and probable ore reserves are then modelled as a long-term mine plan and additional factors including mining methods, process recoveries, metal prices, mine operating productivities and costs and capital estimates are applied to determine the overall economics of the ore reserves.

### 2E PGM mineral reserve statement as of 31 December 2018\(^1,2\)

As of 31 December 2018, Sibanye-Stillwater had aggregate proved and probable 2E PGM reserves of approximately 25.6Moz as set forth in the following table.

<table>
<thead>
<tr>
<th>Tons</th>
<th>Grade</th>
<th>2E PGM</th>
<th>2E PGM</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Mt)</td>
<td>(g/t)</td>
<td>(Moz)</td>
<td>(Moz)</td>
</tr>
<tr>
<td><strong>OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stillwater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>3.4</td>
<td>19.3</td>
<td>2.123</td>
</tr>
<tr>
<td>Probable</td>
<td>20.5</td>
<td>19.2</td>
<td>12.634</td>
</tr>
<tr>
<td>Total underground</td>
<td>23.9</td>
<td>19.2</td>
<td>14.756</td>
</tr>
<tr>
<td>East Boulder</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>2.9</td>
<td>14.6</td>
<td>1.342</td>
</tr>
<tr>
<td>Probable</td>
<td>19.7</td>
<td>15.1</td>
<td>9.515</td>
</tr>
<tr>
<td>Total underground operations</td>
<td>22.5</td>
<td>15.0</td>
<td>10.858</td>
</tr>
<tr>
<td>Total underground and surface</td>
<td>46.4</td>
<td>17.2</td>
<td>25.614</td>
</tr>
</tbody>
</table>

\(^1\) Managed, unless otherwise stated.

\(^2\) A platinum price of US$959/oz and palladium price of US$819/oz was applied in valuing the mineral reserve. The prices used for reserves is the approximate three-year trailing average metal prices.

\(^{b}\) The approximate concentrator recoveries are as follows: (i) Stillwater 92.2%; and (ii) East Boulder 90.8%.

\(^{c}\) The approximate cut-off grades are as follows: (i) Stillwater 6.8g/t; and (ii) East Boulder 6.8g/t.

\(^{d}\) The approximate smelter/base metal refinery recoveries are as follows: (i) Stillwater 99.3%; and (ii) East Boulder 99.3%.

\(^{e}\) A mine call factor based on historic performance and incorporating any planned improvements is applied to the mineral reserves. The following mine call factors have been applied: (i) Stillwater 90%; and (ii) East Boulder 87%.

\(^{f}\) Totals may not sum due to rounding

### 2E PGM metal prill splits

<table>
<thead>
<tr>
<th>Operation</th>
<th>Reef</th>
<th>Grade (g/t)</th>
<th>Prill split</th>
<th>Grade (g/t)</th>
<th>Prill split</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Pt</td>
<td>Pd</td>
<td>Pt</td>
<td>Pd</td>
</tr>
<tr>
<td>Stillwater</td>
<td>J-M</td>
<td>19.2</td>
<td>14.756</td>
<td>22.23</td>
<td>77.77</td>
</tr>
<tr>
<td>East Boulder</td>
<td>J-M</td>
<td>15.0</td>
<td>10.858</td>
<td>21.74</td>
<td>78.26</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>17.2</td>
<td>25.614</td>
<td>22.02</td>
<td>77.98</td>
</tr>
</tbody>
</table>

Sibanye-Stillwater Form 20-F 2018 329
Year-on-year 2E PGM reserve reconciliation

Attributable 2E PGM mineral reserves increased from 21.9 Moz at 31 December 2017 to 25.6 Moz at 31 December 2018, as set forth in the following table.

<table>
<thead>
<tr>
<th>Factors</th>
<th>2E PGM (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2017</td>
<td>21.903</td>
</tr>
<tr>
<td>2018 depletion</td>
<td>(0.633)</td>
</tr>
<tr>
<td>Post-depletion</td>
<td>21.270</td>
</tr>
<tr>
<td>Inclusions</td>
<td></td>
</tr>
<tr>
<td>Area inclusions</td>
<td>1.883</td>
</tr>
<tr>
<td>Estimation</td>
<td>2.386</td>
</tr>
<tr>
<td>Economic parameters</td>
<td>0.126</td>
</tr>
<tr>
<td>Exclusions</td>
<td></td>
</tr>
<tr>
<td>Geographical interpretation</td>
<td>(0.051)</td>
</tr>
<tr>
<td>31 December 2018</td>
<td>25.614</td>
</tr>
</tbody>
</table>

1 Expansion in the Blitz project area.
2 Better than expected tonnes and higher than average grades encountered at Blitz.

SA PGM operations

Geology

Kroondal and Rustenburg (South African operations)

The Kroondal and Rustenburg operation are located within the Western Limb of the Bushveld Complex (BC). The Bushveld Complex is the world’s largest known layered mafic-ultramafic intrusive complex covering an area of approximately 67,000 km², contains 85% of all known PGM resources and is the source of over half of current world PGM production. This massive mafic-ultramafic layered intrusion and its associated suite of granitoid rocks intruded into the Transvaal Supergroup within the Kaapvaal Craton. The Proterozoic (2.6 Ga to 2.058 Ga) Bushveld Complex is divided into the basalt Rustenburg Layered Suite (RLS) of ultramafic to mafic rocks, the overlying Lebowa Granite Suite (LGS) and the felsic extrusive rocks of the Rashoop Granophyre Suite (RGS). It is the RLS that is host to the PGMs at Kroondal and Rustenburg operation. The critical zone of the RLS is host to the Merensky and UG2 reefs, the economic mineralisation exploited at Rustenburg platinum operations. At Kroondal operations only the UG2 reef is exploited, the Merensky reef was mined out at the time of acquisition by Sibanye-Stillwater.

The persistence of the Merensky Reef and UG2 Reef in the Kroondal and Rustenburg platinum lease area has been confirmed mainly by extensive surface and underground drilling as well as 3D seismic surveys. The only aberration to this pattern is in the vicinity of the two major dunite pipes, the Brakspruit and Townlands pipes.

The Merensky Reef is, in most instances, well defined and typically consists of a pegmatoidal feldspathic pyroxenite layer, bounded on the top and bottom by thin chromitite layers. A notable feature of the Merensky Reef is the regularity of thickness, within limits of 5cm to 60cm, over large areas. However, variation does occur and the pegmatoidal feldspathic reef can vary locally in thickness, from a few centimeters up to approximately 1.5m. The Merensky Reef contains economically important base metal sulphide (BMS) and PGM mineralisation. Mineralisation of the Merensky Reef generally occurs in the pegmatoidal feldspathic pyroxenite and to a limited extent in the hangingwall and footwall, with highest PGM concentration peaking at the chromitite stringers.

The UG2 Reef, which is consistently developed throughout the RLS, is rich in chromitite but with lower gold, copper and nickel values as compared to that of the Merensky Reef. The UG2 Reef average thickness varies between 55cm and 75cm, and comprises a single, well developed chromitite layer. Within the Rustenburg Lease Area, the UG2 Reef occurs vertically between 90m and 150m below the Merensky Reef and dips in a northerly direction. The UG2 Reef is more prone to undulations than the Merensky Reef resulting in rolling reef.

As at all other platinum mines, the Merensky Reef and the UG2 Reef are affected by structural and other geological features, including potholes and Iron Rich Ultramafic Pegmatoids (IRUPs), which result in geological losses and impact on mining.

Mimosa (Non-South Africa operations – Zimbabwe)

Mimosa PGM mineralisation occurs in the Great Dyke in Zimbabwe. The Great Dyke is a long (550km) and narrow (11km), 2.5 billion year old layered igneous intrusion which bisects Zimbabwe in a north-north easterly direction. The Great Dyke is divided vertically into a lower ultramafic sequence, dominated from the base upwards by cyclic repetitions of dunite and/or serpentinite, hartzburgite and pyroxenite and an upper mafic unit consisting of gabbro and gabbro-norite and repetitions of dunite and/or serpentinite, hartzburgite and pyroxenite.

Economic PGM (platinum, palladium, rhodium, iridium and ruthenium along with gold, copper, cobalt and nickel) mineralisation occurs within the Main Sulphide Zone (MSZ), which is generally 10m to 20m from the top of the Ultramafic Sequence. Because it lies just below the Mafic Sequence, the PGM resources coincide with the four main erosional remnants of these rocks. The MSZ is typically 2m to 3m thick, but is locally up to 20m thick with a marked decrease in grade with thickening of the zone. Areas of very thick, uneconomic MSZ are mainly restricted to the axis of the Darwendale and Musengezi chambers.
Block model estimation and reserving process

Underground reserves are based on an estimated block model of the ore body, which is derived from surface drilling, underground drilling, surface three-dimensional reflection seismics, ore body facies modelling, structural modelling, underground mapping, underground channel sampling and geostatistical estimation to create the Mineral Resource models. The Resource models are then converted using modifying factors to generate Mineral Reserves.

An integrated block model is created for both Rustenburg and Kroondal operations. The Mineral Resource estimation is carried out utilising Datamine software per geological domain. The main interpolation methodology used is ordinary kriging. Estimation by ordinary kriging is done for elements with sufficient data and ID (Inverse distance to the power of two) estimates for elements with limited data. MRM sampling data and Sable diamond drilling data form the principal dataset utilised in these estimates. QA/QC analysis is completed on a batch by batch basis and batches are rejected if errors are encountered exceeding a set threshold.

At Mimosa operations, Surpac Software is also utilised to create the Resource models. Geological ore body modelling is done by extracting XYZ points at the base of the platinum peak for all holes that have been selected for creation of the platinum peak surface. These holes are displayed in Surpac together with the ore body limits. A triangulated surface of the platinum peak is generated through triangulation. The platinum peak surface is then copied 0.45m up and 1.55m down. The top and bottom surfaces are triangulated to produce a geological solid which is then validated. Tonnage and grade estimations are done using boreholes with a consistent metal profile only in Surpac software by creating a block model. The block model is then constrained to a 2m wide mining slice extending to 0.45m above and 1.55m below the base of the platinum peak datum using a solid model. The main blocks are 2m high and 12.5m by 12.5m wide. Sub-blocking is done at 6.25m × 6.25m × 1m. Grades for each block within the slice are then estimated by inverse distance method varying search radii based on the platinum variogram, but limiting the number of holes to a minimum of three and a maximum of seven.

The results of this process is a Resource Model with Mineral Resources classified into Measured, Indicated and Inferred in order of decreasing geological confidence respectively.

Reserve classification methodology

The reserve estimates are derived from the resource models initially categorised according to the measured, indicated and inferred classification assigned to the block models. The measured confidence category is converted to proved reserves and indicated to probable reserves. The inferred confidence category has too low a confidence to be converted to reserves and is excluded.

The confidence classification applied to the block model uses a combination of the quality of the kriged estimates and the confidence in the geological interpretation (drill spacing, continuity of ore body, structural confidence, and confidence in extrapolation or interpolation of facies types). The lower of the two confidence estimates is accepted as the final classification.

Various modifying factors are applied at the different operations to convert the mineral resources to mineral reserves with an approved LoM in accordance with guidelines of the SAMREC Code and SEC guidelines. A key aspect to the conversion of the mineral resources to mineral reserves is economic viability which utilises approved projected metal prices for the PGMs. This will then be used to demonstrate economic viability of their extraction hence declaration as Mineral Reserves.

4E PGM mineral reserve statement as of 31 December 2018¹,²

As of 31 December 2018, Sibanye-Stillwater had aggregate proved and probable 4E PGM reserves of approximately 20.5Moz as set forth in the following table.

<table>
<thead>
<tr>
<th>OPERATIONS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons (Mt)</td>
<td>Grade (g/t)</td>
</tr>
<tr>
<td><strong>Kroondal (50%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>18.4</td>
<td>2.6</td>
</tr>
<tr>
<td>Probable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total underground</td>
<td>18.4</td>
<td>2.6</td>
</tr>
<tr>
<td><strong>Rustenburg</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>110.9</td>
<td>3.8</td>
</tr>
<tr>
<td>Probable</td>
<td>6.9</td>
<td>4.2</td>
</tr>
<tr>
<td>Total underground</td>
<td>117.8</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Mimosa (50%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>10.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Probable</td>
<td>5.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Total underground</td>
<td>16.5</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total underground operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SRD AND TSF</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rustenburg</td>
<td>75.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Total SRD and TSF</td>
<td>75.5</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total underground and surface</strong></td>
<td>228.2</td>
<td>2.8</td>
</tr>
</tbody>
</table>

¹ Managed, unless otherwise stated.
RESERVES OF SIBANYE-STILLWATER AS OF 31 DECEMBER 2018 continued

(a) A platinum price of R12,994/oz (US$959/oz), palladium price of R11,097/oz (US$819/oz), rhodium price of R15,989/oz (US$1,180/oz) and gold price of R16,796/oz (US$1,238/oz) (at an exchange rate of R13.55/US$) was applied in valuing the mineral reserve. The prices used for reserves is the approximate three-year trailing average metal prices.

(b) The following modifying factors have been applied:

<table>
<thead>
<tr>
<th>Modifying factors</th>
<th>Unit</th>
<th>Kroondal</th>
<th>Rustenburg</th>
<th>Mimosa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-reef</td>
<td>%</td>
<td>3.6</td>
<td>3.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Stopping width</td>
<td>cm</td>
<td>226</td>
<td>138</td>
<td>212</td>
</tr>
<tr>
<td>Scopling</td>
<td>%</td>
<td>3.7</td>
<td>3.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Mine call factor</td>
<td>%</td>
<td>93.6</td>
<td>99.8</td>
<td>92.9</td>
</tr>
<tr>
<td>Mineral reserve pay limit</td>
<td>g/t</td>
<td>2.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mined value</td>
<td>g/t</td>
<td>3.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(c) Totals may not sum due to rounding

3 Kroondal is operated by Sibanye-Stillwater under a pool and share agreement with Anglo American Platinum and therefore reports 50% attributable mineral reserves.

4 Mimosa is an independently managed operation in which Sibanye-Stillwater owns a 50% share with Implats.

4E PGM metal prill splits

<table>
<thead>
<tr>
<th>Operation</th>
<th>Reef</th>
<th>Grade (g/t)</th>
<th>Prill split</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kroondal</td>
<td>UG2</td>
<td>2.6</td>
<td>57.74</td>
</tr>
<tr>
<td>Rustenburg</td>
<td>UG2</td>
<td>5.3</td>
<td>63.81</td>
</tr>
<tr>
<td>Combined</td>
<td>3.7</td>
<td>13.228</td>
<td>34.36</td>
</tr>
<tr>
<td>Tailings</td>
<td>1.1</td>
<td>2.610</td>
<td>55.12</td>
</tr>
<tr>
<td>Mimosa</td>
<td>MSZ</td>
<td>3.5</td>
<td>1841</td>
</tr>
</tbody>
</table>

Total 2.8 20.448 54.80 34.03 9.45 1.72 1.53 0.95 0.26 0.05 11.206 6.958 1.932 0.353

Year-on-year 4E PGM reserve reconciliation

Attributable 4E PGM mineral reserves decreased from 22.4Moz at 31 December 2017 to 20.5Moz at 31 December 2018, as set forth in the following table.

<table>
<thead>
<tr>
<th>Factors</th>
<th>4E PGM (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2017</td>
<td>22.358</td>
</tr>
<tr>
<td>2018 depletion</td>
<td>(1.557)</td>
</tr>
<tr>
<td>Post-depletion</td>
<td>20.801</td>
</tr>
<tr>
<td>Inclusions</td>
<td>0.100</td>
</tr>
<tr>
<td>Geological interpretations</td>
<td>0.005</td>
</tr>
<tr>
<td>Estimation models</td>
<td>0.142</td>
</tr>
<tr>
<td>Modifying factors</td>
<td>(0.087)</td>
</tr>
<tr>
<td>Area exclusions</td>
<td>(0.514)</td>
</tr>
<tr>
<td>Economic parameters</td>
<td>31 December 2018</td>
</tr>
</tbody>
</table>

SA gold operations

Geology

Our operations consist of deep level underground gold mines located along the northern and southwestern margins of the Witwatersrand Basin in South Africa. These properties include the Driefontein, Kloof and Cooke operations along the northern margin and the Beatrix operation along the southwestern margin. These mines are typical of the many Witwatersrand Basin operations, which have been the primary contributors to South Africa’s production of a significant portion of the world’s recorded gold output since 1886.

The Witwatersrand Basin comprises a 6,000m vertical thickness of sedimentary rocks, extending laterally for some 350km northeast to southwest by some 120km northwest to southeast, generally dipping at shallow angles toward the centre of the Witwatersrand Basin. The Witwatersrand Basin outcrops at its northern extent near Johannesburg, but to the west, south and east it is overlaid by up to 4,000m 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 layers 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 2m 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.
RESERVES OF SIBANYE-STILLWATER AS OF 31 DECEMBER 2018 continued

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. As early as 1923, the presence of uranium was noted in the Witwatersrand reefs. It was found that on average the reefs contain about 0.03% uranium and as a by-product of gold relatively low uranium grades can be recovered. Notwithstanding different opinions as to the origin of the uranium in the reefs, most theories accept localisation of both gold and uranium a function of sedimentary textures. Metal concentrations are directly related to the reefs. Exploration programmes and eventual evaluation of gold and uranium according to a placer philosophy, prove to be highly successful.

The most fundamental controls of gold and uranium distribution are the primary sedimentary features such as litho-facies variation and the nature of channelisation. 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 operational mine planning and grade control.

Block model estimation and reserving process

Underground reserves are based on an estimated block model of the ore body, which is derived from surface drilling, underground drilling, surface three-dimensional reflection seismics, ore body facies modelling, structural modelling, underground mapping, underground channel sampling and geostatistical estimation. The reefs are initially explored by drilling from the surface on an approximately 500m to 2,000m grid. Once underground access is available, definition drilling is undertaken on an approximately 30m to 90m grid. Underground channel sampling perpendicular to the reef is undertaken at 3m intervals in development areas and 5m intervals at stope faces.

Geological facies and 3D structural modelling is completed, based on data gathered from drillholes, chip sampling and underground mapping. Estimation is constrained within both geologically homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged small-scale grids. This modelling is considered in the statistical analysis and estimation process. The resulting geozones may be further subdivided or combined to ensure homogeneity of data, and are used as hard boundaries in the estimation for the block sizes of 10m x 10m and 30m x 30m. Structural modelling is completed to minimise the number of domains in the 100m x 100m blocks.

Detailed exploratory data analyses, including sample verification, histograms, cumulative frequency plots for distributional analysis, outlier checks, mean versus covariance analysis, trend analyses, and a weighted declustering exercise, using 10 random origins, is carried out on data within individual zones. These statistics are used to derive a global mean appropriate for use in Simple Kriging and Macro Kriging. For gold, variography studies are performed on point data and data is regularised to various block sizes. Relative and normal scores variograms are used to determine the appropriate ranges for kriging purposes and are validated with covariance ranges. Kriging neighbourhood analysis, is also conducted to determine the appropriate block size, discretisation, and minimum and maximum number of samples for estimation.

Surface low-grade rock dumps (SRD) are estimated based on bulk samples taken at regular intervals, and historical processing results. Surface tailings (TSF) have been estimated using a regular, closely spaced drill pattern (100m x 100m). Volume estimates are determined by land and aerial surveys conducted on a regular basis.

Reserves are reported using pay limits, to reflect both the cost structures and required margins relevant to each mining operation. Pay limit is defined as the grade at which an ore body can be mined without profit or loss, and is calculated using an appropriate metal price, working cost and modifying factors. Modifying factors used to calculate the pay limit grades include adjustments to mill delivered amounts, due to dilution incurred in the course of mining. Modifying factors applied in estimating reserves are based on historical achievements, but may incorporate minor adjustments for planned operational improvements. Tonnage and grade include some mineralisation below the selected pay limit to ensure that the reserve comprises blocks of adequate size and continuity. Reserves also take into account cost levels at each operation and are derived from a strategic and operational planning process that is embedded at each operation. Reserves on the operating mines are supported by cyclical mine plans, and the project reserves are derived from detailed pre-feasibility or feasibility studies compiled for each project respectively.

Reserve classification methodology

The reserve estimates are initially categorised according to the measured, indicated and inferred classification assigned to the block models. The measured confidence category is converted to proved reserves and indicated to probable reserves. The inferred confidence category has too low a confidence to be converted to reserves and is excluded. The confidence classification is based on a 90% lower confidence limit expressed as a percentage of the original estimate to inform a relative quantitative confidence indication. Confidence limit percentage ranges include the qualitative confidence levels in the structural and sedimentary facies models. The final accepted confidence is the combination of both geological and estimation criteria. The lower confidence is accepted as the final classification.

Blocks with a value of greater than 65% are considered to have measured confidence (assuming that the geological confidence is also good enough). Blocks with values of between 35% and 65% are considered to have indicated confidence, and block with values of less than 35% are classified as inferred confidence and are excluded from the reserves. The geological confidence is assigned by the geologists, and is based on their subjective judgement. The confidence could be down-graded by the geologists based on the level of ore body complexity. In cases where the mining engineer deems it necessary, he may downgrade the classification from proved to probable based on expected mining complexity.
Gold ore reserve statement as of 31 December 2018\(^1,2\)

As of 31 December 2018, Sibanye-Stillwater had aggregate proved and probable gold reserves of approximately 16.6 Moz as set forth in the following table.

<table>
<thead>
<tr>
<th>OPERATIONS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons (Mt)</td>
<td>Grade (g/t)</td>
</tr>
<tr>
<td>Beatrix (Proved)</td>
<td>3.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Beatrix (Probable)</td>
<td>1.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Driefontein (Probable)</td>
<td>7.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Cooke (Proved)</td>
<td>16.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Cooke (Probable)</td>
<td>1.1</td>
<td>0.4</td>
</tr>
<tr>
<td>DRDGOLD (Ergo) (Prob)(38%)</td>
<td>23.9</td>
<td>0.3</td>
</tr>
<tr>
<td>DRDGOLD (Ergo) (Prob)(38%)</td>
<td>99.0</td>
<td>0.3</td>
</tr>
<tr>
<td>DRDGOLD (FWGR) (Prob)(38%)</td>
<td>68.1</td>
<td>0.4</td>
</tr>
<tr>
<td>DRDGOLD (FWGR) (Prob)(38%)</td>
<td>25.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Total SRD and TSF</td>
<td>246.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Total (excluding projects)</td>
<td>293.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Beatrix</td>
<td>14.2</td>
<td>2.7</td>
</tr>
<tr>
<td>Cooke</td>
<td>17.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Driefontein</td>
<td>15.0</td>
<td>6.9</td>
</tr>
<tr>
<td>Kloof</td>
<td>30.4</td>
<td>5.3</td>
</tr>
<tr>
<td>DRDGOLD (Ergo and FWGR)(38%)</td>
<td>216.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Surface projects</td>
<td>WRTRP (Probable)</td>
<td>-</td>
</tr>
<tr>
<td>Total surface projects</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total projects</td>
<td>32.0</td>
<td>4.3</td>
</tr>
<tr>
<td>Total underground, surface and projects</td>
<td>325.3</td>
<td>1.6</td>
</tr>
</tbody>
</table>

\(^1\) Managed, unless otherwise stated.

\(^2\) A gold price of R540,000/kg (US$1,238/oz at an exchange rate of R13.55/US$) was applied in valuing the ore reserve. The gold price used for reserves is the approximate three-year trailing average, calculated on a monthly basis, of the London afternoon fixing price of gold. These prices are approximately 6% higher in Rand terms than the prices used for the 31 December 2017 declaration.

\(^3\) Mine dilution relates to the difference between the mill tonnage and the stope face tonnage and includes other sources stopping (which is waste that is broken on the mining horizon, other than on the stope face), development to mill and tonnage discrepancy (which is the difference between the tonnage expected on the basis of the mine’s measuring methods and the tonnage accounted for by the plant). The mine dilution factors are as follows: (i) Beatrix 35%; (ii) Driefontein 26%; (iii) Kloof 43%; (iv) Burnstone 13%; and (v) De Bron Merriespruit (down-dip mine design) 48%.

\(^4\) The mining recovery factor relates to the proportion or percentage of 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)
RESERVES OF SIBANYE-STILLWATER AS OF 31 DECEMBER 2018

Beatrix 99%; (ii) Driefontein 95%; (iii) Kloof 117%; (iv) De Bron Merriespruit 89%; (v) Burnstone 76%. Where the percentage is low, there is significant resource potential on the operation, and where it is more than 100% it is a function of low-grade incremental mining and planned decreases in pay limits.

(e) The pay limit varies per operation and per shaft, depending on the respective costs, depletion schedule, ore type and dilution. The following are the average pay limits applied in the underground planning process: (i) Beatrix 1,040cm.g/t; (ii) Driefontein 1,750cm.g/t; and (iii) Kloof 1,720cm.g/t.

(f) A mine call factor based on historic performance and incorporating any planned improvements is applied to the mineral reserves. The following mine call factors have been applied: (i) Beatrix 75%; (ii) Driefontein 82%; (iii) Kloof 94%; (iv) Burnstone 85%; and (v) De Bron Merriespruit 81%.

(g) Totals may not sum due to rounding

Above infrastructure (AI) reserves relate to mineralisation which is located at a level at which an operation currently has infrastructure sufficient to allow mining operations to occur.

The majority of the previously reported WRTRP was swapped for a 38.05% shareholding in DRDGOLD during 2018 and is reported on an attributable basis as part of DRDGOLD’s Far West Gold Recoveries project. In addition, the attributable reserves of DRDGOLD’s other operations, such as Ergo, are also reported for the first time. DRDGOLD is independently managed.

Below infrastructure (BI) reserves relate to mineralisation which is located at a level at which an operation currently does not have infrastructure sufficient to allow mining operations to occur, but where the operation has made plans to install additional infrastructure in the future which will allow mining to occur at that level.

Gold price sensitivity

The amount of gold mineralisation that we can economically extract, and therefore can classify as reserves, is sensitive to fluctuations in the price of gold. The following table indicates our reserves at different gold prices that are 10% above and below the R540,000/kg (US$1,238/oz) gold price used to estimate our attributable reserves; however, the reserve sensitivities are not based on detailed depletion schedules and should be considered on a relative and indicative basis only.

<table>
<thead>
<tr>
<th>(Moz)</th>
<th>R486,000/kg</th>
<th>R540,000/kg</th>
<th>R594,000/kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrix</td>
<td>1.091</td>
<td>1.230</td>
<td>1.523</td>
</tr>
<tr>
<td>Driefontein</td>
<td>3.039</td>
<td>3.324</td>
<td>3.574</td>
</tr>
<tr>
<td>Kloof</td>
<td>5.186</td>
<td>5.583</td>
<td>6.068</td>
</tr>
<tr>
<td>Cooke</td>
<td>0.159</td>
<td>0.159</td>
<td>0.159</td>
</tr>
<tr>
<td>Burnstone</td>
<td>1.897</td>
<td>1.945</td>
<td>2.430</td>
</tr>
<tr>
<td>De Bron Merriespruit</td>
<td>-</td>
<td>2.099</td>
<td>2.194</td>
</tr>
<tr>
<td>Total</td>
<td>11.372</td>
<td>14.340</td>
<td>15.948</td>
</tr>
</tbody>
</table>

1 Beatrix, Driefontein, Kloof and Cooke operations’ reserves include ROM ore stockpiles, tailings and SRD. Total excludes the DRDGOLD attributable reserves

Year-on-year gold reserve reconciliation

Attributable gold reserves decreased from 25.7Moz at 31 December 2017 to 16.6Moz at 31 December 2018, as set forth in the following tables.

Gold operations

<table>
<thead>
<tr>
<th>Factors</th>
<th>Gold (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2017</td>
<td>13.321</td>
</tr>
<tr>
<td>2018 depletion</td>
<td>(1.162)</td>
</tr>
<tr>
<td>Post-depletion</td>
<td>12.159</td>
</tr>
<tr>
<td>Inclusions</td>
<td></td>
</tr>
<tr>
<td>White areas</td>
<td>0.635</td>
</tr>
<tr>
<td>Secondary reefs</td>
<td>0.349</td>
</tr>
<tr>
<td>Surface</td>
<td>0.220</td>
</tr>
<tr>
<td>Attributable portion of DRDGOLD Reserves (38%)</td>
<td>2.245</td>
</tr>
<tr>
<td>Exclusions</td>
<td></td>
</tr>
<tr>
<td>Closure of Beatrix 1 Shaft</td>
<td>(0.679)</td>
</tr>
<tr>
<td>Closure of Driefontein 1 and 2 Shafts</td>
<td>(0.684)</td>
</tr>
<tr>
<td>Closure of Driefontein 6 Shaft and resizing of Driefontein 8 Shaft</td>
<td>(1.010)</td>
</tr>
<tr>
<td>Pay limit</td>
<td>(0.764)</td>
</tr>
<tr>
<td>Geological and geotechnical changes</td>
<td>(0.865)</td>
</tr>
<tr>
<td>Estimation models</td>
<td>0.310</td>
</tr>
<tr>
<td>Technical factors</td>
<td>0.193</td>
</tr>
<tr>
<td>31 December 2018</td>
<td>12.108</td>
</tr>
</tbody>
</table>
RESERVES OF SIBANYE-STILLWATER AS OF 31 DECEMBER 2018

Gold projects

<table>
<thead>
<tr>
<th>Factors</th>
<th>Gold (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2017</td>
<td>12.416</td>
</tr>
<tr>
<td>2018 depletion</td>
<td>-</td>
</tr>
<tr>
<td>Post-depletion</td>
<td>12.416</td>
</tr>
<tr>
<td>Inclusions</td>
<td></td>
</tr>
<tr>
<td>Burnstone estimation model</td>
<td>0.011</td>
</tr>
<tr>
<td>Exclusions</td>
<td></td>
</tr>
<tr>
<td>Exclusion of Driefontein 5 Shaft decline project</td>
<td>(1.707)</td>
</tr>
<tr>
<td>Pay limit – Kloof 4 Shaft decline project</td>
<td>(0.106)</td>
</tr>
<tr>
<td>De Bron Merriespruit tail management</td>
<td>(0.012)</td>
</tr>
<tr>
<td>Exclusion of WRTRP</td>
<td>(6.126)</td>
</tr>
<tr>
<td>31 December 2018</td>
<td>4.476</td>
</tr>
</tbody>
</table>

Uranium ore reserve statement as of 31 December 2018

As of 31 December 2018, Sibanye-Stillwater had no probable uranium reserves as set forth in the following table.

<table>
<thead>
<tr>
<th>Projects</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons (Mt)</td>
<td>Grade (kg/t)</td>
</tr>
<tr>
<td>Surface projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WRTRP (Probable)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total surface</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total projects</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total underground, surface and projects</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

1 Managed, unless otherwise stated.

2 (a) Quoted as mill delivered metric tons and ROM grades, inclusive of all mining dilutions and uranium losses except mill recovery. Metallurgical recovery factors have not been applied to the reserve figures. 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.

(b) A uranium price of R1,110/kg (US$37/lb at an exchange rate of R13.55/US$) was applied in valuing the ore reserve. The uranium price used for reserves relates to the three year average long term contract price of US$37/lb. The reserve price is approximately 9% lower in South African rand terms than the price used for the 31 December 2017 declaration.

Year-on-year uranium reserve reconciliation

Attributable uranium reserves decreased from 96.1Mlb at 31 December 2017 to nil at 31 December 2018, as set forth in the following table.

<table>
<thead>
<tr>
<th>Factors</th>
<th>U₃O₈ (Mlb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2017</td>
<td>96.083</td>
</tr>
<tr>
<td>Specific exclusions</td>
<td></td>
</tr>
<tr>
<td>Exclusion of WRTRP</td>
<td>(96.083)</td>
</tr>
<tr>
<td>31 December 2018</td>
<td>-</td>
</tr>
</tbody>
</table>
Corporate governance

The Competent Persons, designated in terms of the respective national reporting code, take responsibility for the reporting of mineral reserves are the respective operations. The details of all the personnel who approved the mineral reserves are listed in the respective Competent Person’s Reports for the specific operation.

Corporate governance on the overall compliance of the Group’s figures and responsibility for the generation of a Group consolidated statement has been overseen by the lead Competent Persons listed below. This team, who consent to the disclosure of the 31 December 2018 mineral reserve statement and function independently of the operating mines and projects.

<table>
<thead>
<tr>
<th>Competent Person</th>
<th>Title</th>
<th>Qualification</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lead Competent Person</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brent LaMoure</td>
<td>Contract Ore Reserve Manager</td>
<td>BSc Hons (Mining Engineering)</td>
<td>23</td>
</tr>
<tr>
<td>MMSA 01363QP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Competent Persons</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeff Hughes</td>
<td>Chief Geologist</td>
<td>BSc (Geology)</td>
<td>14</td>
</tr>
<tr>
<td>AIPG CPG 11792</td>
<td>Stillwater mine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jennifer Evans</td>
<td>Ore Reserve Geologist</td>
<td>BSc (Geology)</td>
<td>13</td>
</tr>
<tr>
<td>AIPG CPG 11669</td>
<td>East Boulder mine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Koski</td>
<td>Contract Ore Resource Geologist</td>
<td>BSc (Geology)</td>
<td>39</td>
</tr>
<tr>
<td>AIPG CPG 11321</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stanford Foy</td>
<td>Director Corporate Development</td>
<td>BSc Hons (Geological Eng)</td>
<td>28</td>
</tr>
<tr>
<td>AIPG CPG 10946</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA PGM operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lead Competent Person</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andrew Brown</td>
<td>VP Mine Technical Services</td>
<td>BTech (Mining Engineering); GDE (Mining Engineering); MBA; MSc</td>
<td>34</td>
</tr>
<tr>
<td>SAIMM 705060</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Competent Persons</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leonard Changara</td>
<td>Unit Manager Geology</td>
<td>MSc (Geology); MBA</td>
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<td>Brian Smith</td>
<td>Unit Manager Survey</td>
<td>NHD (Mine Survey); MEng MRM; MSCC</td>
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<td>SA gold operations</td>
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<td><strong>Lead Competent Person</strong></td>
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<td>Gerhard Janse van Vuuren</td>
<td>VP Mine Technical Services</td>
<td>BTech (Mineral Resource Management); GDE (Mining Engineering); MBA; MSc</td>
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<td>Johan van Eeden</td>
<td>Unit Manager Geology</td>
<td>MSc (Geology)</td>
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<td>Antonio Umpire</td>
<td>Unit Manager Evaluation</td>
<td>BSc (Hon) Geology, Engineering; BA (Hon) IT; MBA; GDE</td>
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<td>SACNASP 400372/12</td>
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<td>Steven Wild</td>
<td>Unit Manager Mine Planning</td>
<td>GDE Mining Engineering; NHD MRM</td>
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<td>SAIMM 706556</td>
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DIRECTORS AND EXECUTIVE MANAGEMENT

CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR

SELLO MOLOKO (53)

BSc (Hons) and Postgraduate Certificate in Education, Advanced Management Programme, University of Pennsylvania Wharton School

Sello Moloko was appointed non-executive Chairman on 1 January 2013. He is a founder and the executive Chairman of Thesele Group Proprietary Limited. He recently retired from his role as the Chairman of Alexander Forbes Group Holdings Limited and previously served as a director of Gold Fields. Sello has an established career in financial services, including periods as an executive director at Brait Asset Managers and chief executive officer (CEO) of Old Mutual Asset Managers until 2004. He is a trustee of the Nelson Mandela Foundation. Sello’s other directorships include Stor-Age REIT Limited and Gen Re Africa.

EXECUTIVE DIRECTORS

NEAL FRONEMAN (59)

Chief Executive Officer

BSc Mech Eng (Ind Opt), University of the Witwatersrand; BCompt, University of South Africa; PrEng

Neal Froneman was appointed executive director and CEO of Sibanye-Stillwater on 1 January 2013. Over the past six years he has led the transformation of Sibanye-Stillwater from a 1.5Moz South Africa based gold producer into a leading precious metals miner with an international operating footprint ranking among the world’s top three PGM producers. His career spans more than 30 years during which time he worked at Gold Fields of South Africa Limited, Harmony Gold Mining Company Limited (Harmony) and JCI Limited. In April 2003, Neal was appointed CEO of Aflease Gold Limited (Aflease Gold), which, through a series of reverse take-overs, became Gold One International Limited (Gold One) in May 2009. He was primarily responsible for the creation of Uranium One Incorporated (Uranium One) from the Aflease Gold uranium assets. During this period, he was CEO of Aflease Gold and Uranium One until his resignation from Uranium One in February 2008. He held the CEO position at Gold One until his appointment at Sibanye-Stillwater. In May 2016, he was elected to serve as a Vice President of the Chamber of Mines of South Africa.

CHARL KEYTER (45)

Chief Financial Officer

BCom, University of Johannesburg; MBA, North-West University; ACMA and CGMA

Charl Keyter was appointed a director of Sibanye-Stillwater on 9 November 2012, and executive director and CFO on 1 January 2013. Previously, he was Vice President and Group Head of International Finance at Gold Fields. Charl has more than 20 years’ mining experience, having begun his career at Gold Fields in February 1995.

INDEPENDENT NON-EXECUTIVE DIRECTORS

TIMOTHY CUMMING (61)

BSc (Hons) (Engineering), University of Cape Town; BA (PPE); MA (Oxford)

Timothy (Tim) Cumming was appointed as a non-executive director on 21 February 2013. He is the founder and executive director of Scatterlinks Proprietary Limited, a South African-based company providing leadership development services to senior business executives as well as strategic advisory services to companies. He has a wealth of experience in financial services, including periods as an executive at Old Mutual Limited, HSBC Bank PLC and Allan Gray Limited, and is currently also an independent non-executive director of Nedgroup Investments Limited and non-executive Chairman of RisCura Holdings Proprietary Limited. Tim started his career as an engineer at the Anglo American Corporation of South Africa Limited. He worked on a number of diamond mines and gold mines in South Africa. He is also Chairman of the Woodside Endowment Trust and of the Investment Committee of the Mandela Rhodes Foundation.

SAVANNAH DANSON (51)

BA (Hons) Communication Science and Finance, Bridgewater University, United States; MBA (Strategic Planning and Finance) DeMontford University

Savannah Danson was appointed as a non-executive director on 23 May 2017. As the founder and executive chairperson of Bunengi Group, she brings a wealth of experience from the finance, mining, infrastructure and media sectors. Savannah is the chairperson of WSP Group Africa, a Canadian-listed engineering group, and serves on the boards of Wilson Bayly Holmes-Ovcon Limited, and Rand Water.

BARRY DAVISON (73)

BA (Law and Economics), University of the Witwatersrand; Graduate Commerce Diploma, Birmingham University; CIS Diploma in Advanced Financial Management and Advanced Executive Programme, University of South Africa

Barry Davison was appointed as a non-executive director on 21 February 2013. He has more than 40 years’ experience in the mining industry. At the time of his retirement in 2005, he was an executive director of Anglo American Plc and chairman of its Platinum and Ferrous Metals and
HARRY KENYON-SLANEY (58)

BSc (Hons) (Geology), Southampton University; International Executive Programme, INSEAD (France)

Harry Kenyon-Slaney was appointed a non-executive director on 16 January 2019. He is currently Chairman of Gem Diamonds Limited, a non-executive director of Petropavlovsk PLC and a senior advisor to McKinsey & Co., in which roles he uses his wide experience to support operational, health and safety and business transformation programmes. Harry, who has more than 34 years of experience in the mining industry, principally with Rio Tinto PLC, is a geologist by training and his experience spans operations, marketing, projects and business development. Until 2015 and as a member of Rio Tinto’s Group Executive committee, he had held the roles of Chief Executive – Energy, and before that Chief Executive – Diamonds and Minerals. Prior to this he led Rio Tinto’s global titanium dioxide business, was chief executive of Rio Tinto’s listed subsidiary, Energy Resources of Australia Ltd, General Manager Operations at Palabora Mining Company Ltd in South Africa and he had held senior marketing roles in copper, uranium and industrial minerals. He began his career as an underground production geologist on the gold mines in South Africa where he has variously lived and worked for 15 years.

RICHARD MENELL (63)

MA (Natural Sciences, Geology), Trinity College, University of Cambridge; MSc (Mineral Exploration and Management), Stanford University

Richard (Rick) Menell was appointed as a non-executive director on 1 January 2013. He has over 40 years’ experience in the mining industry. Previously, he occupied the positions of President of the Chamber of Mines; President and CEO of TEAL Exploration & Mining Inc; Chairman of Anglovaal Mining Limited and of Avgold Limited; Chairman of Bateman Engineering Proprietary Limited; deputy Chairman of Harmony and of African Rainbow Minerals Limited. He has also been a director of Telkom Group Limited, Standard Bank of South Africa Limited, and Mutual and Federal Insurance Company Limited. He is currently a non-executive director and Chairman of Credit Suisse Securities Johannesburg Proprietary Limited, and non-executive director of Gold Fields, a position he has held since 8 October 2008, and of The Weir Group PLC. Rick is a trustee of the Carrick Foundation and of the Claude Leon Foundation. He is co-Chairman of the City Year South Africa Youth Service Organisation, and Chairman and trustee of the Palaeontological Scientific Trust.

NKOSEMNTU NIKA (60)

BCom, University of Fort Hare; BCompt (Hons), University of South Africa Advanced Management Programme, INSEAD; CA (SA)

Nkosemntu Nika was appointed as a non-executive director on 21 February 2013. He is currently an independent non-executive director and chairman of Grinding Media South Africa Proprietary Limited and Chairman of the Audit and Risk Committee of Foskor Proprietary Limited. He also serves as an independent non-executive director of Trollope Mining Services 6000 Proprietary Limited and Coega Dairy Holdings Limited. He was previously CFO and Finance Director of PetroSA (SOC) Limited and Executive Manager: Finance at the Development Bank of Southern Africa. He has held various internal auditing positions at Eskom Holdings (SOC) Limited, Shell Company of South Africa Limited and Anglo American Corporation of South Africa Limited. He was also a non-executive board member of the Industrial Development Corporation of South Africa Limited, and previously chaired its Audit and Risk Committee and Governance and Ethics Committee.

KEITH RAYNER (62)

BCom, Rhodes University; CTA; CA (SA)

Keith Rayner was appointed as a non-executive director on 1 January 2013. Keith is chief executive officer of KAR Presentations, an advisory and presentation corporation specialising in corporate finance and regulatory advice. He is an independent non-executive director of Eponent Limited, and a non-executive director of Nexus Intertrade Proprietary Limited, 2Quins Engineered Business Information Proprietary Limited, Sabi Gold Proprietary Limited, Keidav Properties Proprietary Limited and Appropriate Process Technologies Proprietary Limited. He is a member of the JSE Limited’s Issuer Regulation Advisory Committee, a fellow of the Institute of Directors in South Africa (IoDSA), a non-broking member of the Institute of Stockbrokers in South Africa and a member of the Investment Analysts Society. He is a past member of the SAMREC/SAMVAL working group, the Takeover Regulation Panel’s rewrite committee, the IoDSA’s CRISA committee and the South African Institute of Chartered Accountants Accounting Practice Committee.

SUSAN VAN DER MERWE (64)

BA, University of Cape Town

Susan (Sue) van der Merwe was appointed as a non-executive director on 21 February 2013. She served as a member of Parliament for 18 years until October 2013, and held various positions, including Deputy Minister of Foreign Affairs from 2004 to 2010. She has participated in various civil society organisations and currently serves as a trustee and Chair of the Kay Mason Foundation, which is a non-profit organisation assisting disadvantaged scholars in Cape Town. Since 2014, Sue has been a member of the National Council of the South African Institute of Internationals Affairs, a non-governmental research institute focused on South Africa’s and Africa’s international relations.
JERRY VILAKAZI (58)
BA, University of South Africa; MA, Thames Valley University; MA, University of London; MBA, California Coast University
Jerry Vilakazi was appointed a non-executive director on 1 January 2013. He is Chairman of Palama Investment Holdings Proprietary Limited, which he co-founded to facilitate investments in strategic sectors. He is a past chief executive officer of Business Unity South Africa, Managing Director of the Black Management Forum. In 2009, Jerry was appointed to the Presidential Broad-based Black Economic Empowerment Advisory Council and, in 2010, he was appointed as a Commissioner of the National Planning Commission. He completed both terms in 2015. Previously, he was appointed Public Service Commissioner in 1999 and played a critical role in shaping major public service policies in post-1994 South Africa. Jerry was Chairman of the Mpumalanga Gambling Board and of the State Information Technology Agency (SOC) Proprietary Limited. He previously held the position of Chairman of Netcare Limited and directorships of Pretoria Portland Cement, Goliath Gold Limited, General Healthcare Group (UK) and Computershare. He is currently a non-executive director in Blue Label Telecoms Limited and Palama Industrial.

Rotation of directors
In accordance with the MOI, one third of the directors shall retire from office at each AGM. The first to retire are those directors appointed as additional members of the Board, followed by the longest-serving members. The Board, assisted by the Nominating and Governance Committee, can recommend the eligibility of retiring directors (subject to availability and their contribution to the business) for re-appointment. Retiring directors can be immediately re-elected by the shareholders at the AGM. Directors retiring in terms of the Company’s MOI are Neal Froneman, Nkosemntu Nika and Sue van der Merwe. All the directors are eligible and offer themselves for re-election.

EXECUTIVE COMMITTEE

ROBERT VAN NIEKERK (54)
Executive Vice President: SA PGM operations
National Higher Diploma (Metalliferous Mining), Technikon Witwatersrand; BSc (Mining Engineering), University of the Witwatersrand; South African Mine Manager’s Certificate of Competency
Robert van Niekerk was recently appointed to this position. Previously he served as Executive Vice President: SA PGM operations (from July 2017), Divisional CEO: Platinum and Executive Vice President: Organisational Effectiveness. Prior to joining Sibanye-Stillwater (in February 2013), he was the Senior Vice President and Group Technical Head of Mining at Gold Fields. He previously occupied several senior operational and executive management positions at Harmony, Anglo American Platinum Limited, Uranium One and Gold One. Robert began his mining career in 1982 as a Learner Official and progressed through the ranks at a number of South African underground and surface mining operations locally and outside of South Africa.

CHRIS BATEMAN (54)
Executive Vice President: US PGM operations
BEng (Hons) (Production Engineering and Production Management), University of Nottingham, UK; Qualified as a Chartered Accountant in England and Wales
Chris Bateman was appointed as Executive Vice President: US region in 2017 after serving as CFO at Stillwater Mining Company since 2014. Chris has worked in the mining industry for more than 20 years with experience in platinum, palladium, copper, uranium, diamonds and industrial minerals. Prior to joining Stillwater Mining Company he served in CFO positions for Turquoise Hill, Rio Tinto Diamonds and Minerals product group, Rio Tinto Iron and Titanium and Energy Resources of Australia. He has served on the boards of Richards Bay Minerals in South Africa, Oyu Tolgoi copper mine in Mongolia and QIT Madagascar Minerals in Madagascar. Prior to entering the mining industry he was a senior manager with Arthur Andersen’s Business Consulting practice and served as a production engineer in the automotive industry.

SHADWICK BESSIT (56)
Executive Vice President: SA gold operations
Shadwick Bessit was appointed to this position in February 2019. Previously he served as Senior Vice President: Technical Platinum and Gold from March 2017, Senior Vice President: Kroondal and Rustenburg operation from March 2016 and Senior Vice President: Underground operations – Kofof and Driefontein from November 2014. Prior to joining Gold Fields in July 2012, Shadwick Bessit pursued personal business interests from 2010 to 2012 and was Executive Director: Operations at Impala Platinum Holdings Limited (Implats). He occupied this position from 2005 to 2010 after joining Implats in November 2002 as General Manager. Previously, he was employed at AngloGold Ashanti from 1986 to 2002 where he moved through the ranks to General Manager level at the Deelkraal, Elandsrand and Savuka mines.

HARTLEY DIKGALE (59)
Executive Vice President: Legal and Compliance
Bluris, University of the North; LLB, HDip (Company Law), University of the Witwatersrand; LLM, Vista University
Hartley Dikgaile is an admitted advocate of the High Court of South Africa and has more than 30 years of corporate experience as a business executive. He has served on more than 20 boards of directors of listed and unlisted companies. He has worked for, among others, Sanlam...
Limited, Old Mutual, the Independent Communications Authority of South Africa, Rand Water Board and Pamodzi Investment Holdings Proprietary Limited. In recent years, Hartley has worked for Rand Uranium and Gold One as Senior Vice President: General Counsel. Hartley joined Sibanye-Stillwater in 2013 where he served in a similar capacity until he was appointed as the Executive Vice President: General Counsel and Regulatory Affairs in 2016 and more recently Executive Vice President: Legal and Compliance.

DAWIE MOSTERT (49)

**Executive Vice President: Organisational Growth**

Diploma in Labour Relations; MDP (Adv Labour Law); MBA, University of South Africa

Dawie Mostert, who has more than 20 years’ experience in the mining industry, was appointed on 1 January 2013 as Senior Vice President: Organisational Effectiveness, focused on introducing new operating and business models in support and directing the turnaround at Sibanye-Stillwater post the unbundling from Gold Fields. With Sibanye-Stillwater adopting value creation as its strategic intent and consequently entering PGM mining sector, he accepted the position and role as Executive Vice President: Commercial Services and more recently, Executive Vice President: Organisational Growth focused primarily on top and senior management development, senior talent and succession management, and organisational culture development. Prior to joining Sibanye-Stillwater, he served as Vice President: Commercial Services at Gold One in 2012 and Vice President: Human Capital at Great Basin Gold from 2006 to 2012. Prior to joining Great Basin Gold in 2006, he was Executive: Organisational Development and Employee Relations at Harmony from 2002 to 2006. Dawie joined Harmony in 1996 as part of the acquisition transformational team and was appointed Mine Manager at the then Elandsrand mine from 2001 to 2002.

THEMBA NKOSI (45)

**Executive Vice President: Corporate Affairs**

BA Hons (Employment Relations), University of Johannesburg; BTech (Human Resources), Peninsula Technikon; Human Resources Executive Program, University of Michigan

Themba Nkosi was appointed on 4 July 2016 as Executive Vice President: Human Capital and more recently as Executive Vice President: Corporate Affairs. He has more than 20 years’ experience across various industries in human resources, corporate affairs, communication and stakeholder management. Prior to joining Sibanye-Stillwater, he was Head: Human Resources, Transformation and Corporate Communications at ArcelorMittal South Africa Limited (ArcelorMittal) from June 2009. He previously occupied several senior management positions at ArcelorMittal and Human Resources Director for Sub-Saharan Africa at the PepsiCo Group.

WAYNE ROBINSON (56)

**Executive Vice President: Group Technical**

BSc (Mechanical Engineering), University of Natal; BSc (Mining Engineering), University of the Witwatersrand; PrEng; South African Mine Manager’s Certificate of Competency (Metalliferous); South African Mechanical Engineer’s Certificate of Competency

Wayne Robinson was recently appointed as Executive Vice President: Group Technical after serving as Executive Vice President: Head of operations (SA region) from July 2017. Prior to that he worked as Divisional CEO: Gold and Uranium and Senior Vice President: Underground Operations – Beatrix and Cooke from June 2014. Wayne has worked in the South African gold and platinum mining sectors for more than 25 years with experience in underground mine management. Prior to joining Sibanye-Stillwater, he was Executive Vice President of Cooke Operations and served on Gold One’s Executive Committee from 2012 to 2014. He held senior management positions at Eastern Platinum Limited from 2006 to 2012, at Richards Bay Minerals from 2005 to 2006 and at Gold Fields after qualifying as a mechanical and mining engineer.

RICHARD STEWART (43)

**Executive Vice President: Business Development**

BSc (Hons), PhD (Geology), University of the Witwatersrand; MBA, Warwick Business School (UK); PrSciNat

Richard Stewart has over 18 years’ experience in South Africa’s geological and mining industries, and is a Fellow of the Geological Society of South Africa and is a Registered Natural Scientist. Prior to joining Sibanye-Stillwater in 2014, he served on the Gold One Executive Committee with the most recent appointment at Gold One as Executive Vice President: Technical Services and was also CEO of Goliath Gold Limited. Prior to that he held management positions at the Council for Scientific and Industrial Research Mining Technology division, Shango Solutions (where he remains a director), Uranium One and was an Investment Consultant for African Global Capital Proprietary Limited.
ENVIRONMENTAL AND REGULATORY MATTERS

ENVIRONMENTAL

Sibanye-Stillwater’s operations are subject to various laws and regulations relating to the protection of the environment, and Section 24 of South Africa’s Constitution of 1996 grants the country’s people the right to an environment that is not harmful to human health or well-being, and to the protection of that environment for the benefit of present and future generations through reasonable legislation and other measures. The South African Constitution and the NEMA, as well as various other related pieces of legislation enacted and implemented since 1996, grant legal standing to a wide range of interest groups to institute 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 environmental authorisations, permits, licences and other approvals for those operations, and to comply with the conditions of approval prescribed in these environmental approvals. The South African government’s constitutional mandate is to protect the environment, hence the rationale behind environmental authorisations is to ensure that companies with activities that are reasonably expected to have environmental impacts, assess the extent of the environmental impacts emanating from their business activities, as well as to put reasonable and practicable mitigation measures in place to manage and mitigate these impacts.

The most critical and applicable environmental legislation for the mining industry in South Africa remains the MPRDA and the NEMA, each with its own specific regulations and amendments, as well as the enforcement of provisions insofar as it relates to prospecting, exploration, mining or production. The training of these inspectors is underway, and there are already a number of inspectors active in the field. There is general consensus in the mining industry that, whilst the intent of the OES had been noble, the practical implementation thereof thus far has been challenging, specifically insofar as the South African government’s adherence to the timeframes for issuing environmental authorisations is concerned. Through the Minerals Council South Africa and other industry associations, the mining industry is working closely with the South African government to improve this system.

The Regulations on Financial Provisioning, issued on 20 November 2015 under auspices of the OES, remain controversial and largely untenable to industry. As a result of widespread criticism from industry, the South African government issued a regulation in October 2016, deferring the implementation date for the November 2015 Regulations on Financial Provisioning to February 2019, with the unstated objective of reviewing the Regulations on Financial Provisioning well before the anticipated commencement date. The DEA, who is the custodian for the development of NEMA-related laws and regulations, has started with the review process and industry is part of the review process.

The South African government plans to introduce a carbon tax. The carbon tax was intended to come into effect as of 1 January 2015 but, in order to align the framework of the proposed carbon tax with the desired reduction outcomes, the implementation of the carbon tax was postponed. The National Treasury published for comment a draft carbon tax bill (the Draft Carbon Tax Bill) with a view to implement the tax by January 2017. A new draft bill was adopted in August 2017 and the South African parliament released the draft bill in December 2017 for comment. The South African government proposed to implement the tax as of 1 January 2019 to meet its nationally determined contributions under the 2016 Paris Agreement of the United Nations Framework Convention on Climate Change. On 5 February 2019, the Finance Standing Committee approved the Carbon Tax Bill and on 19 February 2019, Parliament’s National Assembly approved the Carbon Tax Bill, which will now be sent to Parliament’s National Council of Provinces to be debated and voted upon. It will then be sent to the President for his assent and signature, upon which the Carbon Tax Bill is expected to become law and come into effect on 1 June 2019.

The carbon tax has been designed to fix liability on the person who conducts an activity in South Africa that results in GHG emissions above a certain threshold. The carbon tax design requires the calculation of liability to be based on the sum of GHG emissions, which result from fuel combustion, industrial processes and fugitive emissions. Taxpayers must determine emissions in accordance with the reporting methodology approved by the DEA. The National Treasury has stated that the carbon tax will be designed to ensure that it has no net impact on the electricity price during the initial phase (until 31 December 2022) of the implementation of the carbon tax.

In June 2016, the South African National Treasury published the draft regulations on the “Carbon Offset”. The Carbon Offset is one of the allowances that carbon tax liable entities can employ to reduce their tax-related exposure. In addition, the DEA is currently working on draft legislation that will impose so-called “carbon budgets” on entities in identified high-emitting so-called “carbon budgets” on entities in identified high-emitting sectors, including mining. The “carbon budgets” are intended to operate as statutory limits for carbon dioxide equivalent emissions (or CO2e), emissions in excess of which may entail a fine or other punitive measures. Companies that participate in the carbon budget system will be eligible for a 5% allowance under the carbon tax during the initial phase of the current Draft Carbon Tax Bill. 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: (i) for emissions up to the level of the carbon budget, the current carbon tax design will apply at...
ENVIRONMENTAL AND REGULATORY MATTERS

a tax rate of R120/tCO2e adjusted in line with annual increases and all the tax free allowances will apply; and (ii) 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.

While many aspects of the proposed carbon tax remain uncertain, the direct financial implications of government’s proposed carbon tax for Sibanye-Stillwater, in today’s terms, at the 2018 carbon footprint and at an anticipated rate of R120/t of CO2e, would be between approximately R4 million and R18 million per annum on the premise that electricity (i.e. Scope 2 emissions) is excluded. The potential net effect of proposed allowances is to permit the reduction of a carbon tax by 60% to 95%. In other words, Sibanye-Stillwater’s final liability will be significantly affected by the extent it is able to make use of the full suite of allowances that are built into the carbon tax design. The National Treasury presented its draft response to submissions that were made on the Draft Carbon Tax Bill on 7 June 2018. It indicated that a review of the impact of the carbon tax after at least three years implementation will be conducted. Adjustments to the carbon tax will depend on the economic circumstances and emissions mitigation efficiency that has been achieved. Any future changes to rates and tax-free thresholds in the carbon tax will follow only after the review is completed.

In addition, a number of other regulatory initiatives are underway in countries in which Sibanye-Stillwater operates that seek to reduce or limit industrial GHG emissions. These regulatory initiatives will be either voluntary or mandatory and are likely to impact Sibanye-Stillwater’s operations directly or by affecting the cost of doing business, for example by increasing the costs of its suppliers or customers. Inconsistency of regulations particularly between developed and developing countries may affect both Sibanye-Stillwater’s decision to pursue opportunities in certain countries and its cost of operations.

In the United States, Sibanye-Stillwater is subject to legislative and regulatory initiatives that are underway to limit GHG emissions. The US Congress has considered legislation that would control GHG emissions through a “cap and trade” program and several US states have already implemented programs to reduce GHG emissions. In addition, the US Supreme Court determined in a 2007 ruling that GHG emissions are “air pollutants” within the meaning of the federal Clean Air Act. In response, the EPA promulgated an endangerment finding paving the way for regulation of GHG emissions under the Clean Air Act. In 2010, the EPA issued a final rule, known as the "Tailoring Rule", that makes certain large stationary sources and modification projects subject to permitting requirements for GHG emissions under the Clean Air Act. In June 2014, the US Supreme Court invalidated portions of the federal Tailoring Rule, but the ruling upheld the EPA’s authority to require new or modified facilities that are already subject to permitting requirements for conventional pollutants to comply with Best Available Control Technologies (BACT) for GHGs, as well. In 2015, the EPA rescinded the portions of the Tailoring Rule that had been overturned by the Supreme Court. However, the EPA indicated that new or modified sources subject to permitting for conventional pollutants will be required to access BACT for GHG if the new source or the modification will result in an annual increase of 75,000 tons per year of CO2e. During 2016, US legislative and regulatory initiatives to limit GHG emissions were primarily focused through the Clean Power Planning Rule which is intended to limit emissions from power generating facilities.

In 2009, the EPA issued a final rule requiring the reporting of GHGs from specified large GHG emission sources in the United States beginning in 2011. The Stillwater Mine holds a Title V Major Air Quality Permit. As a result, Sibanye-Stillwater is required to annually calculate the GHG emissions from the Stillwater Mine and compare these amounts against reporting thresholds. However, the Stillwater operation is not required to report GHG emissions at this time, given current levels are below reporting thresholds. Additionally, the assessment of GHG emissions is becoming an increasingly important part of NEPA assessments, and as a result Sibanye-Stillwater may be required to mitigate its GHG emissions in connection with any future NEPA review.

Nevertheless, regulation of GHG emissions is relatively new, and a great deal of debate continues to ensue. As a result, further regulatory, legislative and judicial developments are difficult to predict. Due to the uncertainties surrounding the regulation of and other risks associated with GHG emissions, Sibanye-Stillwater cannot predict the financial impact of future US GHG regulations and related developments on the Stillwater operations.

Under the National Environmental Management Air Quality Act, 2004 (Act No 39 of 2004) (the Air Quality Act), the South African government has established minimum emission standards for certain activities that result in air emissions and for which atmospheric emissions licences (AELs) must be held. Non-compliance with the conditions of an AEL as well, as the minimum emissions standards under the Air Quality Act, is an offence. Emissions are reported to the regulator in accordance with licence conditions. Air dispersion modelling is conducted as part of air quality impact assessments. This is used to predict air quality concentrations at receptor locations in nearby communities. The AEL reports which include results of stack emissions are in place to demonstrate level of conformance.

The National Environmental Management Waste Act, 2008 (Act No 59 of 2008) (the Waste Act) commenced on 1 July 2009 with the exception of certain sections relating to contaminated land, which came into force on 2 May 2014. The contaminated land sections of the Waste Act are the source of confusion and rehabilitation of contaminated land. Responsible waste management has become a priority for the DEA. On 2 June 2014, amendments to the Waste Act were published, which stated that as of 8 December 2014, residue deposits and residue stockpiles would be brought within the Waste Act’s scope of operation and as such, residue deposits and residue stockpiles 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. In addition, regulations regarding the Planning and Management of Residue Deposits and Stockpiles (the MRDS), were published on 24 July 2015, which have financial implications for the management of residue deposits and residue stockpiles, since they impose various classifications and associated liner requirements for new residue deposits and residue stockpiles. Due to the onerous nature and the anticipated financial impact these regulations would have on industry with little or no benefit to the environment from a pollution control/containment perspective, industry has constantly argued both from a technical and legal perspective, that there was sufficient regulation in legislation other than the Waste Act (e.g. MPRDA) to regulate MRDS (under a different definition than the current “hazardous waste” under the Waste Act), and that MRDS be statutory excluded from the Waste Act and its amendments, through a NEMA Act amendment. The DEA has indicated that industry’s comments would be considered in the drafting of the revised regulations. Engagement with the government in relation to this issue is ongoing.
ENVIROMENTAL AND REGULATORY MATTERS continued

With regards to the requirements of the Waste Act insofar as general waste is concerned, applications for waste management licences for all of the relevant waste management activities have been made, except for at Burnstone (which will be made, should it be a requirement, once the mine is operational). Sibanye-Stillwater currently has licenced waste disposal facilities at its Beatrix operations and Rustenburg Platinum Mines Salvage Yard. Pursuant to the requirements of the Waste Act, these facilities will need to be managed in accordance with the Waste Act and, if necessary, rehabilitated.

Sibanye-Stillwater undertakes activities which are regulated by the National Nuclear Regulator Act, 1999 (Act No 47 of 1999) (the NNR Act). The NNR Act requires Sibanye-Stillwater to obtain authorisation from the National Nuclear Regulator (NNR) and undertake activities in accordance with the conditions of such authorisations. During the reporting period, both internal and external audits and inspections were conducted. These audits and inspections, conducted by the NNR Inspectorate, registered an average compliance index of 97.25%, which is higher than the benchmark of 80%. Each of Sibanye-Stillwater’s mining operations possesses and maintains a Certificate of Registration as required by the NNR Act.

Although traditionally weak, the enforcement of environmental laws under South Africa’s comprehensive environmental regulatory framework, has experienced rapid improvement. Three separate legislative acts, including the NEMA (for the mining industry enforced by the DMR), the MPRDA (enforced by the DMR) and the National Water Act (enforced by the DWS) all make provisions for the appointment of environmental management inspectors, which have sweeping authority and mandates to enforce environmental legislation. Some of the new environmental laws and regulations have been viewed as “disabling” and as having a negative impact on the growth and development of the mining industry. To date, Sibanye-Stillwater’s approach has been to work with South African government and the Minerals Council South Africa to positively influence new and emerging legislation as far as possible in the interest of the industry as well as in the interest of the environment.

HEALTH AND SAFETY

Health and safety performance on mines is regulated by the South African Mine Health and Safety Act (No 29 of 1996) (the MHSA). The MHSA, among others, requires the holder of a mining right to ensure that their operating and non-operating mines maintain a safe and healthy working environment. Employees also have the right to refuse to perform hazardous work or enter into an unsafe working place. The MHSA describes the powers and functions of the Mine Health and Safety Inspectorate (the MHSI), within the jurisdiction of the DMR and as part of the process of enforcement.

As legally required, all employees are represented in formal joint management/worker health and safety committees, through their representatives, to help monitor and advise on occupational health and safety programmes.

In terms of the MHSA, an employer is obligated, among others, to ensure that mines are designed, constructed and equipped to provide conditions for safe operation and a healthy working environment, and the mines are commissioned, operated, maintained and decommissioned so that employees can perform their work without endangering their health and safety or that of any other person. Every employer must ensure that people who are not employees, but who may be directly affected by the activities at a mine, are not exposed to any health and safety hazards. The MHSA authorises the inspectors in the MHSI, upon identifying certain health and safety hazards, to restrict or stop, partially or wholly, operations at any mine or a workplace, and require an employer to take steps to address the said health and safety hazards before such restriction or stoppage can be lifted. The principal safety risks associated with mining operations in South Africa include technical complexity, depth of operations, intensity of labour, the narrow nature of ore body and mature mines.

The principal health risks arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting our workforce include lung diseases such as silicosis, tuberculosis (TB), a combination of both, and chronic obstructive airways disease (COAD), as well as noise induced hearing loss (NIHL).

The Occupational Diseases in Mines and Works Act, 1973 (Act No 78 of 1973) (ODMWA) governs compensation paid to mining employees who contract certain occupational illnesses, such as silicosis. The South African Constitutional Court has ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from an employer in a civil action under common law (either as individuals or as a class). For information on pending silicosis-related litigation involving Sibanye-Stillwater see Annual Financial Report—Accountability—Directors’ report—Litigation and Annual Financial Report—Consolidated financial statements—Notes to the consolidated financial statements—Note 26: Occupational healthcare obligation.

A failure to comply with MHSA is a criminal offence for which an employer, or any responsible person, may be charged and, if successfully prosecuted, be fined or imprisoned, or both. The MHSI also has the power to impose administrative fines upon an employer in the event of a breach of the MHSA. The maximum administrative fine that may be imposed is R1 million per transgression.

MINE SAFETY DISCLOSURE

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the SEC. In accordance with the reporting requirements included in Section 1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K (17 CFR 229.104), the required mine safety results regarding certain mining safety and health matters for each of Sibanye-Stillwater’s mine locations that are covered under the scope of the Dodd-Frank Act are included in “Exhibit 16 Mine Safety Disclosures” of this Annual Report on Form 20-F. In 2018, Sibanye-Stillwater received a total of 73 violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Federal Mine Safety and Health Act. See “Exhibit 16 Mine Safety Disclosures” of this Annual Report on Form 20-F for more information.
ENVIRONMENTAL AND REGULATORY MATTERS continued

MINERAL RIGHTS

The MPRDA

The MPRDA came into effect on 1 May 2004. The MPRDA consists of two parts, namely the Act itself and the Transitional Provisions contained in Schedule II to the Act. In terms of the MPRDA, the mineral and petroleum 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.

Under the MPRDA, prospecting rights may be granted for an initial maximum period of five years and can be renewed once upon application for a further period not exceeding three years. Mining rights are valid for a maximum period of 30 years, and can be renewed upon application for further periods, each of which may not exceed 30 years. A wide range of factors and principles, including proposals relating to BEE and social responsibility, will be considered by the Minister of Mineral Resources when exercising his discretion whether to grant these applications. A prospecting or mining right can be suspended or cancelled if the holder engages in operations in breach of the MPRDA, a term or condition of the right or an environmental management plan, or if the holder of the right submits false, incorrect or misleading information to the DMR. The MPRDA sets out a process which must be followed before the Minister of Mineral Resources is entitled to suspend or cancel the prospecting or mining right.

In November 2006, the DMR approved the conversion of Sibanye-Stillwater’s mining licences under the old regulatory regime at Kloof, Driefontein and Beatrix into rights under the new regime. All of Sibanye-Stillwater’s operations have been granted their new-order mining rights.

The MPRDA empowered the Minister of Mineral Resources to develop the Mining Charter to set the framework, targets and timetable for effecting entry of HDSSAs into the mining industry and to allow such South Africans to benefit from the exploitation of South Africa’s mineral resources.

Among other things, the Mining Charter stated that mining companies were required to achieve 26% HDSA ownership of South African mining industry assets within 10 years (i.e. by the end of 2014). Ownership can comprise active involvement, through HDSA-controlled companies (where HDSSAs own at least 50% plus one share of the company and have management control), strategic joint ventures or partnerships (where HDSSAs own at least 25% plus one vote of the joint venture or partnership interest and there is joint management and control) or collective investment vehicles, the majority ownership of which is HDSA based, or passive involvement, particularly through broad-based vehicles such as employee stock option plans. The Mining Charter also required mining companies to submit annual, audited reports on progress toward their commitments, as part of ongoing review processes and SLPs, which set out their commitments relating to human resource development, labour planning and socio-economic development planning to the DMR.

Following a review, the DMR released the Amended Mining Charter on 13 September 2010. Amendments to the Mining Charter in the Amended Mining Charter included, among other things, the requirement by mining companies to: (i) facilitate local beneficiation of mineral commodities; (ii) procure a minimum of 40% of capital goods, 70% of services and 50% of consumable goods from HDSA suppliers (i.e. suppliers in which a minimum of 25% + one vote of their share capital must be owned by HDSSAs) by 2014 (exclusive of non-discretionary procurement expenditure); (iii) ensure that multinational suppliers of capital goods contribute a minimum of 0.5% of their annual income generated from South African mining companies into a social development fund from 2010 towards the socio-economic development of South African communities; (iv) achieve a minimum of 40% HDSA demographic representation by 2014 at top management (board) level, senior management (executive committee) level, middle management level, junior management level and core and critical skills; (v) invest up to 5% of annual payroll in essential skills development activities; and (vi) implement measures to improve the standards of housing and living conditions for mineworkers by converting or upgrading mineworkers’ hostels into family units, attaining an occupancy rate of one person per room and facilitating home ownership options for all mineworkers in consultation with organised labour, all of which was to be achieved by 2014. In addition, mining companies were required to monitor and evaluate their compliance to the Amended Mining Charter and needed to submit annual compliance reports to the DMR. The Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry attached to the Amended Mining Charter (the Scorecard) made provision for a phased-in approach for compliance with the above targets over the five-year period ended 2014. For measurement purposes, the Scorecard allocates various weightings to the different elements of the Amended Mining Charter. Failure to comply with the provisions of the Amended Mining Charter amounted to a breach of the MPRDA, which could result in the cancellation or suspension of a mining company’s existing mining rights. In light of the Amended Mining Charter, the status of the Mining Charter is unclear although such charter appears to have been replaced by the Amended Mining Charter.

In accordance with the MPRDA, on 29 April 2009 the DMR published the Code relating to the socio-economic transformation of the mining industry. The current industry position is that the DMR does not apply the Codes and that mining companies are subject only to the provisions of the MPRDA and the Amended Mining Charter.

In the same vein as the 2009 review, during the course of fiscal 2014, the DMR appointed a private entity to conduct Amended Mining Charter compliance audits on its behalf, in respect of a number of mining companies. Mining companies were required to complete questionnaires and templates as a means of reporting on their compliance with fiscal 2014 targets as set in the Amended Mining Charter. However, it is generally understood that the DMR disregarded or abandoned this audit process. It is therefore unclear what the status of the process is and what the outcomes were. It is also unclear whether or not the information provided during this audit process will be considered or used by the DMR for any purpose in the future. It appears that the information gathering mechanism has been substituted by the DMR’s own formal request for information and data on Amended Mining Charter compliance in terms of section 29 of the MPRDA. The DMR directed mining companies to populate an electronic reporting template, but this template has raised a number of concerns due to its inflexible approach towards the assessment of compliance with the Amended Mining Charter. The template applies a mechanical process in that it asks specific questions and requires the completion of certain information, without making provision for the detailing of complex facts or historical transactions entered into in pursuance of meeting the Mining Charter HDSA ownership element.

With the 2014 HDSA ownership target date contemplated in the Amended Mining Charter having passed, the DMR’s application of the Amended Mining Charter and its assessment of compliance therewith in respect of the ownership element is concerning. There are concerns in the mining industry that the approach followed by the DMR poses a risk of government action against many mining entities, which will threaten security of
ENVIROMENTAL AND REGULATORY MATTERS continued

tenure, in that government may order the suspension or cancelation of mining rights in instances of deemed non-compliance with the requirements of the Amended Mining Charter.

On 31 March 2015, the Chamber 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, the 26% HDSA ownership guidelines under the Mining Charter. The position of the Chamber (including Sibanye-Stillwater) is that such historical empowerment transactions should be included in the calculation of HDSA ownership. The DMR and the Chamber jointly agreed to approach the South African courts 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 the 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 Chamber, on the “once empowered always empowered” principle. The Chamber and the DMR filed papers in court and the matter (the Main Application) was placed on the roll to be heard on 15 March 2016. In February 2016, an application was filed by a third party, Malan Scholes Inc., to consolidate the Main Application with its own application for a declaratory order on the empowerment aspects of the Mining Charter and the Amended Mining Charter (the Scholes Application). The Chamber opposed the consolidation of these applications on the basis that, amongst other things, the right to relief in the respective applications does not depend substantially on the same questions of law and/or fact. On 3 May 2016, the court refused to consolidate the two applications. On 16 February 2018, the High Court postponed the Mining Charter hearing indefinitely to allow the Chamber and the Government to engage in further discussions on this matter. On 19 February 2018, the Gauteng Division High Court issued a judgment 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 percentage ownership (irrespective of how it was measured) to the 26% HDSA ownership target referred to in the Mining Charter and in the Amended Mining Charter where HDSA shareholding has fallen below the 26% requirement. 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% HDSA ownership had to be retained.

On 19 April 2018, the DMR filed a notice of intention to appeal the Gauteng Division High Court’s judgment. If the DMR’s appeal is successful, then existing and new holders of mining rights will need to comply with the New Mining Charter, which may require, among other things, a further issuance of Sibanye-Stillwater shares to comply with the new ownership requirements, limitation on procurement, changes to management and the payment of additional fees and levies as set out in the New Mining Charter.

If the DMR were to prevail in the Main Application and the “once empowered always empowered” principle is rejected, mining companies, including Sibanye-Stillwater, may be required to undertake further empowerment transactions in order to increase their HDSA ownership, which would result in the dilution of existing shareholders and could have a negative impact on the financial indebtedness of Sibanye-Stillwater. In such event, mining companies, including Sibanye-Stillwater, may be required to maintain a minimum HDSA ownership level indefinitely.

The Mineral and Petroleum Resources Development Amendment Act, 2008 (the MPRDAA) was assented to by the President on 19 April 2009 and was to come into effect on a date to be proclaimed by the President. From 19 April 2009 to 31 May 2013, the fate of the MPRDAA was unclear and it was thought that the government would not proceed with the MPRDAA. On 31 May 2013, it was published in the government gazette that the MPRDAA would come into effect 7 June 2013. This proclamation was amended by a further proclamation dated 6 June 2013 such that only certain sections of the MPRDAA took effect as of 7 June 2013. Because Sibanye-Stillwater is already the holder of mining rights in respect of its mines, the amendments introduced by the MPRDAA have limited impact on the current regulation of its operations.

In December 2012, the first draft of the MPRDB was published for comment. While the stated purpose of the MPRDB is, among other things, to remove ambiguities and enhance sanctions, the MPRDB has been criticised by stakeholders in the mining industry. Comments on the MPRDB were submitted and a second draft, known as the Mineral and Petroleum Resources Development Amendment Bill B15-2013 (MPRDB 2013) was published on 31 May 2013. A further revised version of the MPRDB 2013, the Mineral and Petroleum Resources Development Amendment Bill B15B-2013 (the Revised MPRDB 2013) was approved by the National Assembly of Parliament on 12 March 2014 and by the National Council of Provinces on 27 March 2014. In January 2015, the President referred the MPRDB back to Parliament for reconsideration and on 1 November 2016, the Portfolio Committee on Mineral Resources tabled non-substantial revisions to the MPRDB in the National Assembly and a slightly revised version of the MPRDB was passed by the National Assembly and referred to the NCOP. On 3 March 2017, the National Assembly passed certain minor amendments to the MPRDB. The National Assembly has referred the MPRDB to the NCOP, where the Select Committee has received comments on the draft legislation. On 16 February 2018, President Ramaphosa announced that the MPRDB was at an advanced stage in Parliament. Among other things, the MPRDB seeks to require the consent of the Minister of Mineral Resources for the transfer of any interest in an unlisted company or any controlling interest in a listed company where such companies hold a prospecting right or mining right and to give the Minister of Mineral Resources broad discretionary powers to prescribe the levels required for beneficiation in promoting the beneficiation of minerals. On 22 August 2018, the Minister of Mineral Resources announced his desire for the MPRDB to be withdrawn. The MPRDB has remained under consideration in the National Council of Provinces for several months.

The New Mining Charter

While it remains to be seen whether the Chamber will prevail in the Main Application, on 15 June 2017, the DMR published the Reviewed Broad Based Black-Economic Empowerment Charter for the South African Mining and Minerals Industry, (the New Mining Charter), which came into effect on the same day. The Chamber launched an urgent application, or the Interdict Application, in the High Court of South Africa, Gauteng Division, Pretoria, or the Gauteng Division High Court, to interdict the implementation of the New Mining Charter, pending an application by the Chamber, or the Chamber Application, to set the New Mining Charter 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 New Mining Charter had been seriously flawed. However, the Minister and the Chamber reached an agreement on 13 September 2017 under which the Minister undertook to suspend the New Mining Charter
pending the outcome of the Chamber Application. The Chamber Application was been postponed indefinitely by agreement between the DMR and the Chamber on the basis that the Chamber entered into a new round of discussions with the newly elected President of South Africa, Cyril Ramaphosa, and the new Minister of Mineral Resources, Gwede Mantashe. On 19 February 2018, the Gauteng Division High Court ordered that the DMR and the Chamber must also involve communities affected by mining activities in these new discussions over the New Mining Charter. At the time, existing holders were to continue to comply with the provisions of the Mining Charter and were not required to implement any aspect of the suspended New Mining Charter.

On 27 September 2018, the Mining Charter 2018 was promulgated and came into effect. The Mining Charter 2018 effectively repealed the Mining Charter, 2002 and the Amended Mining Charter.

Some material changes contemplated in the Mining Charter 2018 include:

- existing mining right holders, who had achieved a minimum of 26% HDSA ownership on the date of commencement of the Mining Charter 2018, shall be recognised as being compliant for the duration of that mining right;
- existing mining right holders who, at any stage during the existence of their mining right, achieved 26% HDSA ownership, but subsequently (prior to the commencement of the Mining Charter 2018) HDSA shareholders exited, resulting in HDSA ownership falling below 26%, shall be recognised as compliant for the duration of the mining right; and
- the recognition of any mining right holder as being compliant in regards to historical HDSA ownership, lapses upon the transfer of the mining right or a part thereof and such recognition would not be applicable to any new applications for a mining right.

In addition, under the Mining Charter 2018, the renewal of existing mining rights shall be subject to the mining charter requirements that were applicable at the time a mining right renewal application was lodged with the DMR (i.e. any application for renewal lodged prior to 27 September 2018 will be processed in accordance with the Mining Charter, 2010, as read with the Amended Mining Charter, and all renewal applications lodged on or after 27 September 2018 in terms of Mining Charter 2018). A category for pending applications is provided for all applications that have been both lodged and accepted prior to the commencement of the Mining Charter 2018 and such applications are to be processed in terms of the Amended Mining Charter with a 26% HDSA ownership requirement. However, once a mining right is granted and executed, the holder of the mining right is required to achieve a minimum of 30% HDSA ownership within a period of five years from the effective date of the mining right.

For all applications for new mining rights, the Mining Charter 2018 requires a minimum of 30% HDSA ownership. At a minimum, the HDSA ownership must be comprised as follows:

- 5% non-transferrable carried interest to qualifying employees;
- 5% non-transferrable carried interest to host communities; and
- 20% effective ownership in the form of shares by a BEE entrepreneur.

Some additional amendments included, among other things, the requirement that mining companies within five years of the commencement of Mining Chart 2018:

- facilitate local beneficiation of mineral commodities;
- procure a minimum of 70% of mining goods (i.e. 21% of the mining goods spend to be spent on South African manufactured goods produced by companies owned and controlled by HDSAs; 5% of the mining goods spend to be spent on South African manufactured goods produced by women and youth and 44% of the mining goods spend to be spent on South African manufactured goods produced by a BEE compliant company); and 80% of services from South African based companies (i.e. suppliers in which a minimum of 50% must be spent on services supplied by companies owned and controlled by HDSAs; a minimum of 15% must be spent on services supplied by companies owned and controlled by women; a minimum of 5% must be spent on services supplied by youth; and a minimum of 10% must be spent on services supplied by BEE compliant companies);
- achieve a minimum of 50% HDSA demographic representation at board level (20% of which must be women), achieve a minimum of 50% HDSA demographic representation at the executive management level (20% of which must be women), achieve a minimum of 60% HDSA demographic representation at the senior management level (25% of which must be women), achieve a minimum of 60% HDSA demographic representation at the middle management level (25% of which must be women), achieve a minimum of 70% HDSA demographic representation at the junior management level (30% of which must be women), achieve a minimum of 60% HDSA demographic representation at the core and critical skills level, a minimum of 1.5% employees with disabilities as a percentage of all employees, reflective of the demographic; and
- implement measures to improve the standards of housing and living conditions for mineworkers. In addition, mining companies are required to monitor and evaluate their compliance with the Mining Charter 2018 and submit annual compliance reports to the DMR.

On 26 March 2019, the Chamber filed an application in the High Court of South Africa, Gauteng Division, Pretoria for the judicial review and setting aside of certain clauses of the Mining Charter 2018, namely:

- the introductory wording of clause 2.1 of the Mining 2018 (insofar as it provides that a mining right holder must comply with certain requirements);
- clauses 2.1.1.2, 2.1.1.5, 2.1.1.6 and 2.1.6.2 (in so far as they apply to the renewal of a mining right);
- clause 2.1.1.4 (in so far as it relates to the transfer of a mining right or a part thereof);
- clause 2.1.3.2 (in so far as it relates to the distribution of the BEE shareholding in new mining right holders);
- clause 2.1.4 (relating to the implementation of equity equivalent benefits for host communities);
- clause 2.1.5.2 (in so far as it relates to the vesting of BEE shareholding for a new mining right being prescribed to a minimum 30% target, which applies for the duration of a mining right);
• clause 7.2 (in so far as it relates to the ownership and mine community development elements being ring-fenced and requiring 100% compliance at all times);
• the proviso in clause 2.1.6.1 to clauses 2.1.6.1.1 to 2.1.6.1.4 (in so far as it relates to a BEE shareholding or part thereof being disposed of below the prescribed minimum shareholding, leading to a mining right holder’s empowerment credentials being recognised for the duration of the mining right);
• the heading of clause 2.1.6 (relating to the disposal of BEE shareholding in respect of existing rights);
• the definition of “beneficiation” and clauses 2.1.7.1 (including clauses 2.1.7.1.1 to 2.1.7.1.5) in the following respects:
  – setting aside the definition of beneficiation and substituting it with the definition of beneficiation of section 1 of the MPRDA;
  – setting aside the words “against a BEE Entrepreneur” where they appear in clause 2.1.7.1;
  – setting aside the words “a maximum of 5 percentage points of a BEE Entrepreneur” where they appear in clause 2.1.7.1.1; and
  – setting aside clauses 2.1.7.1.2 to 2.1.7.1.5;
• clause 2.2 (in so far as it relates to dealing with inclusive procurement, supplier and enterprise development);
• clauses 4, 6.2, 7.1, 7.3, 8.7, 8.8, 8.9 and 9.2 (in so far as they relate to new or existing licences and permits issued in the terms of the Diamonds Act, 1986 and the Precious Metals Act, 2005); and
• clause 9.2 (which provides that a mining right holder who has not complied with the ownership element and falls between levels 6 and 8 of the Mining Charter scorecard shall be in breach of the MPRDA and subject to provisions of section 93, read in conjunction with section 47, 98 and 99 of the Act).

In the alternative to the above, the Chamber applied for a declaratory confirming that these clauses are inconsistent with the principle of legality as enshrined in the South African Constitution, 1996 and requested that they be set aside. This application is anticipated to be heard on or about 4 September 2019 if it is unopposed.

The changes in the HDSA ownership requirements as contemplated in the Mining Charter 2018, may necessitate that Sibanye-Stillwater adjust the ownership structure of the company’s mining assets in order to meet BBBEE requirements. This could have a material adverse effect on the value of Sibanye-Stillwater’s securities. Further, Sibanye-Stillwater may in the future incur significant costs or have to issue additional shares as a result of changes in the interpretation of existing laws and guidelines or the imposition of new laws relating to HDSA ownership requirements, which may have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

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 HDSSAs in the economy. The BBBEE Act provides for various measures to promote black economic empowerment, including empowering the Minister of Trade and Industry to issue the BBBEE Codes of Good Practice (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, 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 but the former Minister of Mineral Resources has expressed a desire to align the New Mining Charter with the BBBEE Act and the more onerous BBBEE Codes. The current version of the New Mining Charter reflects the former Minister of Mineral Resource’s latest attempts at alignment notwithstanding the questionable need to do so. Accordingly, if brought into effect in its current form, the New Mining Charter could potentially create further uncertainty.

On 24 October 2014, the BBBEE Amendment Act, No. 46 of 2013 was brought into operation. The BBBEE Amendment Act inserted 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. The exemption can be read as confirmation that the Department of Trade and Industry sees the BBBEE codes as “applicable” to the Mining Industry after the exemption was lifted on 27 October 2016. In any event, the DMR is likely to continue implementing the Mining Charter and it is unlikely that the DMR will begin applying the BBBEE Act and BBBEE codes in administering the MPRDA.

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 but are still under consideration and are not yet in force. Entities may elect to be measured under the Revised BEE Codes immediately. Both the BBBEE Amendment Act and the Revised BEE Codes expressly stipulate that where an economic sector in South Africa has a 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. It is not clear at this stage how the Mining Charter and Code relate to each other. The government may designate the Mining Charter as a Sector Code, in which case it will be under the auspices of the BBBEE Act. On the other hand, the Mining Charter may remain a stand-alone document under the auspices of the MPRDA and may be subject to the trumping provision discussed above. This uncertainty may be resolved through either government clarification or judicial attention. On 17 February 2016, the Minister of Trade and Industry published a gazette notice which repealed and 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 BEE Codes will not overrule the Mining Charter in the future.
ENVIRONMENTAL AND REGULATORY MATTERS continued

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.

The royalty in respect of refined minerals (which include gold and platinum) is calculated by multiplying the gross sales of the refined mineral during the year of assessment by the percentage determined by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross sales 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% of revenue has been introduced for refined minerals.

Sibanye-Stillwater currently pays a royalty based on the refined minerals royalty calculation as applied to its gross sales.

The South African President has 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. On 13 November 2017, following a period of public comment, the Davis Tax Committee issued its final report which largely reaffirmed its initial recommendations. The South African National Treasury will continue to consider the Davis Tax Committee’s final recommendations. It is not clear at this stage which, if any, of the recommendations will be adopted as legislation.

EXCHANGE CONTROLS

South African law provides for Exchange Control Regulations which, among other things, restrict the outward flow of capital from South Africa. The Exchange Control Regulations, which are administered by the Financial Surveillance Department of the SARB, regulate international transactions involving South African residents, including companies.

SARB approval is required for Sibanye-Stillwater and its subsidiaries to receive and/or repay loans to South African residents. Sibanye-Stillwater and its South African subsidiaries would require SARB approval in order to provide guarantees for the obligations of any of Sibanye-Stillwater’s subsidiaries with regard to funds obtained from non-residents of the CMA. Absent SARB approval, income earned in South Africa by Sibanye-Stillwater and its South African subsidiaries cannot be used to repay or service foreign debts.

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 R500 million per company per calendar year, the investment application may be processed by an authorised dealer, subject to all existing criteria and reporting obligations.

Sibanye-Stillwater 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 Sibanye-Stillwater’s use of the proceeds of any such capital-raising, such as limits on Sibanye-Stillwater’s ability to retain the proceeds of the capital-raising outside South Africa or requirements that Sibanye-Stillwater seeks further SARB approval prior to applying any such funds to a specific use.
DIVIDEND POLICY AND DIVIDEND DISTRIBUTION

Sibanye-Stillwater may make distributions from time to time, provided that any such distribution is pursuant to an existing legal obligation of Sibanye-Stillwater or a court order or has been authorised by resolution of the Board (save in the case of a pro rata distribution to all shareholders (except one which results in shareholders holding shares in an unlisted entity which requires the sanction of an ordinary resolution), cash dividends paid out of retained income, capitalisation issues or scrip dividends incorporating an election to receive either capitalisation shares or cash), and provided further that:

- dividends be paid to shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later;
- it reasonably appears that Sibanye-Stillwater will satisfy the ‘solvency and liquidity’ test as set out in the Companies Act immediately after completing the proposed distribution; and
- no obligation is imposed by Sibanye-Stillwater, if it is a distribution of capital, that such capital be used to subscribe for shares in Sibanye-Stillwater.

Sibanye-Stillwater must complete any such distribution fully within 120 business days after the Board acknowledges that the ‘solvency and liquidity’ test has been applied as aforesaid, failing which it must again comply with the above.

Sibanye-Stillwater must hold all unclaimed distributions due to the shareholders of Sibanye-Stillwater in trust subject to the laws of prescription, and accordingly may release any distributions once the prescriptive period in relation to those dividends has expired.

All dividends paid by Sibanye-Stillwater prior to the Spin-off were historically paid to Gold Fields. After the Spin-off, the Board adopted a new dividend policy to return at least 25% to 35% of normalised earnings. Sibanye-Stillwater defines normalised earnings as profit for the year excluding gains and losses on foreign exchange, financial instruments, non-recurring items and share of result of associates after royalties and tax. For a reconciliation of loss attributable to the owners of Sibanye-Stillwater to normalised earnings, see Annual Financial Report—Consolidated financial statements—Notes to the consolidated financial statements—Note 11: Dividends.

Sibanye-Stillwater has not declared a dividend for the year ended 31 December 2018.

Under South African law, Sibanye-Stillwater 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, and we are permitted to do so in terms of the Memorandum of Incorporation.

There is no arrangement under which future dividends are waived or agreed to be waived.
THE LISTING

Sibanye-Stillwater’s ordinary shares trade on the JSE under the trading symbol “SGL”. Sibanye-Stillwater’s ADSs trade on the NYSE under the trading symbol “SBGL”.

MEMORANDUM OF INCORPORATION

General

Sibanye-Stillwater 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. Sibanye Gold’s registration number is 2002/031431/07.

Sibanye-Stillwater amended the Sibanye-Stillwater Memorandum of Incorporation at its annual general meeting held on 25 April 2017. The amended Sibanye-Stillwater Memorandum of Incorporation conforms to the requirements of the Companies Act and the amended JSE Listings Requirements.

Dividends and payments to shareholders

Sibanye-Stillwater may make payments (including the payment of dividends) to its shareholders from time to time in accordance with provisions of the Companies Act and the requirements of the JSE and the Memorandum of Incorporation. The Companies Act prohibits any payment (including the payment of any dividend) to a company’s shareholders if there are reasonable grounds for believing that:

- the company is, or would be, after the payment, unable to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of making such payment; or
- the consolidated assets of the company fairly valued would, after the payment, be less than the consolidated liabilities of the company, fairly valued.

Subject to the above requirements, the Board may from time to time declare a dividend or any other payment to be paid to Sibanye-Stillwater shareholders and to the holders of share warrants (if any) in proportion to the number of shares held by them.

Sibanye-Stillwater shall be entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed distributions, to any one of Sibanye-Stillwater’s banks from time to time.

Voting rights

Every shareholder of Sibanye-Stillwater, or representative of a Sibanye-Stillwater shareholder, who is present at a Sibanye-Stillwater shareholders’ meeting has one vote on a show of hands, regardless of the number of shares he holds or represents or the number of shareholders he represents, unless a poll is demanded. Every Sibanye-Stillwater shareholder is, on a poll, entitled to one vote per ordinary share held. A poll may be demanded by: (i) not less than five persons having the right to vote on that matter; or (ii) a person or persons entitled to exercise not less than one tenth of the total voting rights entitled to vote on that matter; or (iii) the chairperson of the meeting. Neither the Companies Act nor the Memorandum of Incorporation provide for cumulative voting.

A shareholder is entitled to appoint a proxy to attend, speak and vote at any meeting on his or her behalf. The proxy need not be a shareholder.

Issue of additional shares and pre-emptive rights

Shareholder approval is required for any issuance of additional shares, other than in the following circumstances:

- a pro rata rights offer to all shareholders, provided that the shares subject to the offer are less than 30% of Sibanye-Stillwater’s issued share capital;
- a capitalisation issue in accordance with section 47 of the Companies Act;
- an issue for the acquisition of assets (including another company) or an amalgamation or merger in terms of the Companies Act, provided that the relevant transaction is not otherwise required by the Listings Requirements to be approved by shareholders and the shares to be issued are less than 30% of the Sibanye-Stillwater’s share capital; and
- shares issued in terms of option or conversion rights.

Shareholders, by ordinary resolution passed by a 75% majority, may either convey a general or specific authority to the Board to issue shares for cash. A general authority is valid until the earlier of the next annual general meeting and 15 months after the authority was granted.

The JSE Listings Requirements as read with the Memorandum of Incorporation require that any new issue of equity shares by Sibanye-Stillwater must first be offered to existing shareholders in proportion to their shareholding in Sibanye-Stillwater unless, among other things, the issuance to new shareholders is:

- pursuant to a shareholder approved employee share incentive scheme;
- to raise cash through a general issuance at the discretion of the Board to the general public (but not to related parties) of up to 10% of the issued share capital in any one fiscal year at an issue price with a discount not exceeding 10% of the 30-business-day weighted average trading price prior to the date the application is made to the JSE to list the shares, provided that a 75% majority of votes cast by shareholders at a general meeting must approve the granting of such authority to the Board;
- to raise cash through a specific issuance of shares for cash, provided that 75% majority of shareholders, other than controlling shareholders, vote in favor of the resolution to issue the shares at a general meeting;
• a capitalisation issue, an issue for an acquisition of assets (including another company) or an amalgamation or merger in terms of the Companies Act; or
• in terms of option or conversion rights.
In terms of the Companies Act, an issue of equity shares by Sibanye-Stillwater must be approved by a special resolution of Sibanye-Stillwater’s shareholders if the shares are issued, amongst other things, to:
• a director, future director, prescribed officer, or future prescribed officer of Sibanye-Stillwater;
• a person related or inter-related to Sibanye-Stillwater, or to a director or prescribed officer of Sibanye-Stillwater, unless the issue of shares is, amongst other things:
• under an agreement underwriting the shares;
• in proportion to existing holdings, and on the same terms and conditions that have been offered to all the shareholders of Sibanye-Stillwater;
• pursuant to an employee share scheme that satisfies the requirements of section 97 of the Companies Act;
• pursuant to an offer to the public as defined in section 95(1)(h), read with section 96 of the Companies Act.
Furthermore, in terms of the Companies Act, an issue of shares requires approval of the shareholders by special resolution if the voting power of the class of shares that are issued or issuable as a result of the transaction will be equal to or exceed 30% of the voting power of all the shares of that class held by shareholders immediately before the transaction.

Transfer of shares
The transfer of any Sibanye-Stillwater certificated share 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 Sibanye-Stillwater’s register for that share. Since Sibanye-Stillwater shares are traded through STRATE, only shares which have been dematerialised may be traded on the JSE. Accordingly, Sibanye-Stillwater shareholders who hold shares in certificated form will need to dematerialise their shares in order to trade on the JSE.

Disclosure of interest in shares
Under South African law, a registered holder of Sibanye-Stillwater shares who is not the beneficial owner of such shares is required to disclose the identity of the person on whose behalf that security is held and the identity of each person with a beneficial interest in the securities so held, the number and class of securities held for each such person with a beneficial interest, and the extent of each such person with a beneficial interest, and the extent of each such beneficial interest. This information must be disclosed in writing to Sibanye-Stillwater within five business days after the end of every month during which a change has occurred in the information or more promptly or frequently to the extent so provided by the requirements of a central securities depository or otherwise be provided on payment of a prescribed fee charged by the registered holder of securities. Moreover, Sibanye-Stillwater may, by notice in writing, require a person who is a registered shareholder, or whom Sibanye-Stillwater knows or has reasonable cause to believe has a beneficial interest in Sibanye-Stillwater 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 Sibanye-Stillwater the identity of the person on whose behalf the ordinary shares are held. Sibanye-Stillwater 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. Sibanye-Stillwater is obligated 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% of the total number of ordinary shares issued by Sibanye-Stillwater, together with the extent of those beneficial interests. Further, in terms of section 122 of the Companies Act, a shareholder is required to notify Sibanye-Stillwater within three business days if its shareholding crosses a 5% multiple measured against the issued shares at that time or if there is a change in shareholding exceeding 1% of the issued shares. Sibanye-Stillwater is then required to disclose this notification to the South African Takeover Regulation Panel and deliver to the shareholders such notification by means of a SENS announcement.

General meetings of shareholders
The Board may convene general meetings of Sibanye-Stillwater shareholders and a general meeting may also be convened on a requisition by shareholders made pursuant to the Companies Act. Sibanye-Stillwater is obligated to hold an annual general meeting once in every calendar year, but no more than 15 months after the date of the previous annual general meeting.
Annual general meetings and meetings calling for the passage of a special resolution require 15 clear days’ notice in writing of the place, day and time of the meeting to shareholders. Any other general meeting of Sibanye-Stillwater shareholders requires at least 15 clear days’ notice in writing to shareholders.
Business may be transacted at any meeting of shareholders only while a quorum of shareholders is present. Three shareholders present personally or by representative and entitled to vote constitute a quorum for a general meeting and an annual general meeting.
The annual general meeting deals with and disposes of all matters prescribed by the Memorandum of Incorporation and the Companies Act, including:
• the consideration of the audited financial statements and report of the independent accountants; and
• the election of directors.
**ADDITIONAL INFORMATION continued**

**Annual report and accounts**
Sibanye-Stillwater is required to keep the accounting records and books of accounts as are necessary to present the state of affairs of Sibanye-Stillwater and to explain the financial position of Sibanye-Stillwater as prescribed by the Companies Act. No shareholder (who is not a director) has the right to inspect any account or book or document of Sibanye-Stillwater, except as conferred by the Companies Act or authorised by the directors or by a resolution of Sibanye-Stillwater in a general meeting.

The directors will cause to be prepared annual financial statements and an annual report as required by the Companies Act and the JSE Listing Requirements. Sibanye-Stillwater will send by mail to the registered address of every shareholder who so requests a copy of the annual report and annual financial statements. Not later than three months after the first six months of its fiscal year, Sibanye-Stillwater will mail to every shareholder an interim report for the previous six-month period.

**Changes in capital or objects and powers of Sibanye-Stillwater**
The Sibanye-Stillwater shareholders may, by the passing of a special resolution:
- increase Sibanye-Stillwater’s authorised share capital;
- divide all or any part of Sibanye-Stillwater’s share capital into shares of larger amounts than Sibanye-Stillwater’s existing shares or consolidate and reduce the number of the issued no par value shares, if any;
- subdivide all or any portion of Sibanye-Stillwater’s shares into shares of a smaller amount than is fixed by the Memorandum of Incorporation;
- convert all of Sibanye-Stillwater’s ordinary or preference share capital from having a par value into shares of no par value;
- reduce Sibanye-Stillwater’s authorised share capital and, if required by law, its issued share capital, stated capital and any capital redemption reserve fund or any share premium account;
- alter the provisions of the Memorandum of Incorporation with respect to the objects and powers of Sibanye-Stillwater; and
- subject to the provisions of the Companies Act or any other South African law governing companies and the requirements of the JSE and any other stock exchange upon which the shares of Sibanye-Stillwater may be quoted or listed from time to time, allow Sibanye-Stillwater to acquire shares issued by itself or in any subsidiary of Sibanye-Stillwater from time to time, and provided that:
  - the Board may resolve that any return of capital made to all or any shareholders whose registered addresses are outside South Africa will, subject to any exchange control regulations then in force, be paid in such other currencies as may be stipulated by the Board. The Board may also stipulate the date for converting Rand to those currencies and the provisional rate of exchange, provided that the date for conversion must be within a period of 30 days prior to the date of payment; and
  - Sibanye-Stillwater must hold all dividends due to shareholders in trust indefinitely, subject to the laws of prescription, and accordingly may release any dividends once the prescription period in relation to those dividends has expired. Sibanye-Stillwater shall be entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed distributions, to any of its bankers from time to time.

**Variation of rights**
All or any of the rights, privileges or conditions attached to Sibanye-Stillwater’s ordinary shares may be varied by a special resolution of Sibanye-Stillwater shareholders passed in accordance with the provisions of the Companies Act; provided that, in circumstances where a shareholder dissents to such variation which materially and adversely affects his rights, that shareholder shall be entitled to be paid the fair value for his shares in accordance with the provisions of section 37(8) of the Companies Act as read with the appraisal remedies provided for in section 164 of the Companies Act.

**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 Sibanye-Stillwater, 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 Sibanye-Stillwater from time to time, and may vest any part of the assets of Sibanye-Stillwater as the liquidator deems fit in trustees for the benefit of shareholders. The division of assets is not required to be done in accordance with the legal rights of shareholders of Sibanye-Stillwater.

**Purchase of shares**
The Companies Act and the JSE Listing Requirements permit the establishment of share incentive trusts for the purpose of purchasing shares of a company for the benefit of its employees, including salaried directors. These share incentive trusts are permitted to extend loans to company employees, other than non-salaried directors, for the purpose of purchasing or subscribing for shares of the company.

Sibanye-Stillwater may, if authorised by special resolution, acquire its own shares; provided that there are no reasonable grounds for believing that Sibanye-Stillwater is or would be, after the payment, unable to pay its debts or that Sibanye-Stillwater’s consolidated assets would, after the payment, be less than its consolidated liabilities. The procedure for acquisition of shares by Sibanye-Stillwater is regulated by the Memorandum of Incorporation, the Companies Act and the Listings Requirements of the JSE.

**Borrowing powers**
The Board may exercise all the powers of Sibanye-Stillwater to borrow money. Sibanye-Stillwater has unlimited borrowing powers. Furthermore,
the Board may create and issue debt instruments as contemplated in section 43(1)(a) of the Companies Act, on such terms and conditions and in
such manner as the Board may from time to time determine, in accordance with the requirements of section 43 of the Companies Act, provided
that, for so long as Sibanye-Stillwater is listed on the JSE, a debt instrument issued by Sibanye-Stillwater may not grant special privileges
regarding attending and voting at general meetings and the appointment of directors, as contemplated in the listings requirements of the JSE.
The Board’s borrowing powers may only be changed by special resolution of the shareholders amending the Memorandum of Incorporation.

Non-South African shareholders
There are no limitations imposed by South African law or by the Memorandum of Incorporation on the rights of non-South African shareholders to
hold or vote Sibanye-Stillwater’s ordinary shares.

Rights of minority shareholders and directors’ duties
Majority shareholders of South African companies have no fiduciary obligations under South African common law to non-controlling shareholders.
However, under the Companies Act, a shareholder may, under certain circumstances, seek relief from the court if he has been unfairly prejudiced
by the company. There may also be common law personal actions available to a shareholder of a company.
In South Africa, the common law and the Companies Act impose on directors duties to, among other things, act with care, skill and diligence and
to conduct the company’s affairs honestly and in the best interests of the company.

RECENT DEVELOPMENTS

Internal reorganisation
Sibanye-Stillwater is assessing whether to undertake an internal reorganisation in order to create a more efficient corporate structure and to
facilitate the Sibanye-Stillwater Group’s growth strategy. The Sibanye-Stillwater Group is considering various options to effect the reorganisation,
including a scheme of arrangement under section 114 of the Companies Act. If implemented, the reorganisation is expected to result in, among
other things, the Sibanye-Stillwater Group’s gold and PGM operations being held as two distinct legal entities under a new parent company.

Fatal injury at the Rustenburg PGM Operation
On 20 March 2019, a gravity fall of ground occurred at Sibanye-Stillwater’s Thembelani Shaft at the Rustenburg PGM Operations, which resulted
in a fatal injury of an employee. The DMR was notified of the incident on 20 March 2019 and is investigating. Sibanye-Stillwater is cooperating
fully with that investigation.

Quarter 1 2019 update
Gold production during Q1 2019 was negatively impacted by the ongoing AMCU strike and is expected to be approximately 104,000oz or 36% of
production levels relative to the same period in 2018. Unit operating and all in sustaining costs will be negatively impacted by the reduced
production levels.
Attributable production from the South African PGM Operations is estimated to be approximately 234,000 4Eoz and in line with annual guidance.
For Rustenburg, production includes ounces contained in concentrate that was delivered during Q1 for toll treatment. Delivery of refined metals
are only expected during Q2 2019.
The US PGM operations experienced a slower than planned start to the year producing an estimated 131,000 2Eoz, with lower production
volumes resulting in temporarily elevated costs. Production is planned to return to normal levels from Q2 and full year production guidance
remains unchanged. Following the commissioning of the second furnace (EF2) at the Columbus Metallurgical Complex, throughput at the smelter
improved, resulting in a drawdown of recycling metal inventories. The recycling division is expected to average 23.0 tonnes of feed material per
day in the first quarter of 2019, compared to an average feed rate of 22.0 tonnes per day in 2018.

Possible prepayment facility
Since the completion of the streaming transaction in 2018, the Company continues to explore finance options to optimise liquidity levels and
working capital structures. In this regard, several prepayment structures and metals pipeline financing initiatives have been evaluated. The
Company will consider implementing these structures where they are deemed to provide financial flexibility in line with the Company’s strategic
objectives and are competitive from a pricing perspective.

MATERIAL CONTRACTS
The following are material contracts not entered into in the ordinary course of business that were entered into, novated or amended by Sibanye-
Stillwater in the period under review.

Stillwater acquisition
On 9 December 2016, Sibanye-Stillwater and Stillwater entered into an Agreement and Plan of Merger (Merger Agreement) with Thor US Holdco
Inc. (US Holdco) and Thor Mergco Inc., an indirect wholly owned subsidiary of Sibanye-Stillwater (Merger Sub).
2022 and 2025 Notes

On 27 June 2017 Stillwater, as a subsidiary of Sibanye-Stillwater, issued at face value US$1.05 billion of senior notes (the 2017 Senior Notes) to an indenture dated 16 March 2017 among Sibanye, The Bank of New York Mellon and certain guarantors. The 2017 Senior Notes offering comprises of two tranches, US$500 million 6.125% Senior Notes due 2022, which bear interest at a rate of 8.125% per annum (the 2022 Notes) and US$550 million 7.125% Senior Notes due 2025, which bear interest at a rate of 7.125% per annum (the 2025 Notes) (together the 2022 and 2025 Notes). The 2022 and 2025 Notes are denominated in US Dollars, mature and become due and payable in equal semi-annual instalments on 27 June and 27 December of each year. The 2022 and 2025 Notes are fully and unconditionally guaranteed, jointly and severally by Kroondal Operations Proprietary Limited, Sibanye Rustenburg Platinum Mines Proprietary Limited and Sibanye Gold Limited. The guarantees rank equally in right of payment to all existing and future senior debt of the guarantors.

Prior to 27 June 2019, in the case of the 2022 Notes, or 27 June 2021, in the case of the 2025 Notes, Stillwater may redeem all or a portion of the 2022 Notes or 2025 Notes by paying the relevant price (expressed as a percentage of the principal amount of the 2022 Notes or 2025 Notes plus an applicable premium) plus accrued and unpaid interest on the 2022 Notes or 2025 Notes. At any time on or after 27 June 2019, in the case of the 2022 Notes, or 27 June 2021, in the case of the 2025 Notes, Stillwater may redeem all or part of the 2022 Notes or 2025 Notes by paying the relevant price (expressed as a percentage of the principal amount of the 2022 Notes or 2025 Notes plus an applicable premium) plus accrued and unpaid interest on the 2022 Notes or 2025 Notes. In addition, prior to 27 June 2019, Stillwater may redeem up to 35% of the original aggregate principal amount of the 2022 Notes or 2025 Notes with the net proceeds from certain equity offerings. If Sibanye-Stillwater undergoes a change of control, Sibanye-Stillwater or Stillwater will be required to make an offer to purchase each of the 2022 Notes and 2025 Notes at a purchase price equal to 101% of the principal amount of each of the Notes, plus accrued and unpaid interest to the date of purchase. In the event of certain developments affecting taxation, Stillwater may redeem all, but not less than all, of the 2022 Notes and 2025 Notes.

Sibanye-Stillwater used the proceeds of the 2022 and 2025 Notes for the partial repayment of the US$350 million Bridge Facility Agreement between Sibanye Gold Limited and HSBC Bank plc, dated 5 October 2015, raised for the acquisition of Stillwater.

On 19 September 2018, Sibanye-Stillwater completed its offer to purchase the 2022 Notes and 2025 Notes, in which it repurchased a principal amount of US$146.3 million of the 2022 Notes and US$231.1 million of the 2025 Notes.

2023 Convertible Bond

On 28 March 2018, Sibanye-Stillwater entered into a supplemental trust deed relating to its issuance, on 26 September 2017, of a US$450 million senior unsecured guaranteed convertible bond due 2023 (the 2023 Convertible Bond), pursuant to a trust deed dated 26 September 2017, among Sibanye Gold Limited, Stillwater Mining Company and Kroondal Operations Proprietary Limited as guarantors and BNY Mellon Corporate Trustee Services Limited as Trustee. The 2023 Convertible Bond bears a coupon of 1.875% per annum, payable semi-annually in arrears in equal instalments on 26 March and 26 September of each year. The 2023 Convertible Bonds are guaranteed by Stillwater Mining Company and Kroondal Operations Proprietary Limited.

The conversion price is subject to customary adjustments pursuant to the terms and conditions of the 2023 Convertible Bond and will be adjusted for any dividends paid. The 2023 Convertible Bond, subject to the receipt of the requisite approval by a general meeting of the shareholders of Sibanye-Stillwater on or before 31 May 2018, will be convertible into new and/or existing shares of Sibanye-Stillwater, cash or a combination thereof pursuant to the terms and conditions of the 2023 Convertible Bond. Absent such approval, holders of the Convertible Bonds will on conversion receive a cash amount equal to the value of the underlying new and/or existing shares.

For so long as the conversion of the 2023 Convertible Bond has not been approved by a general meeting of the shareholders, Sibanye-Stillwater reserves the right to redeem all but not some of the 2023 Convertible Bonds at the greater of: (i) 102% of their principal value, or (ii) 102% of their fair market value, in each case plus accrued interest.

The Convertible Bonds were issued at 100% of their principal amount (i.e. US$200,000 per 2023 Convertible Bond). Unless previously redeemed, converted or purchased and cancelled, the 2023 Convertible Bonds will be redeemed at their principal amount on 26 September 2023. Sibanye-Stillwater has the option to redeem all but not some of the 2023 Convertible Bonds at their principal amount (plus accrued but unpaid interest) in accordance with the terms and conditions of the 2023 Convertible Bonds at any time (i) on or after 17 October 2020, if the value of the new and/or existing shares underlying a 2023 Convertible Bond is equal to or exceeds US$260,000 for a specified period of time, or (ii) if 15% or less of the aggregate principal amount of the 2023 Convertible Bond remains outstanding (all as more fully described in the terms and conditions of the 2023 Convertible Bond).

Sibanye-Stillwater used the proceeds of the 2023 Convertible Bond for the partial repayment of the US$350 million Bridge Facility Agreement between Sibanye Gold Limited and HSBC Bank plc, dated 5 October 2015, raised for the acquisition of Stillwater.

On 14 September 2018, Sibanye-Stillwater completed its offer to purchase and retire certain of the 2023 Convertible Bonds, in which it repurchased an aggregate principal amount of US$66 million.
Lonmin Acquisition

On 14 December 2017, the boards of Sibanye-Stillwater and Lonmin announced that they had reached agreement on the terms of a recommended all-share offer pursuant to which Sibanye-Stillwater, and/or a wholly-owned subsidiary of Sibanye-Stillwater, would acquire the entire issued and to be issued ordinary share capital of Lonmin, which is a major mine-to-market producer of PGMs with core operations in South Africa. Under the terms of the Lonmin Acquisition, each Lonmin shareholder will be entitled to receive 0.967 new Sibanye-Stillwater shares for each Lonmin ordinary share that they hold. The Lonmin Acquisition is proposed to be effected by means of a scheme of arrangement between Lonmin and Lonmin’s shareholders under Part 26 of the UK Companies Act. The Lonmin Acquisition is subject to the satisfaction or waiver of a number of conditions, as set out in the announcement published pursuant to Rule 2.7 of the UK City Code on Takeovers and Mergers. Since the announcement of the Lonmin Acquisition, certain of these conditions have been satisfied, namely the receipt of approval from the Financial Surveillance Department of SARB, as announced by Sibanye-Stillwater and Lonmin on 15 May 2018, and competition authority clearance in the UK, as announced by Sibanye-Stillwater and Lonmin on 28 June 2018. On 21 November 2018, it was announced that the South African Competition Tribunal had approved the Lonmin Acquisition, subject to certain specific conditions imposed on Sibanye-Stillwater, however an appeal against the South African Competition Tribunal’s decision was subsequently filed with the Competition Appeal Court of South Africa by the Association of Mineworkers and Construction Union on 19 December 2018. On 15 January 2019, it was announced that, in light of such appeal, Sibanye-Stillwater and Lonmin had agreed (with the consent of the UK Takeover Panel) to extend the longstop date for the scheme of arrangement relating to the Lonmin Acquisition to become effective, from 28 February 2019 to 30 June 2019. On 25 January 2019, Sibanye-Stillwater and Lonmin announced that the Competition Appeal Court of South Africa had set 2 April 2019 as the date for hearing the appeal. The appeal was heard on 2 April 2019 and the Competition Appeal Court of South Africa’s decision is awaited.

The Lonmin Acquisition remains subject to the satisfaction or waiver of a number of other conditions, including (but not limited to) the approval of Lonmin shareholders and Sibanye-Stillwater shareholders and the approval of the scheme of arrangement by the High Court of Justice in England & Wales. It is expected that the Lonmin scheme document and Sibanye-Stillwater shareholder circular in connection with such shareholder approvals will be published in due course.

On 14 December 2017, a co-operation agreement was entered into between Sibanye-Stillwater and Lonmin in connection with the Lonmin Acquisition. Amongst other things, the co-operation agreement records the process by which Sibanye-Stillwater and Lonmin have agreed to cooperate in relation to certain clearances and regulatory conditions in connection with the Lonmin Acquisition, confirms certain matters in relation to the scheme and the Lonmin shareholder meetings and Sibanye-Stillwater shareholder meetings as well as certain matters relating to Lonmin’s share schemes.

Streaming agreement

On 25 July 2018, Sibanye-Stillwater announced the completion of the Streaming Agreement with Wheaton International. Under the Streaming Agreement, Sibanye-Stillwater received US$500 million (the Advance Amount) from Wheaton International in exchange for an amount of gold and palladium equal to a percentage of gold and palladium produced from Sibanye-Stillwater’s US PGM operations (comprised of the East Boulder and Stillwater mining operations).

Under the Streaming Agreement, in addition to the Advance Amount, Wheaton International will pay Sibanye-Stillwater 18% of the spot palladium and gold prices for each ounce delivered under the Streaming Agreement (which may be reduced if debt covenants exceed 3.5x (net debt to adjusted EBITDA)), until the Advance Amount has been reduced to nil through metal deliveries. Thereafter, Sibanye-Stillwater will receive 22% of the spot US dollar palladium and gold prices for each ounce of palladium and gold delivered (which may be reduced if debt covenants exceed 3.5x (net debt to adjusted EBITDA)).

In addition, Sibanye-Stillwater has committed to deliver to Wheaton International the equivalent of 100% of gold production from Sibanye-Stillwater’s US PGM operations over the life of the US PGM operations. In addition, Sibanye-Stillwater has also committed:

- 4.5% of its palladium production from its US PGM operations, until (i) a cumulative amount of 375koz of palladium having been delivered, and (ii) the portion of the Advance Amount, which is attributable to palladium deliveries having been reduced to nil through such deliveries.
- Thereafter, the equivalent of 2.25% of its palladium production from its US PGM operations, until (a) a further 175koz of palladium having been delivered (or cumulatively 550koz having been delivered), and (b) the Advance Amount having been reduced to nil through metal deliveries.
- Thereafter, and continuing for the life of the operations, 1.0% of palladium production.

Sibanye-Stillwater agreed to use commercially reasonable efforts to facilitate the development of the Blitz Project. The Streaming Agreement includes a completion test on the development of the Blitz Project, including completion of underground development, critical surface infrastructure and expansion of the concentrator production output. If Sibanye-Stillwater fails to meet certain completion targets in relation to the Blitz Project, it is required to pay Wheaton International certain cash amounts.

The Streaming Agreement was effective from 1 July 2018 and continues for an initial period of 40 years and can be extended for successive 10-year periods until termination notice is given or there are no active mining operations at the mining properties.

The Streaming Agreement is governed by the laws of the Province of Ontario and the federal laws of Canada.

US$600 million revolving credit facility

R6.0 billion revolving credit facility
See Annual Financial Report—Consolidated financial statements—Note to the consolidated financial statements—Note 24.2: Borrowings—R6.0 billion RCF.

Deposit agreement
In connection with the establishment of an ADS facility in respect of Sibanye-Stillwater’s shares, Sibanye-Stillwater entered into a deposit agreement with BNYM in respect of Sibanye-Stillwater’s shares among Sibanye-Stillwater, BNYM and all owners and holders from time to time of ADRs issued thereunder (the Deposit Agreement).

This summary is subject to and qualified in its entirety by reference to the Deposit Agreement, including the form of ADSs attached thereto. Terms used in this section and not otherwise defined will have the meanings set forth in the Deposit Agreement. The depositary’s office at which the ADSs will be administered and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.

AMERICAN DEPOSITARY SHARES
Each ADS represents four shares (or a right to receive four shares) deposited with the principal Johannesburg offices of either of FirstRand Bank, Societe Generale (ZA) or Standard Bank of South Africa, as custodians for the Depositary. Each ADS also represents any other securities, cash or other property which may be held by BNYM under the Deposit Agreement.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the Direct Registration System (or DRS) or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

The DRS is a system administered by The Depository Trust Company (or the DTC) pursuant to which the Depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements sent by the Depositary to the registered holders of uncertificated ADSs.

South African law governs shareholder rights. BNYM will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among Sibanye-Stillwater, BNYM and you, as an ADS holder, and all other persons indirectly holding ADSs sets out ADS holder rights, as well as the rights and obligations of the Depositary. New York law governs the Deposit Agreement and the ADSs.

The following is a summary of the material provisions of the Deposit Agreement. For more complete information, you should read the entire Deposit Agreement and the form of ADS.

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 Sibanye-Stillwater ADRs represent.

Cash
BNYM will convert any cash dividend or other cash distribution Sibanye-Stillwater pays on the ordinary shares other than any dividend or distribution paid in US dollars, into US dollars. If that is not possible or if any government approval is needed and cannot be obtained, the Deposit Agreement allows BNYM to distribute the foreign currency only to those ADR holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADR 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. It will distribute only whole US dollars and US cents and will round 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.

Shares
BNYM may, and will if Sibanye-Stillwater so requests, distribute new ADRs representing any ordinary shares Sibanye-Stillwater distributes as a dividend or capitalisation issue. BNYM will only distribute whole ADRs. It will sell ordinary shares which would require it to issue a fractional ADR and distribute the net proceeds to the holders entitled to those ordinary shares. If BNYM does not distribute additional cash or ADRs, each ADR will also represent the new ordinary shares. BNYM may sell a portion of the distributed shares sufficient to pay its fees and expenses in connection with the distribution.
**Additional Information continued**

*Rights to purchase additional ordinary shares*

If Sibanye-Stillwater offers holders of securities any rights, including rights to subscribe for additional ordinary shares, BNYM may make these rights available to you. Sibanye-Stillwater must first instruct BNYM to do so and furnish it with satisfactory evidence that it is legal to do so. If Sibanye-Stillwater 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 distribute the proceeds to holders’ accounts. BNYM will 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 the persons entitled to them. It will only exercise rights if you pay BNYM the exercise price and any other charges the rights require you to pay.

US securities laws may restrict the sale, deposit, cancellation and transfer of the ADSs issued after exercise of rights. For example, you may not be able to trade these ADSs freely in the United States. 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 necessary 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 of 1933 with respect to a distribution to all ADR holders.

*Other distributions*

BNYM will send to you anything else Sibanye-Stillwater 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 Sibanye-Stillwater 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 Sibanye-Stillwater distributed, in which case ADSs will also represent the newly distributed property. BNYM may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with the distribution.

BNYM is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADR holder. Sibanye-Stillwater will have no obligation to take any other action to permit the distribution of ADRs, shares, rights or anything else to ADR holders. This means that you may not receive the distribution Sibanye-Stillwater makes on its ordinary shares or any value for them if it is illegal or impractical for Sibanye-Stillwater to make them available to you.

*Deposit, withdrawal and cancellation*

**How are ADRs issued?**

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 ADSs to the persons you request.

**How do ADR holders cancel ADSs and obtain ordinary shares?**

You may submit a written request to withdraw ordinary shares and turn in your ADSs 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.

**How do ADS holders interchange between certificated ADSs and uncertificated ADSs?**

You may surrender your ADR to the Depositary for the purpose of exchanging your ADR for uncertificated ADSs. The Depositary will cancel that ADR and send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Alternatively, upon receipt by the Depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the Depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

**Record dates**

Whenever any distribution of cash or rights, change in the number of ordinary shares represented by ADRs or notice of a meeting of holders of ordinary shares or ADRs is made, BNYM will fix a record date for the determination of the owners entitled to receive the benefits, rights or notice.

**Voting rights**

**How do you vote?**

If you are an ADR holder on a record date fixed by BNYM, you may instruct BNYM how to exercise the voting rights of the ordinary shares represented by your ADRs. 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 far enough in advance to withdraw the shares. If Sibanye-Stillwater asks for your instructions, BNYM will notify...
ADDITIONAL INFORMATION continued

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 Sibanye-Stillwater to BNYM; (2) explain how you may instruct BNYM to vote the ordinary shares or other deposited
securities underlying your ADRs 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 Sibanye-Stillwater 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
Sibanye-Stillwater, 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 we give notice to BNYM on or before the first date when we give notice, by publication or otherwise, of any meeting of holders of
ordinary shares, and if BNYM does not receive your voting instructions, BNYM will give a proxy to vote your ordinary shares to a designated
representative of Sibanye-Stillwater, unless Sibanye-Stillwater informs BNYM that: (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.

Sibanye-Stillwater 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 Sibanye-Stillwater or the Deposit Agreement or the ADRs.

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:

<table>
<thead>
<tr>
<th>Persons depositing or withdrawing shares or ADS holders must pay</th>
<th>For</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$5.00 (or less) per 100 Sibanye-Stillwater ADRs (or portion of 100 Sibanye-Stillwater ADRs)</td>
<td>Issuance of Sibanye-Stillwater ADRs, including issuances resulting from a distribution of ordinary shares or rights or other property or cancellation of Sibanye-Stillwater ADRs for the purpose of withdrawal, including if the deposit agreement terminates</td>
</tr>
<tr>
<td>US$.05 (or less) per ADR (or portion thereof)</td>
<td>Any cash distribution pursuant to the Deposit Agreement</td>
</tr>
<tr>
<td>A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and those ordinary shares had been deposited for issuance of ADRs</td>
<td>Distribution of securities distributed to holders of deposited securities which are distributed by BNYM to Sibanye-Stillwater’s ADR holders</td>
</tr>
<tr>
<td>US$.05 (or less) per ADRs per calendar year</td>
<td>Depositary services</td>
</tr>
<tr>
<td>Registration or transfer fees</td>
<td>Transfer and registration of shares on Sibanye-Stillwater’s share register to or from the name of BNYM or its agent when you deposit or withdraw ordinary shares</td>
</tr>
<tr>
<td>Expenses of BNYM</td>
<td>Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) converting foreign currency to US dollars</td>
</tr>
<tr>
<td>Taxes and other governmental charges BNYM or the custodian have to pay on any ADR or share underlying an ADR, for example, stock transfer taxes, stamp duty or withholding taxes</td>
<td>As necessary</td>
</tr>
<tr>
<td>Any charges incurred by BNYM or its agents for servicing the deposited securities</td>
<td>As necessary</td>
</tr>
</tbody>
</table>

The Depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose
of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from
the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for
depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of
participants acting for them. The Depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the Depositary may make payments to Sibanye-Stillwater to reimburse and/or share revenue from the fees collected from ADR
holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and
maintenance of the ADR programme. In performing its duties under the Deposit Agreement, the Depositary may use brokers, dealers or other
service providers that are affiliates of the Depositary and that may earn or share fees or commissions.

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 Sibanye-Stillwater

ADRs or restrict or refuse the withdrawal of your underlying deposited securities until you pay any taxes owed on your Sibanye-Stillwater ADRs 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 Sibanye-Stillwater ADRs 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.

Reclassifications, recapitalisations and mergers

<table>
<thead>
<tr>
<th>If Sibanye-Stillwater</th>
<th>Then</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reclassifies, splits up or consolidates any of the Sibanye-Stillwater ordinary shares</td>
<td>The cash, ordinary shares or other securities received by BNYM will become new deposited securities under the Deposit Agreement. Each Sibanye-Stillwater ADR will automatically represent the right to receive a proportional interest in the new deposited securities.</td>
</tr>
<tr>
<td>Distributes securities on any of the Sibanye-Stillwater ordinary shares that are not distributed to you</td>
<td>BNYM may, and will if Sibanye-Stillwater asks it to, deliver new Sibanye-Stillwater ADRs representing the new deposited securities or ask you to surrender your outstanding Sibanye-Stillwater ADRs in exchange for new Sibanye-Stillwater ADRs identifying the new deposited securities.</td>
</tr>
<tr>
<td>Recapitalises, reorganises, merges, consolidates, sells its assets, or takes any similar action</td>
<td></td>
</tr>
</tbody>
</table>

Amendment and termination

**How may the Deposit Agreement be amended?**

Sibanye-Stillwater may agree with BNYM to amend the Deposit Agreement and the 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 Sibanye-Stillwater ADR 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 ADRs, 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 Sibanye-Stillwater ADRs.

**How may the Deposit Agreement be terminated?**

BNYM will terminate the Deposit Agreement if Sibanye-Stillwater 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 Sibanye-Stillwater that it would like to resign and Sibanye-Stillwater does not appoint a new depositary bank within 90 days.

If any Sibanye-Stillwater ADRs remain outstanding after termination, BNYM will stop registering the transfer of Sibanye-Stillwater ADRs, will stop distributing dividends to Sibanye-Stillwater ADR 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 Sibanye-Stillwater’s ADRs. At any time after four months 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 Sibanye-Stillwater ADR holders that have not surrendered their Sibanye-Stillwater ADRs. 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, Sibanye-Stillwater’s only obligations will be with respect to indemnification of, and to pay specified amounts to, BNYM.

Limitations on obligations and liability

The Deposit Agreement expressly limits the obligations of Sibanye-Stillwater and BNYM. It also limits the liability of Sibanye-Stillwater and BNYM. Sibanye-Stillwater and BNYM:

- are only obligated 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 Sibanye-Stillwater by-laws or circumstances beyond their control from performing their obligations under the Deposit Agreement;
- are not liable if either of them exercises or fails to exercise discretion permitted under the Deposit Agreement;
- have no obligation to become involved in a lawsuit or proceeding related to the ADRs or the Deposit Agreement on your behalf or on behalf of any other party; and
- may rely upon any advice of or information from any legal counsel, accountants, any person depositing ordinary shares, any Sibanye-Stillwater ADR holder or any other person whom they believe in good faith is competent to give them that advice or information.

In the Deposit Agreement, Sibanye-Stillwater and BNYM agree to indemnify each other under specified circumstances.
Requirements for depositary actions

Before BNYM will deliver or register the transfer of a Sibanye-Stillwater ADR, make a distribution on a Sibanye-Stillwater ADR, or permit withdrawal of ordinary shares, BNYM may require:

- production of satisfactory proof of the identity of the person presenting ordinary shares for deposit or Sibanye-Stillwater ADRs 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 Sibanye-Stillwater ADRs generally when the transfer books of BNYM are closed or at any time if BNYM or Sibanye-Stillwater thinks it advisable to do so.

Your right to receive the ordinary shares underlying your ADRs

You have the right to cancel your Sibanye-Stillwater ADRs and withdraw the underlying ordinary shares at any time, except:

- due to temporary delays caused by BNYM or Sibanye-Stillwater closing its transfer books, the transfer of ordinary shares being blocked in connection with voting at a shareholders’ meeting, or Sibanye-Stillwater 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 Sibanye-Stillwater ADRs 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.

Pre-release of Sibanye-Stillwater ADRs

In certain circumstances, subject to the provisions of the Deposit Agreement, BNYM may deliver Sibanye-Stillwater ADRs before deposit of the underlying ordinary shares. This is called a pre-release of Sibanye-Stillwater ADRs. BNYM may also deliver ordinary shares prior to the receipt and cancellation of pre-released Sibanye-Stillwater ADRs (even if those Sibanye-Stillwater ADRs 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 Sibanye-Stillwater ADRs only under the following conditions: (1) 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 owns the ordinary shares or Sibanye-Stillwater ADRs to be deposited; (2) the pre-release must be fully collateralised with cash or collateral that BNYM considers appropriate; and (3) 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 Sibanye-Stillwater ADRs that may be outstanding at any time as a result of pre-release.

Direct registration system

In the Deposit Agreement, all parties to the Deposit Agreement acknowledge that the DRS and Profile Modification System (Profile) will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the Depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements sent by the Depositary to the registered holders of uncertificated ADSs. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of a registered holder of ADSs, to direct the Depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the Depositary of prior authorisation from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the Deposit Agreement understand that the Depositary will not verify, determine or otherwise ascertain that the DTC participant which is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the Deposit Agreement, the parties agree that the Depositary’s reliance on and compliance with instructions received by the Depositary through the DRS/Profile System and in accordance with the Deposit Agreement, shall not constitute negligence or bad faith on the part of the Depositary.

Shareholder communications; inspection of register of holders of ADSs

The Depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that Sibanye-Stillwater makes generally available to holders of deposited securities. The Depositary will send you copies of those communications if Sibanye-Stillwater asks it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

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 or assets 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 if the consideration for the acquisition is shares in a non-South African company or if 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 ADRs of Sibanye-Stillwater.

There are no exchange control restrictions on the remittance in full of dividends declared out of trading profits to non-residents of the CMA by Sibanye-Stillwater, provided the share certificates held by non-resident Sibanye-Stillwater shareholders have been endorsed with the words "non-resident".

Under South African Exchange Control Regulations, the ordinary shares and ADRs representing ordinary shares of Sibanye-Stillwater are freely transferable outside South Africa between persons who are not residents of the CMA, provided such transfer is reported to the SARB and, where new share certificates are issued, such certificates are endorsed with the words “non-resident”. Additionally, where ordinary shares are sold on the JSE on behalf of shareholders of Sibanye-Stillwater who are not residents of the Common Monetary Area, the proceeds of such sales will be freely exchangeable into foreign currency and remittable to them. In such case no share certificates need to be endorsed as the shares on the JSE have been dematerialised.

**TAXATION**

**Certain South African tax considerations**

The discussion in this section sets out the material South African tax consequences of the purchase, ownership and disposition of Sibanye-Stillwater’s ordinary shares or ADSs under current South African law. Changes in the law may alter the tax treatment of Sibanye-Stillwater’s 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 Sibanye-Stillwater’s 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 and South African tax law, a United States resident that owns Sibanye-Stillwater ADSs will be treated as the owner of the Sibanye-Stillwater ordinary shares represented by such ADSs. Sibanye-Stillwater recommends that you consult your own tax adviser about the consequences of holding Sibanye-Stillwater’s ordinary shares or ADSs, as applicable, in your particular situation.

**Witholding tax on dividends**

It should be noted that the withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders was introduced with effect from 1 April 2012 and the percentage was increased on 22 February 2017 from 15% to 20%. Generally, under the terms of the double tax treaty entered into between South Africa and the United States (the Treaty) the withholding tax on dividends may be reduced to 5% of the gross amount of the dividends if the beneficial owner of the shares is a company holding directly at least 10% of the voting stock of the company paying the dividends and to 15% of the gross amount of the dividends in all other cases, provided certain requirements in terms of the Treaty are met. The reduction of the rate of the withholding tax on dividends in terms of the Treaty is subject to the beneficial owner of the dividends making certain declarations and undertakings and providing same to the company or regulated intermediary making payment of the dividend.

**Income tax and capital gains tax**

Non-resident holders of ordinary shares or ADSs should not be subject to capital gains tax in South Africa with respect to the disposal of those ordinary shares or ADSs unless (i) that non-resident shareholder holds 20% or more of the equity shares in a company that derives 80% or more of its value from immovable property, which includes mining and prospecting rights, situated in South Africa; or (ii) the shares are effectively connected with a permanent establishment of that non-resident shareholder in South Africa.

As Sibanye-Stillwater operates in the mining sector, it is highly probable that 80% or more of the market value of the ordinary shares or ADSs are directly or indirectly derived from immovable property located in South Africa. Where the non-resident shareholder is subject to capital gains tax in South Africa as envisaged above and disposes of the shares, the purchaser of the ordinary shares or ADSs will be obliged to withhold a percentage (between 7.5% and 10%, depending on the nature of the seller) of the purchase consideration for the ordinary shares or ADSs payable to the non-resident shareholders and pay such amount over to the South African Revenue Service within 14 days where the purchaser is a South African resident or within 28 days where the purchaser is a non-resident. The taxing right of the capital gain could, however, be awarded to the specific jurisdiction of the seller (and not South Africa) depending on the wording and application of the applicable Double Taxation Treaty.
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% upon 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. A “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 transfer of a security that does not result in a change in beneficial ownership of such security is not regarded as a transfer.

In respect of the transfer of a listed security, STT is levied on the amount of the consideration for that security declared by the person who acquires that security, or if no amount of consideration is declared, or if the amount so declared is less than the lowest price of the security, the closing price of that security. With regard to the transfer of an unlisted security, STT is levied on the greater of the consideration given for the acquisition of the security or the market value of an unlisted security. In the case of a transfer of a listed security, either the member, the participant or the person to whom the security is transferred is liable for the tax. The tax must be paid by the 14th day of the month following the transfer.

Interest withholding tax

Interest withholding tax has been introduced into the South African tax regime with effect from 1 March 2015. Although not specifically applicable to non-resident shareholders or non-resident ADR holders, interest withholding tax will be levied at a rate of 15% on any interest paid for the benefit of any foreign person to the extent that the interest is regarded as being from a source within South Africa. There is, however, a specific exemption from interest withholding tax on any interest incurred on a listed debt (i.e. debt listed on a recognised exchange). In addition, where interest withholding tax is levied, such interest withholding tax may be reduced by the applicable Double Taxation Treaty.

US federal income tax considerations

The following discussion summarises the material US federal income tax consequences of the acquisition, ownership and disposition of ordinary shares and ADRs by a US Holder. As used herein, the term “US Holder” means a beneficial owner of ordinary shares or ADRs that is for US federal income tax purposes:

- a citizen or resident of the United States;
- a corporation created or organised under the laws of the United States or any State within the United States;
- 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 United States 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 the trust has validly elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds ordinary shares or ADRs 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 US federal income tax purposes, you should consult your tax adviser concerning the US federal income tax consequences to you and your partners of the acquisition, ownership and disposition of ordinary shares or ADRs by you.

This summary only applies to US Holders that hold ordinary shares or ADRs 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 promulgated thereunder;
- current US Internal Revenue Service (the IRS) practice and applicable US court decisions; and
- the income tax treaty between the United States and South Africa (the Treaty) 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 US federal income tax consequences that may be relevant to you in light of your particular situation. For example, this summary does not apply to:

- investors that own (directly, indirectly, or by attribution) 5% or more of Sibanye-Stillwater’s stock (by vote or value);
- financial institutions;
- insurance companies;
- investors liable for the alternative minimum tax or the net investment income tax;
- individual retirement accounts and other tax-deferred accounts;
- tax-exempt organisations;
- dealers in securities or currencies;
- investors that hold ordinary shares or ADRs as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes;
- investors required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement;
- persons that have ceased to be US citizens or lawful permanent residents of the United States;
- investors that hold ordinary shares or ADRs in connection with a trade or business conducted outside the United States;
- US citizens or lawful permanent residents living abroad; or
- investors whose functional currency is not the US dollar.

Sibanye-Stillwater does not believe that it should be treated as, and does not expect to become, a passive foreign investment company (PFIC) for US federal income tax purposes, but Sibanye-Stillwater’s possible status as a PFIC must be determined annually and therefore may be subject to change. If Sibanye-Stillwater were to be treated as a PFIC, US Holders of ordinary shares or ADRs would be required (i) to pay a special US 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 ADRs at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, dividends paid by Sibanye-Stillwater would not be eligible for the reduced rate of tax described below under “Taxation of Dividends”. The remainder of this discussion assumes that Sibanye-Stillwater is not a PFIC for US federal income tax purposes. You should consult your own tax advisers regarding the potential application of the PFIC regime.

The summary of US 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 ADRs, including your eligibility for the benefits of the Treaty and the applicability and effect of state, local, non-US and other tax laws and possible changes in tax law.

US holders of ADRs

For US federal income tax purposes, a US Holder of ADRs generally will be treated as the owner of the corresponding number of underlying ordinary shares held by the Depositary for the ADRs, and references to ordinary shares in the following discussion refer also to ADRs representing the ordinary shares.

Deposits and withdrawals of ordinary shares by US Holders in exchange for ADRs will not result in the realisation of gain or loss for US federal income tax purposes. Your tax basis in withdrawn ordinary shares will be the same as your tax basis in the ADRs surrendered, and your holding period for the ordinary shares will include the holding period of the ADRs.

Taxation of dividends

Distributions paid out of Sibanye-Stillwater’s current or accumulated earnings and profits (as determined for US federal income tax purposes), before reduction for any South African withholding tax paid by Sibanye-Stillwater with respect thereto, will generally be taxable to you as dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions that exceed Sibanye-Stillwater’s current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of your basis in the ordinary shares and thereafter as capital gain. However, we do not maintain calculations of our earnings and profits in accordance with US federal income tax accounting principles. You should therefore assume that any distribution by us with respect to the shares will be reported as ordinary dividend income. You should consult your own tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from us.

Dividends paid by Sibanye-Stillwater generally will be taxable to non-corporate US Holders at the reduced rate normally applicable to long-term capital gains, provided that either (i) Sibanye-Stillwater qualifies for the benefits of the Treaty, or (ii) with respect to dividends paid on the ADRs, the ADRs are considered to be “readily tradable” on the NYSE. You will be eligible for this reduced rate only if you are an individual, and have held the ordinary shares or ADRs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date.

For US federal income tax purposes, the amount of any dividend paid in Rand will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the date the dividends are received by you or the Depositary (in the case of ADRs), regardless of whether they are converted into US dollars at that time. If you or the Depositary, as the case may be, convert dividends received in Rand into US 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 above in Taxation—Certain South African Tax Considerations—Withholding Tax on Dividends, under current law, South Africa imposes a withholding tax of 20% on dividends paid by Sibanye-Stillwater to non-resident shareholders. A US Holder will generally be entitled, subject to certain limitations, to a foreign tax credit against its US federal income tax liability, or a deduction in computing its US federal taxable income, for South African income taxes withheld by Sibanye-Stillwater.

US Holders that receive payments subject to this withholding tax will be treated, for US federal income tax purposes, as having received the amount of South African taxes withheld by Sibanye-Stillwater, 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 US federal income tax purposes by a US Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the US Holder from Sibanye-Stillwater 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 ADRs, other than an exchange of ADRs for ordinary shares and vice versa, you will generally recognise US source capital gain or loss for US federal income tax purposes equal to the difference between the amount realised and your adjusted tax basis in the ordinary shares or ADRs. Your tax basis in an ordinary share or ADR will generally be its US dollar cost. This capital gain or loss will be long-term capital gain or loss if your holding period in the ordinary shares or ADRs 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% of your basis in the ordinary shares. The deductibility of capital losses is subject to significant limitations.

Foreign currency received on the sale or other disposition of an ordinary share will have a tax basis equal to its US dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the US dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase ordinary shares or upon exchange for US dollars) will be US source ordinary income or loss.

To the extent you incur Securities Transfer Tax in connection with a transfer or withdrawal of ordinary shares as described under Taxation—Certain South African Tax Considerations—Securities Transfer Tax above, such securities transfer tax will not be a creditable tax for US foreign tax credit purposes.

Backup withholding and information reporting

Payments of dividends and other proceeds with respect to ordinary shares or ADRs by US 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 comply with applicable certification requirements. Some holders are not subject to backup withholding. You should consult your tax adviser as to your qualification for an exemption from backup withholding and the procedure for obtaining an exemption.

Foreign financial asset reporting

US taxpayers that own certain foreign financial assets, including equity of foreign entities, with an aggregate value that exceeds US$50,000 at the end of the taxable year or US$75,000 at any time during the taxable year may be required to file an information report with respect to such assets with their tax returns. Sibanye-Stillwater’s ordinary shares and ADRs are expected to constitute foreign financial assets subject to these requirements unless they are held in an account at a financial institution (in which case, the account may be reportable if maintained by a foreign financial institution). You should consult your tax adviser regarding the application of the rules relating to foreign financial asset reporting.

DOCUMENTS ON DISPLAY

Sibanye-Stillwater will also file 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. Sibanye-Stillwater’s SEC filings may also be obtained electronically via the EDGAR system on the website maintained by the SEC at http://www.sec.gov.

The above information may also be obtained at the registered office of Sibanye-Stillwater.

Subsidiary information

Not applicable.

REFINING AND MARKETING

Sibanye-Stillwater has appointed Rand Refinery Proprietary Limited (Rand Refinery) to refine all of Sibanye-Stillwater’s South African-produced gold. Rand Refinery is a private company in which Sibanye-Stillwater holds a 44.4% interest, with the remaining interests held by other South African gold producers. Since 1 October 2004, up to the Spin-off date, Gold Fields’ treasury department arranged the sale of all the gold production from Sibanye-Stillwater’s operations. As from the Spin-off, Rand Refinery advises Sibanye-Stillwater’s department of treasury (Treasury) on a daily basis of the amount of gold available for sale. Treasury, then sells the gold at a price benchmarked against the London afternoon fixing price. Two business days after the sale of gold, Sibanye-Stillwater deposits an amount in US dollars equal to the value of the gold at the London afternoon fixing price into Rand Refinery’s nominated US dollar account. Rand Refinery deducts refining charges payable by Sibanye-Stillwater relating to such amount of gold and deposits the balance of the proceeds into the nominated US dollar account of Sibanye-Stillwater.

Under the terms of the US PGM operations’ agreements with Johnson Matthey, the US PGM operations utilise Johnson Matthey for all of its precious metals refining services. In addition, with the exception of platinum sales commitments to Tiffany & Co., all of the US PGM operations’ current mined palladium and platinum is committed for sale to Johnson Matthey.

This significant concentration of business with Johnson Matthey could leave the US PGM operations without precious metal refining services.
should Johnson Matthey experience significant financial or operating difficulties during the contract period. Under such circumstances, it is not clear that sufficient alternate processing capacity would be available to cover the US PGM operations’ requirements, nor that the terms of any such alternate processing arrangements as might be available would be financially acceptable to the US PGM operations. Any such disruption in refining services could have a negative effect on the US PGM operations’ ability to generate revenues, profits, and cash flows.

For a discussion of recent changes to the SA PGM operations’ processing arrangement, see Integrated Annual Report—Perspective from the Chair.

JSE CORPORATE GOVERNANCE PRACTICES COMPARED WITH NYSE LISTING STANDARDS

Sibanye-Stillwater’s corporate governance practices are regulated by the JSE Listings Requirements. The following is a summary of the significant ways in which South Africa’s corporate governance standards and Sibanye-Stillwater’s 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 US-listed companies meet at regularly scheduled executive sessions without management. The JSE Listing Requirements do not require such meetings of listed company non-executive directors. Sibanye-Stillwater’s non-management directors meet regularly without management.

The NYSE Listing Standards require US-listed companies to have a nominating/corporate governance committee composed entirely of independent directors. The JSE Listings Requirements do not require the appointment of such a committee. Sibanye-Stillwater has a Nominating and Governance Committee, which is currently comprised of six non-executive directors, all of whom are independent under the JSE Listings Requirements and NYSE Listing Standards. The Nominating and Governance Committee is chaired by the Chairman of the Sibanye-Stillwater Board.

The NYSE Listing Standards require US-listed companies to have a compensation committee composed entirely of independent directors. The JSE Listings Requirements merely require the appointment of such a committee. Sibanye-Stillwater has appointed a Remuneration Committee, currently comprised of six Board members, all of whom are independent under the JSE Listings Requirements.

The NYSE Listings Standards require US-listed companies to have an audit committee composed entirely of independent directors. The Companies Act requires that the Audit Committee be approved by shareholders on an annual basis at a company’s annual general meeting. The Companies Act and the JSE Listings Requirements also require an audit committee composed entirely of independent directors. Sibanye-Stillwater has appointed an Audit Committee, currently comprised of six Board members, all of whom are independent non-executive, as defined under the Companies Act and the JSE Listings Requirements. One of these non-executive directors is also a non-executive director of Gold Fields, the former parent of Sibanye-Stillwater; however, Sibanye-Stillwater believes he satisfies the requirements of Rule 10A-3 under the Exchange Act and applicable NYSE Listing Standards.

The Companies Act and the JSE Listings Requirements require the appointment of a Social and Ethics Committee. Sibanye-Stillwater has appointed a Social and Ethics Committee, comprising independent non-executive directors.
CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures
Sibanye-Stillwater has carried out an evaluation, under the supervision and with the participation of management, including the CEO and CFO of Sibanye-Stillwater, of the effectiveness of the design and operation of Sibanye-Stillwater’s 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.

The term “disclosure controls and procedures”, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act are recorded, processed, summarised and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognises that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based upon that evaluation, Sibanye-Stillwater’s CEO and CFO concluded that, as of 31 December 2018, Sibanye-Stillwater’s disclosure controls and procedures were not effective as described in Item 15(b).

The material weaknesses resulted from an ineffective risk assessment process in respect of deferred taxes in the US PGM operations and an ineffective exchange of information and communication between certain functional areas within the Corporate office and with the US tax department, in respect of deferred taxes and certain period end closing entries.

These deficiencies did not result in a material misstatement as the identified errors were adjusted prior to the release of our:
- condensed consolidated preliminary financial statements for the year ended and as of 31 December 2018 distributed to shareholders on 21 February 2019 as required by JSE Listings Requirements;
- Annual Financial Report for the year ended and as of 31 December 2018 and distributed to shareholders on 29 March 2019 as required by JSE Listings Requirements; and
- consolidated financial statements in the Annual Report on Form 20-F.

The changes to US local, state and federal taxes, and the impact on deferred taxes were identified by management. Notwithstanding such material weaknesses in internal control over financial reporting, our management, including our CEO and CFO, has concluded that our consolidated financial statements present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in this Annual Report, in conformity with International Financial Reporting Standards as issued by the IASB.

(b) Management’s Report on Internal Control over Financial Reporting
Sibanye-Stillwater’s 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.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

Sibanye-Stillwater’s management, under the supervision and with the participation of our CEO and CFO, assessed the effectiveness of its internal control over financial reporting as of 31 December 2018. In making this assessment, Sibanye-Stillwater’s management used the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon its assessment, Sibanye-Stillwater’s management identified the following control deficiencies:
- The Company did not conduct an effective risk assessment, on one of its US PGM operations consolidation reporting packs, to assess the impact of changes in US tax regulations on US deferred tax and related internal controls that were responsive to risks of misstatement.
- The Company did not have an effective exchange of information and communication process to ensure that relevant and reliable information was communicated on a timely basis such that certain process and control owners could perform their financial reporting and
control responsibilities appropriately, specifically relating to (1) the recognition, measurement and disclosure of US deferred taxes associated with consolidation entries in one of the US PGM operations consolidation reporting packs and (2) the recognition and measurement of certain period end closing entries related to cash and cash equivalents, trade receivables, trade and other payables and short-term borrowing facilities.

These deficiencies resulted in a material misstatement in respect of US deferred taxes in the initial consolidated financial information, that was adjusted prior to the release of our:

- condensed consolidated preliminary financial statements for the year ended and as of 31 December 2018 distributed to shareholders on 21 February 2019 as required by JSE Listings Requirements;
- Annual Financial Report for the year ended and as of 31 December 2018 and distributed to shareholders on 29 March 2019 as required by JSE Listings Requirements; and
- consolidated financial statements in the Annual Report on Form 20-F.

The deficiencies created a reasonable possibility that a material misstatement to the consolidated financial statements would not be prevented or detected on a timely basis, and therefore management concluded that these deficiencies represent material weaknesses in the Company’s internal control over financial reporting in the current fiscal year and our internal control over financial reporting is not effective as of 31 December 2018.

(c) Attestation Report of the Registered Public Accounting Firm


(d) Changes in Internal Control Over Financial Reporting

Except for the remediation of the material weaknesses discussed above, 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.

(e) Remediation

Management has implemented and plans to implement measures designed to ensure that control deficiencies contributing to the material weaknesses are remediated.

In Quarter 1 2019, management has re-performed its risk assessment procedures relating to US taxes, and implemented a new formal communication process and control relating to deferred tax for the US PGM operations consolidation reporting pack. This control was tested in Quarter 1 2019 and management has concluded, through this testing, that this control is operating effectively.

Management is in the process of remediating the information and communication deficiency relating to the closing entries.
On 26 September 2018, Ernst & Young Inc. (EY) was appointed by the Sibanye-Stillwater board of directors as the Sibanye-Stillwater Group’s principal accountants for the financial year ending 31 December 2019 (subject to shareholder approval), after a formal tender process to appoint a new independent registered public accounting firm. KPMG, Inc. (KPMG) will resign as principal accountants of Sibanye-Stillwater on conclusion of its responsibilities relating to the 31 December 2018 financial year audit, which is expected to conclude during April 2019.

The audit reports of KPMG on the consolidated financial statements of Sibanye-Stillwater 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 contained an adverse opinion due to reported material weaknesses.

During the Group’s fiscal years ended 31 December 2018, 2017 and 2016, there were (i) no disagreements between Sibanye-Stillwater 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, except that KPMG reported to Sibanye-Stillwater the following material weaknesses: an ineffective risk assessment process in respect of deferred taxes in the US Operations and an ineffective exchange of information and communication between certain functional areas within the Corporate office and with the US tax department, in respect of deferred taxes and certain period end closing entries.

Sibanye-Stillwater 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 8 April 2019, to the Securities and Exchange Commission is filed as an exhibit, see “Exhibit 15.1 Letter from KPMG Inc. to the Securities and Exchange Commission regarding a change in certifying accountant” of this Annual Report on Form 20-F for more information hereto.
## EXHIBITS

The following instruments and documents are included as Exhibits to this annual report.

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<tr>
<td>2.4</td>
<td>Trust Deed among Orogen, as issuer; Gold Fields, GFIMSA, GFO and GFH, as</td>
</tr>
<tr>
<td></td>
<td>guarantors; and Citicorp Trustee Company Limited, as trustee, dated 7</td>
</tr>
<tr>
<td></td>
<td>October 2010 in relation to the Notes.</td>
</tr>
<tr>
<td>4.1</td>
<td>R4.5 billion term and revolving credit facilities agreement between</td>
</tr>
<tr>
<td></td>
<td>Bank of China Limited Johannesburg Branch, FirstRand Bank, ABSA Bank</td>
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<tr>
<td></td>
<td>Limited, J.P. Morgan Chase Bank, N.A., Johannesburg Branch, Standard</td>
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<tr>
<td></td>
<td>Bank, Nedbank, the Financial Institutions listed in Schedule 1, Opic</td>
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<tr>
<td></td>
<td>consivia Trading 305 (RF) Proprietary Limited and Sibanye-Stillwater</td>
</tr>
<tr>
<td></td>
<td>dated 10 December 2013.</td>
</tr>
<tr>
<td>4.2</td>
<td>First Addendum to the R4.5 billion term and revolving credit facilities</td>
</tr>
<tr>
<td></td>
<td>agreement between Bank of China Limited Johannesburg Branch, FirstRand</td>
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<td></td>
<td>Bank, ABSA Bank Limited, J.P. Morgan Chase Bank, N.A., Johannesburg</td>
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<td></td>
<td>Branch, Standard Bank, Nedbank, the Financial Institutions listed in</td>
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<tr>
<td></td>
<td>Schedule 1, Opiconsivia Trading 305 (RF) Proprietary Limited and</td>
</tr>
<tr>
<td></td>
<td>Sibanye-Stillwater dated 13 March 2014.</td>
</tr>
<tr>
<td>4.3</td>
<td>Second Addendum to the R4.5 billion term and revolving credit facilities</td>
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<tr>
<td></td>
<td>agreement between Bank of China Limited Johannesburg Branch, FirstRand</td>
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<tr>
<td></td>
<td>Bank, ABSA Bank Limited, J.P. Morgan Chase Bank, N.A., Johannesburg</td>
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<td></td>
<td>Branch, Standard Bank, Nedbank, the Financial Institutions listed in</td>
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<td></td>
<td>Schedule 1, Opiconsivia Trading 305 (RF) Proprietary Limited and</td>
</tr>
<tr>
<td></td>
<td>Sibanye-Stillwater dated 12 May 2014.</td>
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<tr>
<td>4.4</td>
<td>Third Addendum to the R4.5 billion term and revolving credit facilities</td>
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<tr>
<td></td>
<td>agreement between Bank of China Limited Johannesburg Branch, FirstRand</td>
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<tr>
<td></td>
<td>Bank, ABSA Bank Limited, J.P. Morgan Chase Bank, N.A., Johannesburg</td>
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<td></td>
<td>Branch, Standard Bank, Nedbank, the Financial Institutions listed in</td>
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<td></td>
<td>Schedule 1, Opiconsivia Trading 305 (RF) Proprietary Limited and</td>
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<tr>
<td></td>
<td>Sibanye-Stillwater dated 22 July 2014.</td>
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<tr>
<td>4.5</td>
<td>Fourth Addendum to the R4.5 billion term and revolving credit facilities</td>
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<tr>
<td></td>
<td>agreement between Bank of China Limited Johannesburg Branch, FirstRand</td>
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<tr>
<td></td>
<td>Bank, ABSA Bank Limited, J.P. Morgan Chase Bank, N.A., Johannesburg</td>
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<td></td>
<td>Branch, Standard Bank, Nedbank, the Financial Institutions listed in</td>
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<tr>
<td></td>
<td>Schedule 1, Opiconsivia Trading 305 (RF) Proprietary Limited and</td>
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<tr>
<td></td>
<td>Sibanye-Stillwater dated 14 August 2014.</td>
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<tr>
<td>4.6</td>
<td>Fifth Addendum to the R4.5 billion term and revolving credit facilities</td>
</tr>
<tr>
<td></td>
<td>agreement between Bank of China Limited Johannesburg Branch, FirstRand</td>
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<tr>
<td></td>
<td>Bank, ABSA Bank Limited, J.P. Morgan Chase Bank, N.A., Johannesburg</td>
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<td></td>
<td>Branch, Standard Bank, Nedbank, the Financial Institutions listed in</td>
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<tr>
<td></td>
<td>Schedule 1, Opiconsivia Trading 305 (RF) Proprietary Limited and</td>
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<tr>
<td></td>
<td>Sibanye-Stillwater dated 6 October 2014.</td>
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<tr>
<td>4.7</td>
<td>Amended and Restatement Agreement of the R4.5 billion term and</td>
</tr>
<tr>
<td></td>
<td>revolving credit facilities agreement between Bank of China Limited</td>
</tr>
<tr>
<td></td>
<td>Johannesburg Branch, FirstRand Bank, ABSA Bank Limited, J.P. Morgan</td>
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<td></td>
<td>Chase Bank, N.A., Johannesburg Branch, Standard Bank, Nedbank, the</td>
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<tr>
<td></td>
<td>Financial Institutions listed in Schedule 1, Opiconsivia Trading 305</td>
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<tr>
<td></td>
<td>(RF) Proprietary Limited and Sibanye-Stillwater dated 6 October</td>
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<tr>
<td></td>
<td>2015.</td>
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<tr>
<td>4.8</td>
<td>Cession and Pledge in Security by Sibanye Gold Limited (as Pledgor) in</td>
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<tr>
<td></td>
<td>favor of Opiconsivia Trading 305 Proprietary Limited (as Debt</td>
</tr>
<tr>
<td></td>
<td>Guarantor), dated 22 August 2013.</td>
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<tr>
<td>4.9</td>
<td>Addendum to the Cession and Pledge in Security by Sibanye Gold Limited</td>
</tr>
<tr>
<td></td>
<td>(as Pledgor) in favor of Opiconsivia Trading 305 Proprietary Limited</td>
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<tr>
<td></td>
<td>(as Debt Guarantor), dated 10 December 2013.</td>
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<tr>
<td>4.10</td>
<td>Cession in Security by Sibanye Gold Limited (as Pledgor) in favor of</td>
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<tr>
<td></td>
<td>Opiconsivia Trading 305 Proprietary Limited (as Debt Guarantor), dated</td>
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<td></td>
<td>22 August 2013.</td>
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<td>4.11</td>
<td>Cession in Security by Sibanye Gold Limited (as Pledgor) in favor of</td>
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<tr>
<td></td>
<td>Opiconsivia Trading 305 Proprietary Limited (as Debt Guarantor), dated</td>
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<td></td>
<td>22 October 2013.</td>
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<td>4.12</td>
<td>Cession in Security by Sibanye Gold Limited (as Pledgor) in favor of</td>
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<tr>
<td></td>
<td>Opiconsivia Trading 305 Proprietary Limited (as Debt Guarantor), dated</td>
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<tr>
<td></td>
<td>15 August 2014.</td>
</tr>
<tr>
<td>4.13</td>
<td>Notarial General Bond by Sibanye Gold Limited in favor of Opiconsivia</td>
</tr>
<tr>
<td></td>
<td>Trading 305 Proprietary Limited (as Debt Guarantor), registered 24</td>
</tr>
<tr>
<td></td>
<td>October 2013.</td>
</tr>
<tr>
<td>4.14</td>
<td>Merger Agreement between Sibanye-Stillwater, Gold One International</td>
</tr>
<tr>
<td>4.15</td>
<td>First Addendum to the Merger Agreement between Sibanye-Stillwater,</td>
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<tr>
<td></td>
<td>Gold One International Limited, and Newshelf 1114 Proprietary Limited</td>
</tr>
<tr>
<td></td>
<td>dated 26 September 2013.</td>
</tr>
<tr>
<td>4.16</td>
<td>Second Addendum to the Merger Agreement between Sibanye-Stillwater,</td>
</tr>
<tr>
<td></td>
<td>Gold One International Limited, and Newshelf 1114 Proprietary Limited</td>
</tr>
<tr>
<td></td>
<td>dated 17 February 2014.</td>
</tr>
<tr>
<td>4.17</td>
<td>Third Addendum to the Merger Agreement between Sibanye-Stillwater,</td>
</tr>
<tr>
<td></td>
<td>Gold One International Limited, and Newshelf 1114 Proprietary Limited</td>
</tr>
<tr>
<td></td>
<td>dated 24 March 2014.</td>
</tr>
<tr>
<td>4.18</td>
<td>Fourth Addendum to the Merger Agreement between Sibanye-Stillwater,</td>
</tr>
<tr>
<td></td>
<td>Gold One International Limited, and Newshelf 1114 Proprietary Limited</td>
</tr>
<tr>
<td></td>
<td>dated 30 April 2014.</td>
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<tr>
<td>4.19</td>
<td>Fifth Addendum to the Merger Agreement between Sibanye-Stillwater,</td>
</tr>
<tr>
<td></td>
<td>Gold One International Limited, and Newshelf 1114 Proprietary Limited</td>
</tr>
<tr>
<td></td>
<td>dated 6 May 2014.</td>
</tr>
<tr>
<td>4.20</td>
<td>Sixth Addendum to the Merger Agreement between Sibanye-Stillwater,</td>
</tr>
<tr>
<td></td>
<td>Gold One International Limited, and Newshelf 1114 Proprietary Limited</td>
</tr>
<tr>
<td></td>
<td>dated 15 May 2014.</td>
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<tr>
<td>No.</td>
<td>Exhibit</td>
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<tr>
<td>4.21</td>
<td>Indemnity Agreement among Orogen, Gold Fields, GFO, GFH and Sibanye-Stillwater, in respect of Sibanye-Stillwater’s obligations under the Notes, dated 20 December 2012.¹</td>
</tr>
<tr>
<td>4.23</td>
<td>Agreement between Neal Froneman and Sibanye-Stillwater, dated 7 December 2012.¹</td>
</tr>
<tr>
<td>4.24</td>
<td>Agreement between Charly Keyter and Sibanye-Stillwater, dated 7 December 2012.¹</td>
</tr>
<tr>
<td>4.25</td>
<td>Term Loan Facility Agreement between Sibanye Gold Limited (previously Southgold Exploration Proprietary Limited), the Financial Institutions listed in Schedule 1, Credit Suisse AG, Standard Chartered Bank and Purple Rain Security SPV (RF) Proprietary Limited, dated 17 April 2014.⁴</td>
</tr>
<tr>
<td>4.26</td>
<td>First Amendment to the Term Loan Facility Agreement between Sibanye Gold Limited (previously Southgold Exploration Proprietary Limited), the Financial Institutions listed in Schedule 1, Credit Suisse AG, Standard Chartered Bank and Purple Rain Security SPV (RF) Proprietary Limited, dated 26 June 2014.⁴</td>
</tr>
<tr>
<td>4.27</td>
<td>Second Amendment to the Term Loan Facility Agreement between Sibanye Gold Limited (previously Southgold Exploration Proprietary Limited), the Financial Institutions listed in Schedule 1, Credit Suisse AG, Standard Chartered Bank and Purple Rain Security SPV (RF) Proprietary Limited, dated 1 July 2014.⁴</td>
</tr>
<tr>
<td>4.28</td>
<td>Third Amendment to the Term Loan Facility Agreement between Sibanye Gold Limited (previously Southgold Exploration Proprietary Limited), the Financial Institutions listed in Schedule 1, Credit Suisse AG, Standard Chartered Bank and Purple Rain Security SPV (RF) Proprietary Limited, dated 8 July 2014.⁴</td>
</tr>
<tr>
<td>4.32</td>
<td>Implementation Agreement between Sibanye Gold Limited and Sibanye Platinum Bermuda Proprietary Limited and Aquarius Platinum Limited, signed on 6 October 2015.⁵</td>
</tr>
<tr>
<td>4.34</td>
<td>$350 million Bridge Facility Agreement between Sibanye Gold Limited and HSBC Bank plc, dated 5 October 2015.⁵</td>
</tr>
<tr>
<td>4.35</td>
<td>Revolving Credit Facility Agreement between ABSA Bank Limited (acting through its Corporate and Investment Banking Division), Bank of China Limited, Johannesburg Branch, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Nedbank Limited, The Standard Bank of South Africa Limited and Sibanye-Stillwater, dated 15 November 2016.⁶</td>
</tr>
<tr>
<td>4.36</td>
<td>Amended and Restated Agreement relating to a ZAR6,000,000,000 Revolving Facility Agreement between ABSA Bank Limited (acting through its Corporate and Investment Banking Division), Bank of China Limited, Johannesburg Branch, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), Nedbank Limited, The Standard Bank of South Africa Limited and Sibanye-Stillwater, dated 24 August 2018.⁶</td>
</tr>
<tr>
<td>4.39</td>
<td>Indenture, with respect to 6.125% Senior Notes due 2022 and 7.125% Senior Notes due 2025, among Stillwater Mining Company, as issuer, Sibanye Gold Limited as guarantor, the other guarantors party thereto and The Bank Of New York Mellon, London Branch, as Trustee, dated 27 June 2017.⁷</td>
</tr>
<tr>
<td>4.40</td>
<td>First Supplemental Indenture, with respect to 6.125% Senior Notes due 2022 and 7.125% Senior Notes due 2025, among Stillwater Mining Company, as issuer, Sibanye Gold Limited as guarantor, the other guarantors party thereto and The Bank Of New York Mellon, London Branch, as Trustee, dated 23 January 2019.⁷</td>
</tr>
<tr>
<td>4.41</td>
<td>Trust Deed, with respect to USD 450,000,000 1.875% Guaranteed Convertible Bonds due 2023, among Sibanye Gold Limited, as issuer, Stillwater Mining Company and Kroondal Operations Proprietary Limited, as guarantors, and BNY Mellon Corporate Trustee Services Limited, as Trustee, dated 28 March 2018.⁷</td>
</tr>
<tr>
<td>4.42</td>
<td>Supplemental Trust Deed, with respect to USD 450,000,000 1.875% Guaranteed Convertible Bonds due 2023, among Sibanye Gold Limited, as issuer, Stillwater Mining Company and Kroondal Operations Proprietary Limited, as guarantors, and BNY Mellon Corporate Trustee Services Limited, as Trustee, dated 28 March 2018.⁷</td>
</tr>
<tr>
<td>4.43</td>
<td>Co-operation Agreement between Sibanye and Lonmin plc, dated 14 December 2017.⁷</td>
</tr>
<tr>
<td>No.</td>
<td>Exhibit</td>
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</tbody>
</table>
8 |  
8.1 | List of subsidiaries of the registrant.  
12.1 | Certification of Chief Executive Officer.  
12.2 | Certification of Chief Financial Officer.  
13.1 | Certification of Chief Executive Officer.  
13.2 | Certification of Chief Financial Officer.  
15.1 | Letter from KPMG Inc. to the Securities and Exchange Commission regarding a change in certifying accountant.  
16 | Mine Safety Disclosures.  
101.INS | XBRL Instance Document  
101.SCH | XBRL Taxonomy Extension Scheme Linkbase Document  
101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document  
101.DEF | XBRL Taxonomy Extension Definition Linkbase Document  
101.LAB | XBRL Taxonomy Extension Label Linkbase Document  
101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document  

1 Filed as an exhibit to the registration statement on Form 20-F (File No. 001-35785), filed by Sibanye-Stillwater with the Securities and Exchange Commission on 16 January 2013.  
2 Filed as an exhibit to the registration statement on Form 20-F (File No. 001-35785), filed by Sibanye-Stillwater with the Securities and Exchange Commission on 1 February 2013.  
3 Filed as an exhibit to the annual report on Form 20-F (File No. 001-35785), filed by Sibanye-Stillwater with the Securities and Exchange Commission on 29 April 2014.  
4 Filed as an exhibit to the annual report on Form 20-F (File No. 001-35785), filed by Sibanye-Stillwater with the Securities and Exchange Commission on 24 March 2015.  
5 Filed as an exhibit to the annual report on Form 20-F (File No. 001-35785), filed by Sibanye-Stillwater with the Securities and Exchange Commission on 21 March 2016.  
6 Filed as an exhibit to the annual report on Form 20-F (File No. 001-35785), filed by Sibanye-Stillwater with the Securities and Exchange Commission on 6 April 2017.  
7 Filed as an exhibit to the annual report on Form 20-F (File No. 001-35785), filed by Sibanye-Stillwater with the Securities and Exchange Commission on 30 March 2018.  
8 Confidential portions of this exhibit have been omitted.
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.

SIBANYE GOLD LIMITED

/s/ Charl Keyter

Name: Charl Keyter
Title: Chief Financial Officer
Date: 8 April 2019
MEMORANDUM OF INCORPORATION FOR A PUBLIC COMPANY

Name of company: SIBANYE GOLD LIMITED

Registration Number: 2002/031431/06

This Memorandum of Incorporation ("MOI") was adopted by Special Resolution passed on 25 April 2017, a copy of which was Filed, together with the notice of amendment, in substitution for the Company’s existing MOI, consisting of the memorandum of association and the articles of association of the Company (which were the constitutional documents of the Company in terms of the Companies Act, No. 61 of 1973). This MOI takes effect (in terms of section 16(9)(b)(i) of the Companies Act) on the date of Filing hereof, together with the notice of amendment.
1. **INTERPRETATION**

In this MOI, –

1.1. words that are defined in the Companies Act (which are contained in Schedule 1 for easy reference but which do not form part of this MOI for purposes of interpretation) but not defined in this MOI will bear the same meaning in this MOI as in the Companies Act. For ease of reading, such terms have been capitalised in this MOI;

1.2. unless the context otherwise requires –

1.2.1. "**Companies Act**" means the Companies Act, No 71 of 2008, as amended or any legislation which replaces it;

1.2.2. "**Company**" means Sibanye Gold Limited, 2002/031431/06, or by whatever other name it may be known from time to time;

1.2.3. "**Deliver**" means deliver in the manner in which the Company is entitled to give notice or deliver documents in accordance with clause 34 *(Notices)* and the Companies Act and Regulations and shall, where permitted by the Companies Act and the listings requirements of the JSE, include delivery of an abridged document together with instructions as to how the recipient may obtain an unabridged version of such document;

1.2.4. "**Effective Date**" means the date on which the Companies Act came into operation, namely 1 May 2011;

1.2.5. "**Electronic Address**" means in regard to Electronic Communication, any email address furnished to the Company by the Holder;

1.2.6. "**Holders**" means registered holders of Securities;

1.2.7. "**Ineligible or Disqualified**" means ineligible or disqualified as contemplated in the Companies Act (as set out in Schedule 2 for easy reference but which does not form part of this MOI for purposes of interpretation), which shall apply not only to Directors, but also to the Prescribed Officers and the secretary of the Company;

1.2.8. "**JSE**" means the exchange operated by JSE Limited, registration number 2005/022939/06 (or any other name by which it may be known in the future), or its successor body;
1.2.9. "MOI" means this Memorandum of Incorporation as now framed or as from time to time altered by Special Resolution;

1.2.10. "Participant" means a depository institution accepted by a Central Securities Depository as a participant in terms of the Securities Services Act;

1.2.11. "Regulations" means regulations published pursuant to the Companies Act from time to time;

1.2.12. "Round Robin Resolution" means, subject to clause 29.13, a resolution adopted by Written consent of a majority of the Directors, given in person or by Electronic Communication, provided that each Director has received notice of the matter to be decided upon;

1.2.13. "Securities Services Act" means the Securities Services Act, No 36 of 2004, as amended or any legislation which replaces it;

1.2.14. "Shares" means the shares in the share capital of the Company;

1.2.15. "Uncertificated Securities" means Securities as defined in the Securities Services Act which are by virtue of the Companies Act transferrable without a written instrument and are not evidenced by a certificate;

1.2.16. "Writing" or "Written" includes Electronic Communication and delivery of a data storage device containing Electronic Communication, but as regards any Holder entitled to vote, only to the extent that such Holder has notified the Company of an Electronic Address;

1.3. references to Holders represented by proxy shall include Holders entitled to vote represented by an agent appointed under a general or special power of attorney;

1.4. references to Holders entitled to vote Present at a Meeting or acting in person shall include Juristic Persons represented by a duly authorised representative or acting in the manner prescribed in the Companies Act;

1.5. the headings are for reference purposes only and shall not affect the interpretation of this MOI;

1.6. words in the singular number shall include the plural, and words in the plural number shall include the singular, one gender will include the other genders, and words importing persons shall include created entities (corporate or not);
1.7. if any term is defined within the context of any particular clause in the MOI, the term so defined, unless it
is clear from the clause in question that the term so defined has limited application to the relevant clause,
shall bear the meaning ascribed to it for all purposes in terms of this MOI, notwithstanding that that term
has not been defined in this interpretation provision;

1.8. save to the extent that item 4(4) of Schedule 5 of the Companies Act may permit this MOI to prevail, if the
provisions of this MOI are in any way inconsistent with the provisions of the Companies Act, the provisions
of the Companies Act shall prevail, and this MOI shall be read in all respects subject to the Companies
Act;

1.9. the rule of construction that a contract shall be interpreted against the party responsible for the drafting or
preparation of the contract, shall not apply to this MOI;

1.10. if and for so long as the Company might be a Wholly-Owned Subsidiary, nothing shall be read or
interpreted as removing or restricting the rights granted to such a company in terms of section 57(2) of the
Companies Act.

1.11. Any express references in this MOI to compliance with the listings requirements of the JSE, obtaining the
consent of the JSE or other like references to the JSE shall apply only for so long as the Company is listed
on the JSE.

2. CALCULATION OF BUSINESS DAYS

When a particular number of Business Days is provided for between the happening of one event and another, the
number of days must be calculated by –

2.1. excluding the day on which the first such event occurs;

2.2. including the day on or by which the second event is to occur; and

2.3. excluding any public holiday in the Republic of South Africa, Saturday or Sunday that falls on or between
the days contemplated in clauses 2.1 and 2.2 respectively.

3. PUBLIC COMPANY

The Company is a Public Company as it is not a Private Company or a State-Owned Company or a Personal
Liability Company.

4. POWERS AND CAPACITY OF THE COMPANY

4.1. The Company has the powers and capacity of an Individual and is not subject to any special conditions.
4.2. Notwithstanding the omission from this MOI of any provision to that effect, the Company may do anything which the Companies Act empowers a company to do if so authorised by its MOI.

5. AMENDMENTS TO THE MOI

Subject to the provisions of the Companies Act and the listings requirements of the JSE, save for –

5.1. correcting errors substantiated as such from objective evidence or which are self-evident errors (including, but without limitation *eiusdem generis*, spelling, punctuation, reference, grammar or similar defects) in the MOI, which the Board is empowered to do; and

5.2. amendments of the MOI effected in compliance with a court order in the manner contemplated in section 16(1)(a), read with section 16(4) of the Companies Act,

all other amendments of the MOI, including but not limited to –

5.3. the creation of any class of Shares;

5.4. the variation of any preferences, rights, limitations and other terms attaching to any class of Shares;

5.5. the conversion of one class of Shares into one or more other classes;

5.6. an increase in the number of the Company’s authorised equity Securities;

5.7. a consolidation of the Company’s equity Securities;

5.8. a sub-division of the Company’s equity Securities; and/or

5.9. the change of the Company’s name,

shall be effected in accordance with section 16(1)(c) of the Companies Act and must be approved by a Special Resolution passed by the Holders of the ordinary Shares. The Board shall publish a copy of any correction effected by the Board in accordance with clause 5.1 on the Company’s web site.

6. THE MAKING OF RULES

The Board shall not have the capacity to make, amend or repeal any Rules relating to the governance of the Company in respect of matters that are not addressed in the Companies Act or in this MOI, as contemplated in sections 15(3) to (5) of the Companies Act and in the listings requirements of the JSE. [10.4]
7. **AUTHORISED SECURITIES AND ALLOTMENT AND ISSUE**

7.1. The Company is authorised to issue the following number and class of Shares (which includes Shares already issued at the Effective Date) –

10 000 000 000 (ten billion) no par value Shares, which shall have Voting Rights in respect of every matter that may be decided by the Company on the following basis –

7.1.1. every Person entitled to vote who is Present at a Meeting, shall be entitled to –

7.1.1.1. 1 (one) vote on a show of hands irrespective of the number of no par value Shares she holds or represents; provided that a proxy shall irrespective of the number of Shareholders she represents have only 1 (one) vote; or

7.1.1.2. that proportion of the total votes in the Company which the aggregate amount of the nominal value of the no par value Shares held by her bears to the aggregate amount of the nominal value of all no par value Shares issued by the Company in respect of every matter that may be decided by polling; and

7.1.2. rank after all other classes of Shares in the Company which do not rank pari passu with the no par value Shares as regards Distributions, but save as aforesaid shall be entitled to receive the net assets of the Company upon its liquidation.

7.2. The Board shall not have the power to amend the authorisation (including increasing or decreasing the number) and classification of Shares (including determining rights and preferences) as contemplated in section 36(2)(b) or 36(3) of the Companies Act.

7.3. All Securities of a class shall rank pari passu in all respects.

7.4. Notwithstanding any implication in this MOI to the contrary, the Board may not authorise any financial assistance by the Company in connection with the subscription for or purchase of its Securities or those of a Related or Inter-Related company without complying with section 44(3) of the Companies Act.

8. **AUTHORITY TO ISSUE SECURITIES**

8.1. The Board shall not have the power to issue authorised Shares other than –

8.1.1. issues as contemplated in clause 8.4; and
8.1.2. issues in respect of a rights offer as contemplated in clause 9.1 or issues as contemplated in clause 9.2,
without the prior approval contemplated in clause 8.2 and, for so long as the Company is listed on the JSE, the approval of the JSE (where necessary).

8.2. As regards the issue of :-

8.2.1. Shares that require the approval of a Special Resolution as contemplated in sections 41(1) and (3) of the Companies Act or, for so long as the Company is listed on the JSE, as contemplated in the listings requirements of the JSE, the Directors shall not have the power to allot or issue same, without the prior approval of a Special Resolution;

8.2.2. Shares, other than as contemplated in clause 8.2.1, or other Equity Securities, including options in respect thereof, the Directors shall not have the power to allot or issue same, without the prior approval of an Ordinary Resolution adopted with the support of more than 50% (fifty per cent) of the Voting Rights Exercised on the resolution;

provided that, for so long as the Company is listed on the JSE, such issue has been approved by the JSE and is made subject to the listings requirements of the JSE.

8.3. Any such approval may be in the form of a general authority to the Directors, whether conditional or unconditional, to allot or issue any such Equity Securities contemplated in clauses 8.2.1 and 8.2.2 in their discretion, or in the form of a specific authority in respect of any particular allotment or issue of such Equity Securities contemplated in clauses 8.2.1 and 8.2.2. Such authority shall endure for the period provided in the Ordinary or Special Resolution in question but may be revoked by Ordinary Resolution or Special Resolution, as the case may be, at any time.

8.4. The Board may –

8.4.1. create and issue Debt Instruments as contemplated in section 43(1)(a) of the Companies Act, on such terms and conditions and in such manner as the Company or the Board may from time to time determine, in accordance with the requirements of section 43 of the Companies Act, provided that, for as long as the Company is listed on the JSE, no special privileges may be granted to secured and unsecured Debt Instruments as contemplated in the listings requirements of the JSE; and
8.4.2. issue capitalisation Shares or offer a cash payment in lieu of awarding a capitalisation Share, in accordance with section 47 of the Companies Act.

8.5. No Shares of a class which is listed may be issued other than as fully paid.

9. **PRE-EMPTION ON ISSUE OF ORDINARY SHARES**

9.1. Equity Securities of a particular class in the Company which are authorised but unissued and which are intended to be issued for cash, shall be offered to the existing Holders of that class of equity Securities by way of a rights offer *pro rata* to the Voting Power of that Shareholder’s Voting Rights of that class of equity Securities immediately before the offer was made (with a reasonable time allowed to subscribe), unless:

9.1.1. the approvals contemplated in clause 8.1 have been obtained;

9.1.2. a capitalisation issue, an issue for an acquisition of assets (including another company) or an Amalgamation or Merger is to be undertaken;

9.1.3. the equity Securities are to be issued in terms of option or conversion rights,

provided that no fraction of an equity Security may be issued and accordingly any fractional entitlement to an equity Security shall be rounded down to the nearest whole number if it is less than half and shall be rounded up to the nearest whole number if it is equal to or more than half.

9.2. After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the Person to whom the offer is made that she declines to accept the equity Securities offered, the Directors may, subject to the aforegoing provisions, issue such equity Securities in such manner as they think most beneficial to the Company.

10. **CERTIFICATES EVIDENCING ISSUED SECURITIES, UNCERTIFICATED SECURITIES AND SECURITIES REGISTER**

10.1. The Securities issued by the Company may either be certificated (that is evidenced by a certificate) or uncertificated in which case the Company must not issue certificates evidencing or purporting to evidence title to those Securities. When any new Securities are to be issued by the Company, the subscriber shall, subject to the Companies Act, be entitled to elect whether all or part of the Securities offered to her shall be in certificated or uncertificated form. Each original certificate issued to a Holder in certificated form shall be issued without charge, but for every subsequent certificate issued in respect of the same
Securities to the same Holder, the Directors shall be entitled, as they may deem fit, to require a charge in settlement of the reasonable costs included in such issue.

10.2. The Company shall convert its share register into a Securities Register with effect from the Effective Date and maintain such Securities Register in accordance with the prescribed standards, which Securities Register shall reflect –

10.2.1. the number of Securities authorised and the number available to be issued and the date of authorisation;

10.2.2. the total number of Securities of a class that have been issued, re-acquired or surrendered to the Company;

10.2.3. the number of Securities of a class that are held in uncertificated form;

10.2.4. the number of Securities of that class that are the subject of options or conversion rights which, if Exercised, would require Securities of that class to be issued;

10.2.5. in the case of uncertificated Securities, a unique identifying number of the Person to, from or by whom the Securities were issued, re-acquired or surrendered, as the case may be;

10.2.6. details of any unlisted Securities issued by the Company.

10.3. As soon as practicable after –

10.3.1. issuing any Securities, the Company must enter or cause to be entered in its Securities Register, in respect of every class of Securities that it has issued –

10.3.1.1. with respect to certificated Securities –

10.3.1.1.1. the names and addresses and identity numbers of the Persons to whom the Securities were issued;

10.3.1.1.2. those Persons’ Electronic Addresses who have furnished them;

10.3.1.1.3. the number and class of Securities issued to each of them, the date of issue, distinguishing numbers of such certificated Securities and the Consideration for which the Securities were issued;
10.3.1.4. the number of, and prescribed circumstances relating to, any Securities –

10.3.1.4.1. that have been placed in trust as contemplated in section (40)(6)(d) of the Companies Act; or

10.3.1.4.2. whose transfer has been restricted;

10.3.1.5. as regards Securities as contemplated in section 43 of the Companies Act –

10.3.1.5.1. the number of those Securities issued and outstanding;

10.3.1.5.2. the names and addresses of the registered owners of such Securities and any holders of a Beneficial Interest in such Securities;

10.3.1.6. any other information prescribed in terms of the Companies Act from time to time;

10.3.2. the total number of uncertificated Securities from time to time;

10.3.2. the re-acquisition or surrender of any Securities, the Company must enter or cause to be entered in its Securities Register, in respect of every class of Securities –

10.3.2.1. the date on which the Securities were re-acquired or surrendered to the Company;

10.3.2.2. the distinguishing number or numbers of any certificated Securities re-acquired or surrendered to the Company;

10.3.2.3. the Consideration for which the Securities were re-acquired by, or surrendered to the Company; and

10.3.2.4. the name of the Person from or by whom the Securities were re-acquired or surrendered, as the case may be;
10.3.3. the transfer of any Securities, the Company must enter or cause to be entered in its Securities Register, in respect of every class of Securities transferred –

10.3.3.1. the names and addresses and identity numbers of the transferee to whom the Securities were transferred;

10.3.3.2. those transferees' Electronic Addresses who have furnished them;

10.3.3.3. the number and class of Securities transferred, the date of the transfer, distinguishing numbers of such certificated Securities and the Consideration for which the Securities were transferred;

10.3.3.4. the value of any Consideration still to be received by the Company on such Securities in the case of a transfer of Securities contemplated in sections 40(5) and (6) of the Companies Act.

10.4. In respect of uncertificated Securities, the Company shall ensure that a record is administered and maintained by a Participant or Central Securities Depository as the Company’s uncertificated Securities Register, which shall form part of the Company’s Securities Register and which shall contain the details with respect to the uncertificated Securities referred to in clause 10.3.1, read with the changes required by the context.

10.5. The Company shall establish and maintain a register to record all Beneficial Interests disclosures made in terms of section 56 of the Companies Act, including the following information for any Securities in respect of which a disclosure was made –

10.5.1. the name and unique identifying number of the Holder of the Securities;

10.5.2. the number, class and the distinguishing numbers of the Securities; and

10.5.3. for each Person who holds a Beneficial Interest in the Securities, the extent of the Person’s Interest in the Securities, together with that Person’s –

10.5.3.1. name and unique identity number;

10.5.3.2. business, residential or postal address;

10.5.3.3. Electronic Address if available.

10.6. Securities certificates shall be issued in such manner and form as the Directors shall from time to time prescribe save that they must –
10.6.1. state on the face –

10.6.1.1. the name of the Company;

10.6.1.2. the name of the Person to whom the Securities were issued;

10.6.1.3. the number and class of Shares and the designation of the series, if any, evidenced by that certificate; and

10.6.1.4. any restriction on the transfer of the Securities (which are not listed on the JSE) evidenced by that certificate;

10.6.2. be signed by two Persons authorised by the Board by autographic, mechanical or electronic means.

10.7. Each class of Shares, and any other Securities, must be distinguished by an appropriate numbering system.

10.8. Each Holder shall be entitled to 1 (one) certificate for all the Securities of a particular class registered in his name, or to several certificates, each for a part of such Securities.

10.9. A certificate for Securities registered in the names of 2 (two) or more Persons shall be Delivered to the Person first named in the Securities Register and Delivery of a certificate for Securities to that Person shall be a sufficient Delivery to all joint Holders.

10.10. If a certificate for Securities is defaced, lost or destroyed, it may be renewed, on such terms, as to evidence and indemnity, and upon payment of such fee as the Directors think fit, and (in case of defacement) on delivery of the old certificate to bearer to the Company.

10.11. A Person –

10.11.1. acquires the rights associated with any particular Securities of the Company when that Person’s name is entered in the Company’s Securities Register as a Person to whom those Securities have been issued or transferred; and

10.11.2. ceases to have the rights associated with any particular Securities of the Company when the transfer to another Person, re-acquisition by the Company, or surrender to the Company of those Securities has been entered in the Company’s Securities Register.

10.12. After receiving a notice from a Central Securities Depository or Participant that a Holder who wishes to withdraw all or part of the uncertificated Securities held by that Person in an
uncertificated Securities Register, and obtain a certificate in respect of those withdrawn Securities, the Company must –

10.12.1. immediately enter the relevant Person’s name and details of that Person’s holding of Securities in the Securities Register and indicate on the Securities Register that the Securities so withdrawn are no longer held in uncertificated form;

10.12.2. within 10 (ten) Business Days, or 20 (twenty) Business Days in the case of a Holder who is not resident within South Africa –

10.12.2.1. prepare and Deliver to the relevant Person a certificate in respect of the Securities; and

10.12.2.2. notify the Central Securities Depository that the Securities are no longer held in uncertificated form, and may charge the Holder a reasonable fee to cover the actual costs of issuing a certificate.

10.13. If the Company issues Securities which are not listed on the JSE, the share certificates for those Securities must be stamped “unlisted securities” and may only be released by the Company with the written permission of the JSE.

10.14. Securities registered in the name of a deceased or insolvent Holder shall not be forfeited if the executor fails to register them in his own name or in the name of the heir(s) or legatee(s), when called upon by the Directors to do so.

11. **PROHIBITION AGAINST VOTING OF SECURITIES BEING HELD BY ONE PERSON FOR THE BENEFICIAL INTEREST OF ANOTHER OR THE COMPANY TAKING ANY LIEN**

11.1 The Company shall permit Securities to be held by one Person for the Beneficial Interest of another. The Company shall not permit Securities to be voted upon by the holder of a Beneficial Interest who does not hold a proxy form from the Holder notwithstanding any agreement permitting the holder of the Beneficial Interest to vote the Securities to the exclusion of the Holder between the Holder and the holder of the Beneficial interest. Notwithstanding anything to the contrary contained in this clause 11, but subject to clause 8.4.1, if the terms and conditions of any Debt Instruments provide that any of the provisions of this clause 0 shall not apply to those Debt Instruments (“Inapplicable Provisions”) (where, in the absence of that provision in the Debt Instruments, those provisions of this clause 11


would so apply) and, provided that the Companies Act does not preclude such provisions of the Debt Instruments, then the Debt Instruments shall prevail over the provisions of this clause 11 insofar as the Inapplicable Provisions are concerned, notwithstanding anything to the contrary contained in this clause 11.

11.1. The Company shall not be entitled to claim any lien over any Securities issued by it.

12. LISTINGS ON OTHER STOCK EXCHANGES

The Company may seek listings on such stock exchanges as the Directors may consider appropriate from time to time.

13. COMMISSION

The Company may pay commission not exceeding 10% (ten per cent) of the subscription price at which Securities of the Company are issued to any Person, in consideration of her subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Securities or of her procuring or agreeing to procure subscriptions, whether absolute or conditional, for any Securities.

14. TRANSFER OF SECURITIES

14.1. There is no restriction on the transfer of Securities.

14.2. The Securities Register (but not any Sub-Registers) may, subject to the listings requirements of the JSE, be closed during such time as the Directors think fit, for purposes of determining the identities of the Persons entitled to receive notice, participate in Distributions or other advantages and/or exercise other rights to which Holders may be entitled.

14.3. The transfer of any Securities which are certificated shall be implemented in accordance with the then common form of transfer. Every instrument of transfer shall be left at the transfer office of the Company at which it is presented for registration, accompanied by the certificate of the Securities to be transferred, and/or such other evidence as the Company may require to prove the title of the transferor or his rights to transfer the Securities.

14.4. The transfer of any Securities which are uncertificated shall be implemented by means of a computer-based system and procedures, which enable title to Securities to be evidenced and transferred without a written instrument, pursuant to the regulations relating to uncertificated Securities, including those contained in the Companies Act and the Securities Services Act.

14.5. All authorities to sign transfer deeds granted by Holders for the purpose of transferring Securities that may be lodged, produced or exhibited with or to the Company at any of its
transfer offices shall as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such time as express notice in Writing of the revocation of the same shall have been given and lodged at the Company’s transfer offices at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices the Company shall be entitled to give effect to any instruments signed under the authority to sign and certified by any officer of the Company, as being in order before the giving and lodging of such notice.

The Company must enter in its Securities Register regarding every transfer of any Securities the information contemplated in clause 10.3.1, any reference to issue being read as a reference to transfer, which entry shall include the date of the transfer provided that such entry may only be made if the transfer—

14.5.1. is evidenced by a proper instrument of transfer that has been delivered to the Company; or
14.5.2. was effected by operation of law.

15. **TRANSMISSION OF SECURITIES BY OPERATION OF LAW**

Subject to the laws relating to securities transfer tax upon or in respect of the estates of deceased Persons and the administration of estates of insolvent and deceased Persons and Persons under disability—

15.1. the parent or guardian or curator of any Holder who is a minor;
15.2. the trustee of an insolvent Holder;
15.3. the liquidator of a body corporate Holder;
15.4. the tutor or curator of a Holder under disability;
15.5. the executor or administrator of the estate of a deceased Holder; or
15.6. any other Person becoming entitled to any Securities held by a Holder by any lawful means other than transfer in terms of this MOI,

shall, upon production of such evidence as may be required by the Directors, have the right either—
15.7. to Exercise the same rights and to receive the same Distributions and other advantages to which she would be entitled if she was the Holder of the Securities registered in the name of the Holder concerned; or

15.8. herself to be registered as the Holder in respect of those Securities and to make such transfer of those Securities as the Holder concerned could have made, but the Directors shall have the same right to decline or suspend registration as they would have had in the case of a transfer of the Securities by the Holder.

16. ACCOUNTING RECORDS AND FINANCIAL STATEMENTS

16.1. The Company shall maintain the necessary Accounting Records which shall be accessible from its Registered Office.

16.2. The Company shall prepare its Financial Statements in accordance with the International Financial Reporting Standards and shall have its annual Financial Statements audited. In addition the annual Financial Statements shall reflect the –

16.2.1. Beneficial Interests of the Directors and Persons who hold Beneficial Interests equal to or in excess of 5% (five per cent) of the total number of Securities of that class issued by the Company, together with the extent of those Beneficial Interests;

16.2.2. status of any Securities issued by the Company which are not listed on the JSE;

16.3. The Directors shall from time to time determine at what times and places (save in the case of Accounting Records which shall be accessible from the Registered Office) and under what conditions, subject to the requirements of the Regulations, the Holders and holders of Beneficial Interests are entitled to inspect and take copies of –

16.3.1. the MOI;

16.3.2. amendments to the MOI;

16.3.3. records in respect of Directors;

16.3.4. Accounting Records required to be maintained by the Company;

16.3.5. reports to Annual General Meetings;

16.3.6. annual Financial Statements;
16.3.7. notices and minutes of Shareholders Meetings;
16.3.8. communications generally to Holders;
16.3.9. the Securities Register.

16.4. Apart from the Holders and holders of Beneficial Interests, no other Person shall be entitled to inspect any of the documents of the Company (other than the Securities Register) unless expressly authorised by the Directors or in accordance with the Promotion of Access to Information Act, No 2 of 2000 as amended.

16.5. The Company shall notify the Holders and the holders of Beneficial Interests of the publication of any annual Financial Statements of the Company, setting out the steps required to obtain a copy of those Financial Statements. If a Holder or the holder of a Beneficial Interest demands a copy of the annual Financial Statements, the Company shall make same available to such holder free of charge.

17. AUDIT COMMITTEE AND AUDITOR

17.1. At each Annual General Meeting, the Company must elect an Audit committee comprising at least 3 (three) members, unless –

17.1.1. the Company is a subsidiary of another company that has an Audit committee; and
17.1.2. the audit committee of that other company will perform the functions required in terms of the Companies Act on behalf of the Company.

17.2. Each member of the Audit committee must –

17.2.1. be a Director, who satisfies any applicable requirements prescribed by the Minister;
17.2.2. not be –

17.2.2.1. involved in the day-to-day management of the Company’s business or have been so involved at any time during the previous financial year;
17.2.2.2. a Prescribed Officer, or full-time employee, of the Company or another Related or Inter-Related company, or have been such an Officer or employee at any time during the previous 3 (three) financial years; or
17.2.2.3. a Material supplier or customer of the Company, such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality or objectivity of that Director is compromised by that relationship,

17.2.3. not be Related to any Person who falls within the criteria set out in clause 17.2.2. In addition, at least one third of the members of the Audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs and/or human resource management.

17.3. The Board must appoint a person to fill any vacancy on the Audit committee within 40 (forty) Business Days after the vacancy arises.

17.4. The Audit committee has the following duties –

17.4.1. to nominate, for appointment as Auditor, a Registered Auditor who, in the opinion of the Audit committee, is independent of the Company;

17.4.2. to determine the fees to be paid to the Auditor and the Auditor’s terms of engagement;

17.4.3. to ensure that the appointment of the Auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors;

17.4.4. to determine the nature and extent of any non-audit services that the Auditor may provide to the Company, subject to compliance with the Companies Act, or that the Auditor must not provide to the Company, or a Related company;

17.4.5. to pre-approve any proposed agreement with the Auditor for the provision of non-audit services to the Company;

17.4.6. to prepare a report, to be included in the annual Financial Statements for that financial year –

17.4.6.1. describing how the Audit committee carried out its functions;

17.4.6.2. stating whether the Audit committee is satisfied that the Auditor was independent of the Company; and
17.4.6.3. commenting in any way the Audit committee considers appropriate on the Financial Statements, the accounting practices and the internal financial control of the Company;

17.4.7. to receive and deal appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, relating to –

17.4.7.1. the accounting practices and internal audit of the Company;

17.4.7.2. the content or auditing of the Company’s Financial Statements;

17.4.7.3. the internal financial controls of the Company; or

17.4.7.4. any related matter;

17.4.8. to make submissions to the Board on any matter concerning the Company’s accounting policies, financial control, records and reporting; and

17.4.9. to perform other oversight functions as may be determined by the Board.

In considering whether, for the purposes of this clause 17.4, a Registered Auditor is independent of the Company, the Audit committee must –

17.4.10. ascertain that the Auditor does not receive any direct or indirect remuneration or other benefit from the Company, except –

17.4.10.1. as Auditor; or

17.4.10.2. for rendering other services to the Company, to the extent permitted in terms of the Companies Act;

17.4.11. consider whether the Auditor’s independence may have been prejudiced –

17.4.11.1. as a result of any previous appointment as Auditor; or

17.4.11.2. having regard to the extent of any consultancy, advisory or other work undertaken by the Auditor for the Company; and

17.4.12. consider compliance with other criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act,
in relation to the Company, and if the Company is a member of a Group of Companies, any other company within that Group.

17.5. Nothing precludes the appointment by the Company at its Annual General Meeting of an Auditor other than one nominated by the Audit committee, but if such an Auditor is appointed, the appointment is valid only if the Audit committee is satisfied that the proposed Auditor is independent of the Company.

17.6. The Company must pay all expenses reasonably incurred by the Audit committee, including, if the Audit committee considers it appropriate, the fees of any consultant or specialist engaged by the Audit committee to assist it in the performance of its functions.

17.7. No Person shall be elected as a member of the Audit committee, if she is Ineligible or Disqualified and any such election shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be elected as a member of the Audit committee nor act as a member of the Audit committee. A Person placed under probation by a court must not serve as a member of the Audit committee unless the order of court so permits.

17.8. A member of the Audit committee shall cease to hold office as such immediately when she becomes Ineligible or Disqualified in terms of the Companies Act.

17.9. There are no general qualifications prescribed by the Company for a Person to serve as a member of the Audit committee in addition to the requirements of the Companies Act and the Regulations.

17.10. The Company shall appoint an Auditor at its Annual General Meeting provided that if an Annual General Meeting does not appoint or reappoint an Auditor, the Directors must fill the vacancy in the office in terms of the procedure contemplated in section 91 of the Companies Act within 40 (forty) Business Days after the date of the Annual General Meeting. A retiring Auditor may be automatically re-appointed at an Annual General Meeting without any resolution being passed, unless –

17.10.1. the retiring Auditor is –

17.10.1.1. no longer qualified for appointment;

17.10.1.2. no longer willing to accept the appointment, and has so notified the Company; or

17.10.1.3. required to cease serving as Auditor, in terms of section 92 of the Companies Act;
17.10.2. the Audit committee objects to the re-appointment; or

17.10.3. the Company has notice of an intended resolution to appoint some other person or persons in place of the retiring Auditor.

17.11. Any firm of auditors appointed by the Company as the Auditor shall ensure that the Individual responsible for performing the Audit must comply with the requirements of section 90(2) of the Companies Act, provided that –

17.11.1. the same Individual may not serve as the Auditor or designated Auditor for more than 5 (five) consecutive financial years;

17.11.2. if an Individual has served as the Auditor or designated auditor for 2 (two) or more consecutive financial years and then ceases to be the Auditor or designated auditor, the Individual may not be appointed again as the Auditor or designated auditor until after the expiry of at least 2 (two) further financial years.

17.12. The Auditor –

17.12.1. has the right of access at all times to the Accounting Records and all books and documents of the Company, and is entitled to require from the Directors or Prescribed Officers any information and explanations necessary for the performance of the Auditor’s duties;

17.12.2. if the Company is a Holding Company, has the right of access to all current and former Financial Statements of any Subsidiary and is entitled to require from the Directors or Prescribed Officers of the Company or Subsidiary any information and explanations in connection with any such statements and in connection with the Accounting Records, books and documents of the Subsidiary as necessary for the performance of the Auditor’s duties; and

17.12.3. is entitled to –

17.12.3.1. attend any Shareholders Meeting;

17.12.3.2. receive all notices of and other communications relating to any Shareholders Meeting; and

17.12.3.3. be heard at any Shareholders Meeting on any part of the business of the meeting that concerns the Auditor’s duties or functions.

17.12.4. may not perform any services for the Company –
17.12.4.1. that would place the Auditor in a conflict of interest as prescribed or determined by the Independent Regulatory Board for Auditors in terms of section 44(6) of the Auditing Profession Act; or

17.12.4.2. as may be prescribed by the Audit committee.

17.13. If a vacancy arises in the office of Auditor, the Board –

17.13.1. must appoint a new Auditor within 40 (forty) Business Days, if there was only 1 (one) incumbent Auditor; and

17.13.2. may appoint a new Auditor at any time, if there was more than 1 (one) incumbent, but while any such vacancy continues, the surviving or continuing Auditor may act as Auditor of the Company.

If, by comparison with the membership of a firm at the time of its latest appointment, less than ½ (one half) of the members remain after a change in the composition of the members, that change constitutes the resignation of the firm as Auditor of the Company, giving rise to a vacancy.

17.14. Before making an appointment in terms of clause 17.13, the Board –

17.14.1. must propose to the Audit committee, within 15 (fifteen) Business Days after the vacancy occurs, the name of at least one Registered Auditor to be considered for appointment as the new Auditor; and

17.14.2. may proceed to make an appointment of a Person proposed in terms of clause 17.14.1 if, within 5 (five) Business Days after delivering the proposal, the Audit committee does not give notice in writing to the Board rejecting the proposed auditor.

17.15. The provisions of clauses 31.4 and 31.5 apply mutatis mutandis to the Auditor.

18. SHAREHOLDERS MEETINGS

18.1. The Company shall convene an Annual General Meeting once in every calendar year, but no more than 15 (fifteen) months after the date of the previous Annual General Meeting, or within an extended time allowed by the Companies Tribunal, on good cause shown, which must, at a minimum, provide for the following business to be transacted –

18.1.1. presentation of –
18.1.1. the Directors’ report;
18.1.1.2. audited Financial Statements for the immediately preceding financial year;
18.1.1.3. the Audit committee report as contemplated in clause 17.4.6;
18.1.2. election of Directors, to the extent required by the Companies Act or the MOI;
18.1.3. appointment of –
   18.1.3.1. an Auditor for the ensuing year;
   18.1.3.2. an Audit committee;
18.1.4. any matters raised by Holders, with or without advance notice to the Company.

18.2. The Company shall hold a Shareholders Meeting in order to consider one or more resolutions and shall not permit a resolution that could be voted on at a Shareholders Meeting to be dealt with by a round robin resolution of those Persons entitled to vote. In particular, all Shareholders Meetings convened in terms of the listings requirements of the JSE must be held in person and may not be held by means of a written resolution as contemplated in section 60 of the Companies Act.

18.3. Unless otherwise agreed with the JSE, no resolution may be proposed to be considered by Shareholders in terms of section 20(2) and (6) of the Companies Act, if such a resolution would lead to the ratification of an act that is contrary to the listings requirements of the JSE.

18.4. A Company must hold a Shareholders Meeting at any time that the Board is required by the Companies Act, the listings requirements of the JSE or this MOI to refer a matter to Holders entitled to vote for decision.

18.5. Each resolution shall be expressed with sufficient clarity and specificity and accompanied by sufficient information / explanatory material to enable a Person who is entitled to vote on the resolution to determine whether to participate in the Shareholders Meeting, if applicable, and to seek to influence the outcome of the vote on the resolution. Once a resolution has been approved, it may not be challenged or impugned on the ground that it did not comply with the aforegoing.

18.6. The Board or, if the Company has no Directors, any single Holder entitled to vote, may, whenever she thinks fit, convene a Shareholders Meeting. The Board must convene a
18.6.1. each such demand describes the specific purpose for which the Shareholders Meeting is proposed; and

18.6.2. in aggregate, demands for substantially the same purpose are made and signed by the Holders, at the earliest time specified in any of those demands, of at least 10% (ten per cent) of the Voting Rights entitled to be Exercised in relation to the matter proposed to be considered at the Shareholders Meeting.

18.7. Every Shareholders Meeting shall be held where the Board determines from time to time. The authority of the Company to conduct a Shareholders Meeting entirely by Electronic Communication, or to provide for participation in a Shareholders Meeting by Electronic Communication so long as the Electronic Communication employed ordinarily enables all Persons participating in that Shareholders Meeting to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the Shareholders Meeting, as set out in section 63(2) of the Companies Act, is not limited or restricted.

18.8. The Holder of any Securities which are in certificated form (and thus not subject to the rules of Strate as the Central Securities Depository) in which any Person has a Beneficial Interest must deliver to each such Person –

18.8.1. a notice of any Shareholders Meeting of the Company at which those Securities may be voted within 2 (two) Business Days after receiving such a notice from the Company; and

18.8.2. a proxy appointment to the extent of that Person’s Beneficial Interest, if the Person so demands in compliance with section 56(11) of the Companies Act.

18.9. The Company shall deliver a notice of each Shareholders Meeting in the prescribed manner and form to the JSE and all Holders as of the Record Date for receipt of the notice of the meeting, at least 15 (fifteen) Business Days before the meeting is to be held. An announcement shall also be made on SENS.

18.10. A Holder entitled to vote, who is Present at a Meeting –

18.10.1. is regarded as having received or waived notice of the Shareholders Meeting if at least the required minimum notice was given;

18.10.2. has a right to –
18.10.2.1. allege a Material defect in the form of notice for a particular item on the agenda for the Shareholders Meeting; and

18.10.2.2. participate in the determination whether to waive the requirements for notice, if less than the required minimum notice was given, or to ratify a defective notice; and

18.10.3. except to the extent set out in clause 18.10.2, is regarded to have waived any right based on an actual or alleged Material defect in the notice of the Shareholders Meeting.

18.11. A notice of a Shareholders Meeting must be in writing, in plain language and must include –

18.11.1. the date, time and place for the Shareholders Meeting, and the Record Date for determining the Holders entitled to participate in and vote at the Shareholders Meeting;

18.11.2. the general purpose of the Shareholders Meeting, and any specific purpose contemplated in clause 18.1, if applicable;

18.11.3. in the case of the Annual General Meeting, a copy of the annual Financial Statements for the preceding financial year unless it has been distributed them previously;

18.11.4. a copy of any proposed resolution, of which the Company has received notice in terms of section 61(3) of the Companies Act, and which is to be considered at the meeting, and a notice of the percentage of Voting Rights that will be required for that resolution to be adopted;

18.11.5. a reasonably prominent statement that –

18.11.5.1. a Holder entitled to attend and vote at the Shareholders Meeting shall be entitled to appoint a proxy to attend, participate in, speak and vote at the Shareholders Meeting in the place of the Holder entitled to vote;

18.11.5.2. a proxy need not be a Holder;

18.11.5.3. a Holder entitled to vote in respect of any Shareholders Meeting may appoint 1 (one) proxy to Exercise Voting Rights attached to the
Securities held by that Holder in respect of such Shareholders Meeting;

18.11.5.4. the proxy may not delegate the authority granted to her as proxy;

18.11.5.5. participants in a Shareholders Meeting are required to present reasonably satisfactory identification in terms of section 63(1) of the Companies Act in order to reasonably satisfy the Person presiding at the Shareholders Meeting that the right of that person to participate and vote either as a Holder or as a proxy, has been reasonably verified;

18.11.5.6. participation in the Shareholders Meeting by Electronic Communication is available, and provide any necessary information to enable Holders entitled to vote or their proxies, to access the available medium or means of Electronic Communication and advise that access to the medium or means of Electronic Communication is at the expense of the Holder entitled to vote or proxy, except to the extent that the Company determines otherwise.

18.12. A Shareholders Meeting may proceed notwithstanding a Material defect in the giving of the notice, subject to clause 18.13, only if every Person who is entitled to Exercise Voting Rights in respect of each item on the agenda of the Shareholders Meeting is Present at a Meeting and votes to approve the ratification of the defective notice.

18.13. If a Material defect in the form or manner of giving notice of a Shareholders Meeting relates only to one or more particular matters on the agenda for the Shareholders Meeting –

18.13.1. any such matter may be severed from the agenda, and the notice remains valid with respect to any remaining matters on the agenda; and

18.13.2. the Shareholders Meeting may proceed to consider a severed matter, if the defective notice in respect of that matter has been ratified.

18.14. An immaterial defect in the form or manner of Delivering notice of a Shareholders Meeting, or an accidental or inadvertent failure in the Delivery of the notice to any particular Holder to whom it was addressed, does not invalidate any action taken at the Shareholders Meeting.

18.15. Business may be transacted at any Shareholders Meeting only while a quorum is present.
18.16. The quorum necessary for the commencement of a Shareholders Meeting shall be sufficient Persons Present at a Meeting to Exercise, in aggregate, at least 25% (twenty five per cent) of all of the Voting Rights that are entitled to be Exercised in respect of at least one matter to be decided at the Shareholders Meeting but –

18.16.1. the Shareholders Meeting may not begin unless in addition at least 3 (three) Holders entitled to vote are Present at a Meeting;

18.16.2. if the Company is a subsidiary of a company, those constituting the quorum must include its Holding Company present in person.

18.17. A matter to be decided at the Shareholders Meeting may not begin to be considered unless those who fulfilled the quorum requirements of clause 18.16, continue to be present. If a resolution is proposed to meet the requirements of the JSE, notwithstanding that the Holders of Securities not listed on the JSE shall be entitled to be counted in the quorum as a matter of law, they shall not be taken into account for the purposes of determining whether or not the quorum requirements of the JSE have been attained.

18.18. If within 30 (thirty) minutes from the time appointed for the Shareholders Meeting to commence, a quorum is not present, the Shareholders Meeting shall be postponed, without motion, vote or further notice, subject to clause 18.21, for 1 (one) week to the same time on the same day in the next week or, if that day be a public holiday in the Republic of South Africa, Saturday or Sunday, to the next succeeding day which is not a public holiday in the Republic of South Africa, Saturday or Sunday, and if at such adjourned Shareholders Meeting a quorum is not present within 30 (thirty) minutes from the time appointed for the Shareholders Meeting to commence, then the Person/s entitled to vote Present at a Meeting shall be deemed to be the requisite quorum.

18.19. A Shareholders Meeting, or the consideration of any matter being debated at the Shareholders Meeting, may be adjourned from time to time without further notice on a motion supported by Persons entitled to Exercise, in aggregate, a majority of the Voting Rights –

18.19.1. held by all of the Persons who are Present at a Meeting at the time; and

18.19.2. that are entitled to be Exercised on at least one matter remaining on the agenda of the Shareholders Meeting, or on the matter under debate, as the case may be.
Such adjournment may be either to a fixed time and place or until further notice (in which latter case a further notice shall be delivered to holders), as agreed at the Shareholders Meeting.

18.20. A Shareholders’ Meeting may not be adjourned beyond 120 (one hundred and twenty) Business Days after the date of that meeting.

18.21. No further notice is required to be delivered by the Company of a Shareholders Meeting that is postponed or adjourned as contemplated in clause 18.18, unless the location or time for the Shareholders Meeting is different from –

18.21.1. the location or time of the postponed or adjourned Shareholders Meeting; or

18.21.2. a location or time announced at the time of adjournment, in the case of an adjourned Shareholders Meeting.

18.22. The chairperson, if any, of the Board shall preside as chairperson at every Shareholders Meeting. If there is no such chairperson, or if at any Shareholders Meeting she is not present within 15 (fifteen) minutes after the time appointed for holding the Shareholders Meeting or is unwilling to act as chairperson, the Holders Present at a Meeting shall elect at the meeting a Director present at the Shareholders Meeting, or if no Director be present at the Shareholders Meeting, or if all the Directors present decline to take the chair, the Holders Present at a Meeting shall select one of their number to be chairperson of the Shareholders Meeting.

18.23. At a Shareholders Meeting a resolution put to the vote shall be decided on a show of hands, unless before the vote on a show of hands or before or on the declaration of the result of the show of hands a poll shall be demanded by –

18.23.1. not less than 5 (five) persons having the right to vote on that matter; or

18.23.2. a Person/s entitled to Exercise not less than 1/10th (one tenth) of the total Voting Rights entitled to vote on that matter; or

18.23.3. the chairperson,

and, unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of such declaration, without proof of the number or proportion of the votes recorded in favour of, or against, such resolution. No objection shall be raised as to the admissibility of any
vote except at the Shareholders Meeting or adjourned Shareholders Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such Shareholders Meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the Shareholders Meeting, whose decision shall be final and conclusive.

18.24. If a poll is duly demanded it shall be taken in such manner as the chairperson directs, save that it shall be taken forthwith, and the result of the poll shall be deemed to be the resolution of the Shareholders Meeting at which the poll was demanded. Scrutineers may be appointed by the chairperson to declare the result of the poll, and if appointed their decision, which shall be given by the chairperson of the Shareholders Meeting, shall be deemed to be the resolution of the Shareholders Meeting at which the poll is demanded. The demand for a poll shall not prevent the continuation of the Shareholders Meeting for the transaction of any business other than the question upon which the poll has been demanded. The demand for a poll may be withdrawn.

18.25. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the Shareholders Meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.

18.26. Any person entitled to a Share in terms of clause 15 (Transmission of Securities by Operation of Law) may vote at any Shareholders Meeting in respect thereof in the same manner as if she was the Holder of that Security, provided that (except where the Directors have previously accepted his right to vote in respect of that Security) at least 24 (twenty four) hours before the time of holding the Shareholders Meeting at which she proposes to vote, she shall have satisfied the Directors that she is entitled to Exercise the right referred to in clause 15 (Transmission of Securities by Operation of Law).

18.27. Every resolution of Shareholders is either an Ordinary Resolution or a Special Resolution. An Ordinary Resolution, save to the extent expressly provided in respect of a particular matter contemplated in this MOI, shall require to be adopted with the support of more than 50% (fifty per cent) of the Voting Rights Exercised on the resolution. A Special Resolution shall require to be adopted with the support of at least 75% (seventy five per cent) of the Voting Rights Exercised on the resolution. For so long as the Company is listed on the JSE, if any of the listings requirements of the JSE require an Ordinary Resolution to be passed with a 75% (seventy five per cent) majority, it will be passed by that majority.

18.28. Subject to any restrictions attaching to any class or classes of Securities which are not ordinary Shares (as no voting restrictions shall be permitted as regards ordinary Shares), on a show of hands a Person entitled to vote Present at a Meeting shall have only 1 (one) vote,
irrespective of the number of Voting Rights that Person would otherwise be entitled to Exercise. A proxy shall, irrespective of the number of holders of Securities entitled to vote she represents, have only 1 (one) vote on a show of hands. On a poll every Person entitled to vote who is Present at a Meeting shall have the number of votes determined in accordance with the Voting Rights associated with the Securities in question. The total Voting Rights of the Holders of all Securities, other than ordinary Shares and any special shares created for the purposes of Black Economic Empowerment, may not exceed 24.99% (twenty four comma nine nine per cent) of the total Voting Rights of all Persons entitled to vote at such a meeting. If a resolution is proposed to meet the requirements of the JSE, notwithstanding that the Holders of Securities not listed on the JSE shall be entitled to vote thereon as a matter of law, their votes shall not be taken into account for the purposes of determining whether or not the requirements of the JSE have been attained.

18.29. In the case of joint Holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Holders; and for this purpose seniority shall be determined by the order in which the names stand in the Securities Register.

18.30. No form appointing a proxy shall be valid after the expiration of 1 (one) year from the date when it was signed unless the proxy itself provides for a longer or shorter duration but it may be revoked at any time. The appointment is revocable unless the proxy appointment expressly states otherwise, and may be revoked by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy, and to the Company. The appointment is suspended at any time and to the extent that the Holder entitled to vote chooses to act directly and in person in the Exercise of any rights as a Holder entitled to vote.

18.31. The form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be delivered to the Company or any Person which it has identified in the notice of meeting as being a Person to whom proxies may be delivered on behalf of the Company, immediately prior to the Shareholders Meeting, before the proxy Exercises any rights of the Holder entitled to vote at a Shareholders Meeting.

18.32. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Securities in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation
or transfer as aforesaid shall have been received by the Company at its Registered Office before the commencement of the Shareholders Meeting or adjourned Shareholders Meeting at which the proxy is used.

18.33. Subject to the provisions of the Companies Act, a form appointing a proxy may be in any usual or common form. The Company shall supply a generally standard form of proxy upon request by a Holder entitled to vote.

18.34. If a proxy is received duly signed but with no indication as to how the Person named therein should vote on any issue, the proxy may vote or abstain from voting as she sees fit unless the proxy indicates otherwise.

18.35. Notwithstanding anything to the contrary contained in this clause 18, if the terms and conditions of any Debt Instruments provide that any of the provisions of this clause 18.35 shall not apply to those Debt Instruments ("Inapplicable Provisions") (where, in the absence of that provision in the Debt Instruments, those provisions of this clause 18 would so apply) and, provided that the Companies Act does not preclude such provisions of the Debt Instruments, then the Debt Instruments shall prevail over the provisions of this clause 18 insofar as the Inapplicable Provisions are concerned, notwithstanding anything to the contrary contained in this clause 18.

19. RECORD DATE

19.1. The Board shall determine the Record Date in accordance with the applicable rules of the Central Securities Depository and the listings requirements of the JSE.

19.2. If, at any time, the Board fails to determine a Record Date, the Record Date for the relevant matter is –

19.2.1. in the case of a Shareholders Meeting, the latest date by which the Company is required to Deliver to Holders entitled to vote, notice of that Shareholders Meeting; or

19.2.2. in the case of dividends, a date subsequent to the declaration date or confirmation date of the dividend, whichever is the later; or

19.2.3. the date of the action or event, in any other case.

19.3. The Company must publish a notice of a Record Date for any matter by –

19.3.1. Delivering a copy to each Holder; and

19.3.2. posting a conspicuous copy of the notice –
19.3.2.1. at its principal office;
19.3.2.2. on its web-site, if it has one;
19.3.2.3. on any automated system of disseminating information maintained by the JSE.

20. ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS AND VACANCIES

20.1. The minimum number of Directors shall be 4 (four) and the maximum number shall be 15 (fifteen). Any failure by the Company at any time to have the minimum number of Directors, does not limit or negate the authority of the Board, or invalidate anything done by the Board or the Company.

20.2. Each of the Directors and the Alternate Directors, other than a Director contemplated in clause 20.8, shall be elected (which in the case of a vacancy arising shall take place at the next Annual General Meeting), in accordance with clause 20.5 to serve as a Director or Alternate Director. An Alternate Director shall serve in the place of 1 (one) or more Director/s named in the resolution electing her during the Director's absence or inability to act as Director. If a Person is an Alternate Director to more than 1 (one) Director or if an Alternate Director is also a Director, she shall have a separate vote, on behalf of each Director she is representing in addition to his own vote, if any.

20.3. There are no general qualifications prescribed by the Company for a Person to serve as a Director or an Alternate Director in addition to the requirements of the Companies Act and the Regulations. The Board, with the assistance of the nominations committee, must make recommendations to the Holders regarding the eligibility of Persons nominated for election as Directors, taking into account their past performance and contribution, if applicable. A brief *curriculum vita* of each Person standing for election or re-election as a Director at a Shareholders Meeting or the Annual General Meeting, must accompany the notice of the Shareholders Meeting.

20.4. No Director shall be entitled to appoint any Person as an Alternate Director to herself.

20.5. In any election of Directors and Alternate Directors, the election is to be conducted as follows –

20.5.1. a series of votes of those entitled to Exercise votes regarding such election, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board at that time have been filled; and
20.5.2. in each vote to fill a vacancy –

20.5.2.1. each Voting Right entitled to be Exercised may be Exercised once; and

20.5.2.2. the vacancy is filled only if a majority of the Voting Rights Exercised support the candidate.

20.6. No Person shall be elected as a Director or Alternate Director, if she is Ineligible or Disqualified and any such election shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be elected as a Director or Alternate Director nor act as a Director or Alternate Director. A Person placed under probation by a court in terms of section 162 of the Companies Act or in terms of section 47 of the Close Corporations Act, No 69 of 1984 as amended, must not serve as a Director or an Alternate Director unless the order of court so permits.

20.7. No election of a Person to serve as a Director shall take effect until she has delivered to the Company a Written consent to serve.

20.8. Any vacancy occurring on the Board may be filled by the Board, but the Individual so appointed shall cease to hold office at the termination of the first Annual General Meeting to be held after the appointment of such Individual as a Director unless she is elected at such or any other Shareholders Meeting. Life directorships or directorships for an indefinite period are prohibited.

20.9. The continuing Directors (or sole continuing Director) may act, notwithstanding any vacancy in their body, so long as there remain in office not less than the prescribed minimum number of Directors duly qualified to act. If the number falls below the prescribed number, or their number is reduced below the number fixed by or pursuant to this MOI as a quorum, the remaining Directors or Director shall not act after a period of 3 (three) months has expired from the date the deficiency in the minimum number arose, except for the purpose of filling such vacancy or for the purpose of calling a Shareholders Meeting.

20.10. If there is no Director able and willing to act, then any Holder entitled to Exercise Voting Rights in the election of a Director may convene a Shareholders Meeting for the purpose of electing Directors.
21. **CESSATION OF OFFICE AS DIRECTOR OR ALTERNATE DIRECTOR**

A Director or Alternate Director shall cease to hold office as such –

21.1. if she becomes Ineligible or Disqualified or the Board (other than the Director concerned) resolves to remove her on such basis, and in the latter case the Director / Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period she shall be suspended); or

21.2. when her term of office, as contemplated in clause 20.2, expires; or

21.3. when she dies; or

21.4. when she resigns by Written notice to the Company; or

21.5. if there are more than 4 (four) Directors in office and if the Board (other than the Director concerned) determines that she has become incapacitated to the extent that such Director is unable to perform the functions of a director, and is unlikely to regain that capacity within a reasonable time, and the Director / Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period she shall be suspended); or

21.6. when she is declared delinquent by a court, or placed on probation under conditions that are inconsistent with continuing to be a Director; or

21.7. if she is removed by Ordinary Resolution; or

21.8. if there are more than 4 (four) Directors in office and if she is removed by resolution of the Board (other than the Director concerned) for being negligent or derelict in performing the functions of a Director, and the Director / Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period she shall be suspended); or

21.9. she files a petition for the surrender of his estate or an application for an administration order, or if she commits an act of insolvency as defined in the insolvency law for the time being in force, or if she makes any arrangement or composition with his creditors generally; or

21.10. she is otherwise removed in accordance with any provisions of this MOI.
22. REMUNERATION OF DIRECTORS AND ALTERNATE DIRECTORS AND MEMBERS OF BOARD COMMITTEES

22.1. The Directors may be paid all their travelling and other expenses, properly and necessarily incurred by them in and about the business of the Company, and in attending meetings of the Directors or of committees thereof, and if any Director shall be required to perform extra services, to go or to reside abroad or otherwise, or be specially occupied about the Company's business, she shall be entitled to receive a remuneration to be fixed by a disinterested quorum of the Directors, which may be either in addition to or in substitution for the remuneration provided for in clauses 22.2 and 22.3. For purposes hereof a "disinterested quorum of Directors" shall comprise a quorum of Directors excluding any Director whose remuneration would or may be affected by the relevant resolution.

22.2. The Board may pay or grant any type of remuneration contemplated in sections 30(6)(b) to (g) of the Companies Act to any executive Directors.

22.3. The Directors or Alternate Directors or members of Board or statutory committees shall be entitled to such remuneration for their services as Directors or Alternate Directors or members of such committees as may have been determined from time to time by Special Resolution within the previous 2 (two) years.

23. FINANCIAL ASSISTANCE FOR DIRECTORS AND PRESCRIBED OFFICERS AND THEIR RELATED AND INTER-RELATED PARTIES

23.1. The Board’s powers to provide direct or indirect financial assistance as contemplated in section 45(2) of the Companies Act are not limited in any manner.

23.2. If the Board adopts a resolution to provide direct or indirect financial assistance as contemplated in section 45(2) of the Companies Act, the Company shall Deliver Written notice of that resolution to all Shareholders, unless every Shareholder is also a Director, and to any trade union representing its employees –

23.2.1. within 10 (ten) Business Days after the Board adopts the resolution, if the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds $1/10th (one tenth) of 1% (one per cent) of the Company's net worth at the time of the resolution; or

23.2.2. within 30 (thirty) Business Days after the end of the financial year, in any other case.
24. **RETIREMENT OF DIRECTORS IN ROTATION**

24.1. At the Annual General Meeting held in each year 1/3 (one-third) of the Directors, or if their number is not a multiple of 3 (three), then the number nearest to, but not less than 1/3 (one-third) shall retire from office. The Directors so to retire at each Annual General Meeting shall be firstly those retiring in terms of clause 20.8, and then, those who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall, in the absence of agreement, be selected by the chairperson; provided that notwithstanding anything herein contained, if, at the date of any Annual General Meeting any Director will have held office for a period of 3 (three) years since his/her last election or appointment, he/she shall retire at such meeting, either as one of the Directors to retire in pursuance of the foregoing or additionally thereto. The length of time a Director has been in office shall be computed from the date of his/her last election or appointment.

24.2. A retiring Director shall act as a Director throughout the Meeting at which he/she retires.

24.3. Retiring Directors shall be eligible for re-election. No person other than a Director retiring at the Meeting shall, unless recommended by the Directors for election, be eligible for election to the office of a Director at any Annual General Meeting unless, not less than 14 (fifteen) Business Days nor more than 21 (twenty one) Business Days before the issue date for the notice of the meeting, there shall have been given to the company secretary notice in Writing by a Holder or Holders duly qualified to be Present at a Meeting for which such notice is given of the intention of such Holder or Holders to propose such Director for election and also notice in Writing signed by the Person to be proposed of his/her willingness to be elected.

24.4. If at any Annual General Meeting, the place of any retiring Director is not filled, he/she shall if willing continue in office until the dissolution of the Annual General Meeting in the next year, and so on from year to year until his/her place is filled, unless it shall be determined at such Meeting not to fill such vacancy.

25. **GENERAL POWERS AND DUTIES OF DIRECTORS**

25.1. The powers of management granted to the Directors in terms of section 66(1) of the Companies Act are not limited in any manner.

25.2. The Directors may –

25.2.1. establish and maintain any non-contributory or contributory pension, superannuation, provident and benefit funds for the benefit of; and
25.2.2. give pensions, gratuities and allowances to and make payments for or towards the insurance of,
any persons who are employees or former employees (including Directors or former Directors) of the Company, or of any company which is or was a subsidiary of the Company or is or was in any way allied to or associated with it or any such subsidiary, and the wives, widows, families and dependants of such persons.

26. EXECUTIVE DIRECTORS

26.1. A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a major subsidiary of, the Company and, in such event, her appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

26.2. The Board shall from time to time appoint from their number a chief executive officer and an executive financial Director as executive Directors and may, notwithstanding any contract between them and the Company, from time to time terminate their appointment as chief executive officer or executive financial Director and appoint others in their places.

26.3. In addition, the Board may from time to time appoint one or more of the Directors to be executive Directors or to be holders of any other executive office in the Company for such period (not exceeding 5 (five) years) and at such remuneration (whether by way of salary or commission, or participation in profits or partly in one way and partly in another) and generally on such terms they may think fit, and it may be made a term of his appointment that she be paid a pension, gratuity or other benefit on his retirement from office.

26.4. The Board may from time to time entrust to and confer upon an executive Director for the time being such of the powers vested in the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions, as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for, all or any of the powers of the Directors, and may from time to time revoke or vary all or any of such powers.

27. BOARD COMMITTEES

27.1. Only Directors will be entitled to be appointed as members of a Board committee.

27.2. The Board may appoint any number of Board committees and delegate to such committees any authority of the Board.
27.3. No Person shall be appointed as a member of a Board committee, if she is Ineligible or Disqualified and any such appointment shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be appointed as a member of a Board committee nor act as such a member. A Person placed under probation by a court must not serve as a member of a Board committee unless the order of court so permits.

27.4. Subject to clause 27.1, there are no general qualifications prescribed by the Company for a Person to serve as a member of a Board committee in addition to the requirements of the Companies Act.

27.5. A member of a Board committee shall cease to hold office as such immediately when she becomes Ineligible or Disqualified in terms of the Companies Act.

27.6. Committees of the Board may consult with or receive advice from any person.

27.7. Meetings and other proceedings of a committee of the Board consisting of more than 1 (one) member shall be governed by the provisions of this MOI regulating the meetings and proceedings of Directors.

27.8. The composition of such committees, a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report of the Company.

28. PERSONAL FINANCIAL INTERESTS OF DIRECTORS AND PRESCRIBED OFFICERS AND MEMBERS OF BOARD COMMITTEES

28.1. For the purposes of this clause 28 (Personal Financial Interests of Directors and Prescribed Officers and Members of Board Committees), "Director" includes an Alternate Director, a Prescribed Officer, and a person who is a member of a committee of the Board, irrespective of whether or not the Person is also a member of the Board.

28.2. At any time, a Director may disclose any Personal Financial Interest in advance, by delivering to the Board, a notice in Writing setting out the nature and extent of that Personal Financial Interest, to be used generally by the Company until changed or withdrawn by further Written notice from that Director.

28.3. This clause 28 (Personal Financial Interests of Directors and Prescribed Officers and Members of Board Committees) shall not apply to a Director in respect of a decision that may generally affect –
28.3.1. all of the Directors in their capacity as Directors, but in that case all the Directors shall act in accordance with and as if section 75(3) of the Companies Act were applicable unless the Directors are acting pursuant to an authorisation given by the Holders for the Directors to make a decision within certain thresholds, relating to their capacity as Directors; or

28.3.2. a class of Persons, despite the fact that the Director is one member of that class of Persons, unless the only members of the class are the Director or Persons Related or Inter-Related to the Director. In such event the Director shall be treated as not having a Personal Financial Interest, unless the class is predominantly made up of Directors and Persons Related or Inter-Related to such Directors and in the circumstances the conflict of the Director requires the provisions of this clause 28 (Personal Financial Interests of Directors and Prescribed Officers and Members of Board Committees) to apply.

28.4. If, in the reasonable view of the other non-conflicted Directors, a Director or the Related Person in respect of such Director acts in competition with the Company relating to the matter to be considered at the meeting of the Board, the Director shall only be entitled to such information concerning the matter to be considered at the meeting of the Board as shall be necessary to enable the Director to identify that such Personal Financial Interest exists or continues to exist.

28.5. If a Director has a Personal Financial Interest in respect of a matter to be considered at a meeting of the Board, or Knows that a Related Person has a Personal Financial Interest in the matter, the Director –

28.5.1. must disclose the Personal Financial Interest and its general nature before the matter is considered at the meeting;

28.5.2. must disclose to the meeting any Material information relating to the matter, and Known to the Director;

28.5.3. may disclose any observations or pertinent insights relating to the matter if requested to do so by the other Directors;

28.5.4. if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in clauses 28.5.2 and 28.5.3;

28.5.5. must not take part in the consideration of the matter, except to the extent contemplated in clauses 28.5.2 and 28.5.3;
28.5.6. while absent from the meeting in terms of this clause 28.5:

28.5.6.1. is to be regarded as being present at the meeting for the purpose of determining whether sufficient Directors are present to constitute a quorum; and

28.5.6.2. is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and

28.5.7. must not execute any document on behalf of the Company in relation to the matter unless specifically requested or directed to do so by the Board.

28.6. If a Director acquires a Personal Financial Interest in an agreement or other matter in which the Company has a Material interest, or Knows that a Related Person has acquired a Personal Financial Interest in the matter, after the agreement or other matter has been approved by the Company, the Director must promptly disclose to the Board, the nature and extent of that Personal Financial Interest, and the Material circumstances relating to the Director or Related Person’s acquisition of that Personal Financial Interest.

28.7. A decision by the Board, or a transaction or agreement approved by the Board, is valid despite any Personal Financial Interest of a Director or Person Related to the Director, only if –

28.7.1. it was approved following the disclosure of the Personal Financial Interest in the manner contemplated in this clause 28 (Personal Financial Interests of Directors and Prescribed Officers and Members of Board Committees); or

28.7.2. despite having been approved without disclosure of that Personal Financial Interest, it has been ratified by an Ordinary Resolution following disclosure of that Personal Financial Interest or has been declared to be valid by a court in terms of section 75(8) of the Companies Act.

29. PROCEEDINGS OF DIRECTORS

29.1. A Director authorised by the Board –

29.1.1. may, at any time, call a meeting of the Board; and

29.1.2. must call a meeting of the Board if required to do so by at least 2 (two) Directors.
29.2. The Directors may determine what period of notice shall be given of meetings of Directors and may determine the means of giving such notice which may include telephone, telefax or Electronic Communication. It shall be necessary to give notice of a meeting of Directors to all Directors even those for the time being absent from South Africa.

29.3. If all of the Directors –

29.3.1. acknowledge actual receipt of the notice;

29.3.2. are present at the Board meeting; or

29.3.3. waive notice of the meeting,

the meeting may proceed even if the Company failed to give the required notice of that meeting, or there was a defect in the giving of the notice.

29.4. The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

29.5. A meeting of Directors may be conducted by Electronic Communication and/or one or more Directors may participate in a meeting of Directors by Electronic Communication so long as the Electronic Communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

29.6. The quorum for a Directors’ meeting shall be 4 (four) Directors.

29.7. The Directors may elect a chairperson of their meetings and determine the period, not exceeding 1 (one) year, for which she is to hold office; but if no such chairperson is elected, or if at any meeting the chairperson is not present within 15 (fifteen) minutes after the time appointed for holding it, the Directors present may choose one of their number to be chairperson of the meeting.

29.8. Each Director has 1 (one) vote on a matter before the Board and a majority of the votes cast on a resolution is sufficient to approve that resolution.

29.9. In the case of a tied vote the chairperson may not cast a deciding vote even if the chairperson did not initially have or cast a vote and the matter being voted on fails.

29.10. The Company must keep minutes of the meetings of the Board, and any of its committees, and include in the minutes –
29.10.1. any declaration given by notice or made by a director as required by clause 28 (Personal Financial Interests of Directors);

29.10.2. every resolution adopted by the Board.

29.11. Resolutions adopted by the Board –

29.11.1. must be dated and sequentially numbered; and

29.11.2. are effective as of the date of the resolution, unless the resolution states otherwise.

29.12. Any minutes of a meeting, or a resolution, signed by the chair of the meeting, or by the chair of the next meeting of the Board, are/is evidence of the proceedings of that meeting, or adoption of that resolution, as the case may be.

29.13. A Round Robin Resolution of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, provided that each Director has received notice of the matter to be decided upon and that the majority of the Directors have voted in favour of the matter. A Round Robin Resolution may be executed in any number of counterparts and will have the same effect as if the signatures on the counterparts were on a single copy of the Round Robin Resolution.

30. PRESCRIBED OFFICERS

30.1. No Person shall hold office as a Prescribed Officer, if she is Ineligible or Disqualified. A Person who is Ineligible or Disqualified must not consent to be appointed as a Prescribed Officer or undertake any functions which would result in her being a Prescribed Officer nor act in such office nor undertake any such functions. A Person placed under probation by a court must not consent to be appointed as a Prescribed Officer or undertake any functions which would result in her being a Prescribed Officer nor act in such office nor undertake any such functions unless the order of court so permits.

30.2. A Prescribed Officer shall cease to hold office as such immediately when she becomes Ineligible or Disqualified in terms of the Companies Act.

31. APPOINTMENT OF COMPANY SECRETARY

31.1. The Directors must appoint a company secretary from time to time, who –

31.1.1. shall be a permanent resident of the Republic of South Africa and remain so while serving as company secretary; and
31.1.2. shall have the requisite knowledge of, or experience in, relevant laws; and

31.1.3. may be a Juristic Person subject to the following –

   31.1.3.1. every employee of that Juristic Person who provides company secretary services, or partner and employee of that partnership, as the case may be, is not Ineligible or Disqualified;

   31.1.3.2. at least 1 (one) employee of that Juristic Person, or one partner or employee of that partnership, as the case may be, satisfies the requirements in clauses 31.1.1 and 31.1.2;

31.2. Within 60 (sixty) Business Days after a vacancy arises in the office of a company secretary, the Board must fill the vacancy by appointing a Person whom the Directors consider to have the requisite knowledge and experience. A change in the membership of a Juristic Person or partnership that holds office as company secretary does not constitute a vacancy in the office of company secretary, if the Juristic Person or partnership continues to satisfy the requirements of clause 31.1.3.

31.3. If at any time a Juristic Person or partnership holds office as company secretary of the Company –

   31.3.1. the Juristic Person or partnership must immediately notify the Directors if the Juristic Person or partnership no longer satisfies the requirements of clause 31.1.3, and is regarded to have resigned as company secretary upon giving that notice to the Company;

   31.3.2. the Company is entitled to assume that the Juristic Person or partnership satisfies the requirements of clause 31.1.3, until the Company has received a notice contemplated in clause 31.3.1; and

   31.3.3. any action taken by the Juristic Person or partnership in performance of its functions as company secretary is not invalidated merely because the Juristic Person or partnership had ceased to satisfy the requirements of clause 31.1.3 at the time of that action.

31.4. The company secretary may resign from office by giving the Company 1 (one) month’s Written notice or less than that with the prior Written approval of the Board.
31.5. If the company secretary is removed from office by the Board, the company secretary may, by giving Written notice to that effect to the Company by not later than the end of the financial year in which the removal took place, require the Company to include a statement in its annual Financial Statements relating to that financial year, not exceeding a reasonable length, setting out the company secretary’s contention as to the circumstances that resulted in the removal. The Company must include this statement in the Directors’ report in its annual Financial Statements.

32. DISTRIBUTIONS

32.1. The Company –

32.1.1. may make Distributions from time to time, provided that –

32.1.1.1. any such Distribution:

32.1.1.1.1. is pursuant to an existing legal obligation of the Company, or a court order; or

32.1.1.1.2. has been authorised by a resolution of the Board; and

32.1.1.1.3. save in the case of a pro rata payment to all Shareholders (except one which results in Shareholders holding Shares in an unlisted entity which requires the sanction of an Ordinary Resolution), cash dividends paid out of retained income, capitalisation issues or scrip dividends incorporating an election to receive either capitalisation Shares or cash, has been sanctioned by Ordinary Resolution;

32.1.1.2. dividends must be paid to Shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later;

32.1.1.3. it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution;

32.1.1.4. the Board, 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; and

32.1.5. no obligation is imposed, if it is a Distribution of capital, that the Company is entitled to require it to be subscribed again;

32.1.2. must before incurring any debt or other obligation for the benefit of any Holders, comply with the requirements in clause 32.1.1,

and must complete any such Distribution fully within 120 (one hundred and twenty) Business Days after the acknowledgement referred to in clause 32.1.4, failing which it must again comply with the aforesaid.

32.2. No notice of change of address or instructions as to payment given after the determination of a dividend or other Distribution by the Company in terms of clause 32.1.1, shall become effective until after the dividend or other Distribution has been made, unless the Board so determines at the time the dividend or other Distribution is approved.

32.3. The Company must hold all dividends due to the Shareholders in trust indefinitely, but subject to the laws of prescription, and accordingly may release any dividends once the prescriptive period in relation to those dividends has prescribed.

32.4. 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 from time to time.

32.5. Any dividend or cash Distribution may be paid by electronic transfer or otherwise as the Directors may from time to time determine.

33. LOSS OF DOCUMENTS

The Company shall not be responsible for the loss in transmission of any cheque, warrant, certificate or (without any limitation eiusdem generis) other document sent through the post either to the registered address of any Holder or to any other address requested by the Holder.

34. NOTICES

34.1. The Company may give notices, documents, records or statements or notices of availability of the aforesaid by personal delivery to the Holder or if required, a holder of Beneficial Interests or by sending them prepaid through the post or by transmitting them by Electronic
Communication. The Company must give notice of any meeting to each Person entitled to vote at such meeting who has elected to receive such notice other than proxies.

34.2. Any Holder or holder of Beneficial Interests who/which has furnished an Electronic Address to the Company, by doing so –

34.2.1. authorises the Company to use Electronic Communication to give notices, documents, records or statements or notices of availability of the afoforegoing to her; and

34.2.2. confirms that same can conveniently be printed by the Holder or a holder of the Beneficial Interest within a reasonable time and at a reasonable cost.

34.3. Any notice, document, record or statement or notice of availability of the afoforegoing sent by the Company shall be deemed to have been Delivered on the date and time determined in accordance with Table CR3 in the Regulations (which is included as Schedule 3 for easy reference but does not form part of this MOI for purposes of interpretation).

34.4. A Holder or Person entitled to Securities (or his executor) shall be bound by every notice in respect of the Securities Delivered to the Person who was, at the date on which that notice was Delivered, shown in the Securities Register or established to the satisfaction of the Directors (as the case may be) as the Holder of or Person entitled to the Securities, notwithstanding that the Holder or Person entitled to Securities may then have been dead or may subsequently have died or have been or become otherwise incapable of acting in respect of the Securities, and notwithstanding any transfer of the Securities was not registered at that date. The Company shall not be bound to enter any Person in the Securities Register as entitled to any Securities until that Person gives the Company an address for entry on the Securities Register.

34.5. If joint Holders are registered in respect of any Securities or if more than 1 (one) Person is entitled to Securities, all notices shall be given to the Person named first in the Securities Register in respect of the Securities, and notice so Delivered shall be sufficient notice to all the Holders of or Persons entitled to or otherwise interested in the Securities.

34.6. The Company shall not be bound to use any method of giving notice, documents, records or statements or notices of availability of the afoforegoing, contemplated in the Regulations in respect of which provision is made for deemed delivery, but if the Company does use such a method, the notice, document, record or statement or notice of availability of the afoforegoing shall be deemed to be delivered on the day determined in accordance with the Regulations. In any other case, when a given number of days' notice or notice extending over any period is
required to be given (which are not Business Days which shall be calculated in accordance with clause 2 (Calculation of Business Days)), the provisions of clause 2 (Calculation of Business Days) shall also be applied.

34.7. As regards the signature of an Electronic Communication by a Holder, it shall be in such form as the Directors may specify to demonstrate that the Electronic Communication is genuine, or failing any such specification by the Directors, it shall be constituted by the Holder indicating in the Electronic Communication that it is the Holder’s intention to use the Electronic Communication as the medium to indicate the Holder’s approval of the information in, or the Holder’s signature of the document in or attached to, the Electronic Communication which contains the name of the Holder sending it in the body of the Electronic Communication.

35. INDEMNITY

35.1. For the purposes of this clause 35 (Indemnity), "Director" includes a former Director, an Alternate Director, a Prescribed Officer, a person who is a member of a committee of the Board, irrespective of whether or not the person is also a member of the Board and a member of the Audit committee.

35.2. The Company may –

35.2.1. not directly or indirectly pay any fine that may be imposed on a Director, or on a Director of a related company, as a consequence of that Director having been convicted of an offence in terms of any national legislation unless the conviction was based on strict liability;

35.2.2. advance expenses to a Director to defend litigation in any proceedings arising out of the Director’s service to the Company; and

35.2.3. directly or indirectly indemnify a Director for –

35.2.3.1. any liability, other than in respect of –

35.2.3.1.1. any liability arising in terms of section 77(3)(a), (b) or (c) of the Companies Act or from wilful misconduct or wilful breach of trust on the part of the Director; or

35.2.3.1.2. any fine contemplated in clause 35.2.1;

35.2.3.2. any expenses contemplated in clause 35.2.2, irrespective of whether it has advanced those expenses, if the proceedings –
35.2.3.2.1. are abandoned or exculpate the Director; or

35.2.3.2.2. arise in respect of any other liability for which the Company may indemnify the Director in terms of clause 35.2.3.1.

35.3. The Company may purchase insurance to protect –

35.3.1. a Director against any liability or expenses for which the Company is permitted to indemnify a Director, as contemplated in clause 35.2.2 or 35.2.3; or

35.3.2. the Company against any contingency including but not limited to –

35.3.2.1. any expenses:

35.3.2.1.1. that the Company is permitted to advance in accordance with clause 35.2.2; or

35.3.2.1.2. for which the Company is permitted to indemnify a Director in accordance with clause 35.2.3; or

35.3.2.2. any liability for which the Company is permitted to indemnify a Director in accordance with clause 35.2.3.1.

35.4. The Company is entitled to claim restitution from a Director or from a director of a Related company for any money paid directly or indirectly by the Company to or on behalf of that Director in any manner inconsistent with section 78 of the Companies Act.

36. REPURCHASE OF SECURITIES

The Company is authorised to repurchase Securities as provided for and in accordance with the listings requirements of the JSE.

37. REGISTER OF DISCLOSURES

The Company must –

37.1. establish and maintain a register of the Beneficial Interests disclosures made in terms of section 56 of the Companies Act;

37.2. file a copy of a notification in respect of the acquisition of any Beneficial Interest constituting 5% (five per cent) or a multiple thereof of the issued Securities of that class or disposal so that
the Person no longer holds a multiple of 5\% (five per cent) of the issued Securities of that class, with the Panel;

37.3. report the information to the Holders of the relevant class of Securities in respect of which the Company has received a notification of the type referred to in clause 37.2 unless it relates to the disposal of any Beneficial Interest of less than 1\% (one per cent) of the class;

37.4. publish in its annual Financial Statements a list of the Persons who hold Beneficial Interests equal to or in excess of 5\% (five per cent) of the total number of Securities of that class issued by the Company, together with the extent of those Beneficial Interests.

38. SOCIAL AND ETHICS COMMITTEE

38.1. The Board shall appoint a social and ethics committee with the first such committee, if one is required, being appointed within 12 (twelve) months after the Effective Date, unless it is a Subsidiary of another company that has a social and ethics committee, and the social and ethics committee of that other company will perform the functions required on behalf of the Company, or the Company has been exempted in terms of the Companies Act from having to have a social and ethics committee.

38.2. The social and ethics committee must comprise not less than 3 (three) Directors at least 1 (one) of whom must be a Director who is not involved in the day-to-day management of the Company’s business, and must not have been so involved within the previous 3 (three) financial years.

38.3. The social and ethics committee has the following functions –

38.3.1. to monitor the Company’s activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to –

38.3.1.1. social and economic development, including the Company’s standing in terms of the goals and purposes of –

38.3.1.1.1. the 10 (ten) principles set out in the United Nations Global Compact Principles;

38.3.1.1.2. the OECD recommendations regarding corruption;

38.3.1.1.3. the Employment Equity Act; and
38.3.1.1.4. the Broad-Based Black Economic Empowerment Act;

38.3.1.2. good corporate citizenship, including the Company’s –

38.3.1.2.1. promotion of equality, prevention of unfair discrimination, and reduction of corruption;

38.3.1.2.2. contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and

38.3.1.2.3. record of sponsorship, donations and charitable giving;

38.3.1.3. the environment, health and public safety, including the impact of the Company’s activities and of its products or services;

38.3.1.4. consumer relationships, including the Company’s advertising, public relations and compliance with consumer protection laws; and

38.3.1.5. labour and employment, including –

38.3.1.5.1. the Company’s standing in terms of the International Labour Organization Protocol on decent work and working conditions; and

38.3.1.5.2. the Company’s employment relationships, and its contribution toward the educational development of its employees;

38.3.2. to draw matters within its mandate to the attention of the Board as occasion requires;

38.3.3. to report, through one of its members, to the Shareholders at the Annual General Meeting on the matters within its mandate.

38.4. The social and ethics committee shall be entitled to –

38.4.1. require from any Director or Prescribed Officer any information or explanation necessary for the performance of the committee’s functions;
38.4.2. request from any employee of the Company any information or explanation necessary for the performance of the committee's functions;

38.4.3. attend any Shareholders Meeting;

38.4.4. receive all notices of and other communications relating to any Shareholders Meeting; and

38.4.5. be heard at any Shareholders Meeting on any part of the business of the meeting that concerns the committee's functions.

38.5. The Company must pay all the expenses reasonably incurred by its social and ethics committee, including, if the social and ethics committee considers it appropriate, the costs or the fees of any consultant or specialist engaged by the social and ethics committee in the performance of its functions.
Schedule 1 – Definitions in the Companies Act

"accounting records" means information in written or electronic form concerning the financial affairs of a company as required in terms of this Act including, but not limited to, purchase and sales records, general and subsidiary ledgers and other documents and books used in the preparation of financial statements;¹

"alternate director" means a person elected or appointed to serve, as the occasion requires, as a member of the board of a company in substitution for a particular elected or appointed director of that company;

"amalgamation or merger" means a transaction, or series of transactions, pursuant to an agreement between two or more companies, resulting in –

(a) the formation of one or more new companies, which together hold all of the assets and liabilities that were held by any of the amalgamating or merging companies immediately before the implementation of the agreement, and the dissolution of each of the amalgamation or merging companies; or

(b) the survival of at least one of the amalgamating or merging companies, with or without the formation of one or more new companies, and the vesting in the surviving company or companies, together with such new company or companies, of all of the assets and liabilities that were held by any of the amalgamating or merging companies immediately before the implementation of the agreement;

"annual general meeting" means the meeting of a public company required by section 61(7);

"audit" has the meaning set out in the Auditing Profession Act, but does not include an "independent review" of annual financial statements, as contemplated in section 30(2)(b)(ii)(bb);

"Auditing Profession Act" means the Auditing Profession Act, 2005 (Act No. 26 of 2005);

"auditor" has the meaning set out in the Auditing Profession Act;

"Banks Act" means the Banks Act, 1990 (Act No. 1194 of 1990);

"beneficial interest", when used in relation to a company’s securities, means the right or entitlement of a person, through ownership, agreement, relationship or otherwise, alone or together with another person to –

(a) receive or participate in any distribution in respect of the company’s securities;

(b) exercise or cause to be exercised, in the ordinary course, any or all of the rights attaching to the company’s securities; or

(c) dispose or direct the disposition of the company’s securities, or any part of a distribution in respect of the securities, but does not include any interest held by a person in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Act, 2002 (Act No. 45 of 2002);

"board" means the board of directors of a company;

"business days" has the meaning determined in accordance with section 5(3);

"central securities depository" has the meaning set out in section 1 of the Securities Services Act, 2004 (Act No. 36 of 2004);

"Commission" means the Companies and Intellectual Property Commission established by section 185;

¹ Regulation 25(3) contains requirements as to what the accounting records must include.
"Commissioner" means the person appointed to or acting in the office of that name, as contemplated in section 189;

"company" means a juristic person incorporated in terms of this Act, a domesticated company, or a juristic person that, immediately before the effective date –

(a) was registered in terms of the –
   (i) Companies Act, 1973 (Act No. 61 of 1973), other than as an external company as defined in that Act; or
   (ii) Close Corporations Act, 1984 (Act No. 69 of 1984), if it has subsequently been converted in terms of Schedule 2;

(b) was in existence and recognised as an ‘existing company’ in terms of the Companies Act, 1973 (Act No. 61 of 1973); or

(c) was deregistered in terms of the Companies Act, 1973 (Act No. 61 of 1973), and has subsequently been re-registered in terms of this Act;

"Competition Act", means the Competition Act, 1998 (Act No. 89 of 1998);

"consideration" means anything of value given and accepted in exchange for any property, service, act, omission or forbearance or any other thing of value, including –

(a) any money, property, negotiable instrument, securities, investment credit facility, token or ticket;

(b) any labour, barter or similar exchange of one thing for another; or

(c) any other thing, undertaking, promise, agreement or assurance, irrespective of its apparent or intrinsic value, or whether it is transferred directly or indirectly;

"convertible" when used in relation to any securities of a company, means securities that may, by their terms, be converted into other securities of the company, including –

(a) any non-voting securities issued by the company and which will become voting securities –
   (i) on the happening of a designated event; or
   (ii) if the holder of those securities so elects at some time after acquiring them; and

(b) Options to acquire securities to be issued by the company, irrespective of whether those securities may be voting securities, or non-voting securities contemplated in paragraph (a);

"debt instrument" –

(i) includes any securities other than the shares of a company, irrespective of whether or not issued in terms of a security document [43(1)(b)], such as a trust deed; but

(ii) does not include promissory notes and loans, whether constituting an encumbrance on the assets of the company or not;

"director" means a member of the board of a company, as contemplated in section 66, or an alternate director of a company and includes any person occupying the position of a director or alternate director, by whatever name designated;

"distribution" means a direct or indirect –
(a) transfer by a company of money or other property of the company, other than its own shares, to or for the benefit of one or more holders of any of the shares or to the holder of a beneficial interest in any such shares, of that company or of another company within the same group of companies, whether –

(i) in the form of a dividend;

(ii) as a payment in lieu of a capitalisation share, as contemplated in section 47;

(iii) as consideration for the acquisition –

(aa) by the company of any of its shares, as contemplated in section 48; or

(bb) by any company within the same group of companies, of any shares of a company within that group of companies; or

(iv) otherwise in respect of any of the shares of that company or of another company within the same group of companies, subject to section 164(19);

(b) incurrence of a debt or other obligation by a company for the benefit of one or more holders of any of the shares of that company or of another company within the same group of companies; or

(c) forgiveness or waiver by a company of a debt or other obligation owed to the company by one or more holders of any of the shares of that company or of another company within the same group of companies, but does not include any such action taken upon the final liquidation of the company;

"effective date", with reference to any particular provision of this Act, means the date on which that provision came into operation in terms of section 225;

"electronic communication" has the meaning set out in section 1 of the Electronic Communications and Transactions Act;

"Electronic Communications and Transactions Act" means the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002);

"employee share scheme" has the meaning set out in section 95(1)(c);

"exchange" when used as a noun, has the meaning set out in section 1 of the Securities Services Act, 2004 (Act No. 36 of 2004);

"exercise", when used in relation to voting rights, includes voting by proxy, nominee, trustee or other person in a similar capacity;

"ex officio director" means a person who holds office as a director of a particular company solely as a consequence of that person holding some other office, title, designation or similar status specified in the company’s Memorandum of Incorporation;

"external company" means a foreign company that is carrying on business, or non-profit activities, as the case may be, within the Republic, subject to section 23(2);

"file" when used as a verb, means to deliver a document to the Commission in the manner and form, if any, prescribed for that document;

"financial statement" includes –

(a) annual financial statements and provisional annual financial statements;

(b) interim or preliminary reports;
(c) group and consolidated financial statements in the case of a group of companies; and

(d) financial information in a circular, prospectus or provisional announcement of results, that an actual or prospective creditor or holder of the company’s securities, or the Commission, Panel or other regulatory authority, may reasonably be expected to rely on;

"group of companies" means a holding company and all of its subsidiaries;

"holding company", in relation to a subsidiary, means a juristic person that controls that subsidiary as a result of any circumstances contemplated in section 2(2)(a) or 3(1)(a);

"incorporator", when used –

(a) with respect to a company incorporated in terms of this Act, means a person who incorporated that company, as contemplated in section 13; or

(b) with respect to a pre-existing company, means a person who took the relevant actions comparable to those contemplated in section 13 to bring about the incorporation of that company;

"individual" means a natural person;

"inter-related", when used in respect of three or more persons, means persons who are related to one another in a linked series of relationships, such that two of the persons are related in a manner contemplated in section 2(1) and one of them is related to the third in any such manner, and so forth in an unbroken series;

"juristic person" includes –

(a) a foreign company; and

(b) a trust, irrespective of whether or not it was established within or outside the Republic;

"knowing", "knowingly" or "knows", when used with respect to a person, and in relation to a particular matter, means that the person either –

(a) Had actual knowledge of the matter; or

(b) Was in a position in which the person reasonably ought to have –

(i) had actual knowledge;

(ii) investigated the matter to an extent that would have provided the person with actual knowledge; or

(iii) taken other measures which, if taken, could reasonably be expected to have provided the person with actual knowledge of the matter;

"material", when used as an adjective, means significant in the circumstances of a particular matter, to a degree that is –

(a) of consequence in determining the matter; or

(b) might reasonably affect a person’s judgement or decision-making in the matter;

"nominee" has the meaning set out in section 1 of the Securities Services Act, 2004 (Act No. 36 of 2004);

"ordinary resolution" means a resolution adopted with the support of more than 50% of the voting rights exercised on the resolution, or a higher percentage as contemplated in section 65(8) –
(a) at a shareholders meeting; or

(b) by holders of the company’s securities acting other than at a meeting, as contemplated in section 60; "person" includes a juristic person; "personal financial interest", when used with respect to any person –

(a) means a direct material interest of that person, of a financial, monetary or economic nature, or to which a monetary value may be attributed; but

(b) does not include any interest held by a person in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Act, 2002 (Act No. 45 of 2002), unless that person has direct control over the investment decisions of that fund or investment;

"prescribed officer" means a person who, within a company, performs any function that has been designated by the Minister in terms of section 66(10);

"present at a meeting" means to be present in person, or able to participate in the meeting by electronic communication, or to be represented by a proxy who is present in person or able to participate in the meeting by electronic communication;

"private company" means a profit company that –

(a) is not a public, personal liability or state-owned company; and

(b) satisfies the criteria set out in section 8(2)(b);

"profit company" means a company incorporated for the purpose of financial gain for its shareholders;

"public company" means a profit company that is not a state-owned company, a private company or a personal liability company;

"record date" means the date established under section 59 on which a company determines the identity of its shareholders and their shareholdings for the purposes of this Act;

"registered auditor" has the meaning set out in the Auditing Profession Act;

"registered office" means the office of a company, or of an external company, that is registered as required by section 23;

"related", when used in respect of two persons, means persons who are connected to one another in any manner contemplated in section 2(1)(a) to section (c);

"rules" and "rules of a company" means any rules made by a company as contemplated in section 15(3) to (5);

"securities" means any shares, debentures or other instruments, irrespective of their form or title, issued or authorised to be issued by a profit company;

"securities register" means the register required to be established by a profit company in terms of section 50(1);

"share" means one of the units into which the proprietary interest in a profit company is divided;

"shareholder", subject to section 57(1), means the holder of a share issued by a company and who is entered as such in the certificated or uncertificated securities register, as the case may be;
"shareholders meeting", with respect to any particular matter concerning a company, means a meeting of those holders of that company's issued securities who are entitled to exercise voting rights in relation to that matter;

"solvency and liquidity test" means the test set out in section 4 (1);

"special resolution" means –

(a) in the case of a company, a resolution adopted with the support of at least 75% of the voting rights exercised on the resolution, or a different percentage as contemplated in section 65(10) –

(i) at a shareholders meeting; or

(ii) by holders of the company's securities acting other than at a meeting, as contemplated in section 60; or

(b) in the case of any other juristic person, a decision by the owner or owners of that person, or by another authorised person, that requires the highest level of support in order to be adopted, in terms of the relevant law under which that juristic person was incorporated;

"subsidiary" has the meaning determined in accordance with section 3;

"voting power", with respect to any matter to be decided by a company, means the voting rights that may be exercised in connection with that matter by a particular person, as a percentage of all such voting rights;

"voting rights", with respect to any matter to be decided by a company, means –

(a) the rights of any holder of the company’s securities to vote in connection with that matter, in the case of a profit company; or

(b) the rights of a member to vote in connection with the matter, in the case of a non-profit company;

"voting securities", with respect to any particular matter, means securities that –

(a) carry voting rights with respect to that matter; or

(b) are presently convertible to securities that carry voting rights with respect to that matter;

"wholly-owned subsidiary" has the meaning determined in accordance with section 3(1)(b).
Schedule 2 – Ineligible / disqualified in terms of section 69(7) and (8) of the Companies Act read with Regulation 39(3)

1. A person is ineligible to be a Director if the Person –
   1.1. is a juristic person;
   1.2. is an unemancipated minor, or is under a similar legal disability; or
   1.3. does not satisfy any qualification set out in the MOI.

2. A person is disqualified to be a Director if –
   2.1. a court has prohibited that Person to be a Director, or declared the Person to be delinquent in terms of section 162, or in terms of section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984); or
   2.2. the Person –
      2.2.1. is an unrehabilitated insolvent;
      2.2.2. is prohibited in terms of any public regulation to be a Director;
      2.2.3. has been removed from an office of trust, on the grounds of misconduct involving dishonesty; or
      2.2.4. has been convicted, in the Republic or elsewhere, and imprisoned without the option of a fine, or fined more than R1 000,00 (one thousand rand), for theft, fraud, forgery, perjury or an offence –
         2.2.4.1. involving fraud, misrepresentation or dishonesty;
         2.2.4.2. in connection with the promotion, formation or management of a company, or in connection with any act contemplated in subsection (2) or (5); or
         2.2.4.3. under the Companies Act, the Insolvency Act, 1936 (Act No. 24 of 1936), the Close Corporations Act, 1984, the Competition Act, the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001), the Securities Services Act, 2004 (Act No. 36 of 2004), or Chapter 2 of the Prevention and Combating of Corruption Activities Act, 2004 (Act No. 12 of 2004).
<table>
<thead>
<tr>
<th>Person to whom the document is to be delivered</th>
<th>Method of delivery</th>
<th>Date and Time of Deemed delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Person</td>
<td>By faxing the notice or a certified copy of the document to the Person, if the Person has a fax number; On the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time.</td>
<td>On the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time.</td>
</tr>
<tr>
<td></td>
<td>By sending the notice or a copy of the document by electronic mail, if the Person has an Electronic Address; On the date and at the time recorded by the computer used by the Company, unless there is conclusive evidence that it was delivered on a different date or at a different time.</td>
<td>On the date and at the time recorded by the computer used by the Company, unless there is conclusive evidence that it was delivered on a different date or at a different time.</td>
</tr>
<tr>
<td></td>
<td>By sending the notice or a certified copy of the document by registered post to the Person's last known address; On the 7th (seventh) day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day.</td>
<td>On the 7th (seventh) day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day.</td>
</tr>
<tr>
<td></td>
<td>By any other means authorised by the High Court; or In accordance with the order of the High Court. As provided for that method of delivery.</td>
<td>In accordance with the order of the High Court. As provided for that method of delivery.</td>
</tr>
<tr>
<td></td>
<td>By any other method allowed for that Person in terms of the following rows of this Table.</td>
<td></td>
</tr>
<tr>
<td>Any natural Person</td>
<td>By handing the notice or a certified copy of the document to the Person, or to any representative authorised in writing to accept service on behalf of the Person; On the date and at the time recorded on a receipt for the delivery.</td>
<td>On the date and at the time recorded on a receipt for the delivery.</td>
</tr>
<tr>
<td></td>
<td>By leaving the notice or a certified copy of the document at the Person's place of residence or business with any other Person who is apparently at least 16 (sixteen) years old and in charge of the premises at the time; On the date and at the time recorded on a receipt for the delivery.</td>
<td>On the date and at the time recorded on a receipt for the delivery.</td>
</tr>
<tr>
<td></td>
<td>By leaving the notice or a certified copy of the document at the Person's place of employment with any Person who is apparently at least 16 (sixteen) years old and apparently in authority. On the date and at the time recorded on a receipt for the delivery.</td>
<td>On the date and at the time recorded on a receipt for the delivery.</td>
</tr>
<tr>
<td>A company or similar body corporate</td>
<td>By handing the notice or a certified copy of the document to a responsible employee of the company or body corporate at its registered office or its principal place of business within South Africa; On the date and at the time recorded on a receipt for the delivery.</td>
<td>On the date and at the time recorded on a receipt for the delivery.</td>
</tr>
<tr>
<td></td>
<td>If there is no employee willing to accept service, by affixing the notice or a certified copy of the document, unless there is conclusive evidence that it was delivered on a different date or at a different time.</td>
<td>On the date and at the time sworn to by affidavit of the Person who affixed the document, unless there is conclusive evidence that it was delivered on a different date or at a different time.</td>
</tr>
<tr>
<td>Person to whom the document is to be delivered</td>
<td>Method of delivery</td>
<td>Date and Time of Deemed delivery</td>
</tr>
<tr>
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</tr>
<tr>
<td>The state or a province</td>
<td>By handing the notice or a certified copy of the document to a responsible employee in any office of the State Attorney.</td>
<td>On the date and at the time recorded on a receipt for the delivery.</td>
</tr>
<tr>
<td>A municipality</td>
<td>By handing the notice or a certified copy of the document to the town clerk, assistant town clerk or any Person acting on behalf of that Person.</td>
<td>On the date and at the time recorded on a receipt for the delivery.</td>
</tr>
<tr>
<td>A trade union</td>
<td>By handing the notice or a certified copy of the document to a responsible employee who is apparently in charge of the main office of the union or for the purposes of section 13(2), if there is a union office within the magisterial district of the firm required to notify its employees, in terms of the Regulations at that office. If there is no person willing to accept service, by affixing a certified copy of the notice or document to the main door of that office.</td>
<td>On the date and at the time sworn to by affidavit of the Person who affixed the document, unless there is conclusive evidence that the document was affixed on a different date or at a different time.</td>
</tr>
<tr>
<td>Employees of the Company</td>
<td>By fixing the notice or certified copy of the document, in a prominent place in the workplace where it can be easily read by employees.</td>
<td>On the date and at the time sworn to by affidavit of the Person who affixed the document, unless there is conclusive evidence that the document was affixed on a different date or at a different time.</td>
</tr>
<tr>
<td>A partnership, firm or association</td>
<td>By handing the notice or a certified copy of the document to a Person who is apparently in charge of the premises and apparently at least 16 (sixteen) years of age, at the place of business of the partnership, firm or association; If the partnership, firm or association has no place of business, by handing the notice or a certified copy of the document to a partner, the owner of the firm, or the chairman or secretary of the managing or other controlling body of the association, as the case may be.</td>
<td>On the date and at the time recorded on a receipt for the delivery.</td>
</tr>
</tbody>
</table>

**Note:** Evidence that the document was affixed on a different date or at a different time should be provided. If the document cannot be affixed in the manner specified, it shall be affixed to the main door or other prominent place in the location where the document is to be delivered.
EXECUTION

AMENDMENT AND RESTATEMENT AGREEMENT

relating to a ZAR6,000,000,000 REVOLVING FACILITY AGREEMENT

dated 24 August 2018

for

SIBANYE GOLD LIMITED

arranged by

NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION)

FIRSTRAND BANK LIMITED (ACTING THROUGH ITS RAND MERCHANT BANK DIVISION)

ABSA BANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANK DIVISION)

THE STANDARD BANK OF SOUTH AFRICA LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION)

BANK OF CHINA LIMITED JOHANNESBURG BRANCH

as Mandated Lead Arrangers with

NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION)

acting as Agent
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Schedule 1 The Existing Obligors

Schedule 2
Conditions precedent

Annexure 1
Second Amended and Restated Facility Agreement
Amendment and Restatement Agreement relating to a ZAR6,000,000,000 Revolving Facility Agreement

This Agreement is dated ____________________ 2018

Between

(1) SIBANYE GOLD LIMITED (Sibanye Gold);

(2) THE SUBSIDIARIES of Sibanye Gold listed in Schedule 1 (The Existing Obligors) as borrowers (together with Sibanye Gold, the Existing Borrowers);

(3) THE SUBSIDIARIES of Sibanye Gold listed in Schedule 1 (The Existing Obligors) as guarantors (together with Sibanye Gold, the Existing Guarantors, and together with the Existing Borrowers, the Existing Obligors); and

(4) NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION) as agent of the other Finance Parties (the Agent).

Recitals

A. This Agreement is supplemental to and amends and restates the amended and restated ZAR6,000,000,000 revolving facility agreement originally dated 14 November 2016 and amended and restated on 28 September 2017 between, amongst others, Sibanye Gold, the Lenders, the Agent and the Arrangers (the Facility Agreement).

B. The Parties have agreed to amend and restate the Facility Agreement on the terms and conditions of this Agreement.

C. All Lenders (as defined in the Facility Agreement) have consented to the amendments to the Facility Agreement contemplated by this Agreement. Accordingly, the Agent is authorised to execute this Agreement on behalf of the Finance Parties.

It is agreed as follows:

1. Definitions and construction

1.1 Definitions

Words and expressions defined in the Facility Agreement, as amended and restated by this Agreement, shall have the same meanings in this Agreement unless they are otherwise defined herein. In addition, in this Agreement:

Agreement means this amendment and restatement agreement relating to the Facility Agreement.

Amended and Restated Facility Agreement means the Facility Agreement as amended and restated by this Agreement.

Continuing Obligor means each Existing Obligor other than Rand Uranium.

Effective Date means the date on which the Agent notifies Sibanye Gold in accordance with Clause 2.2 (Conditions precedent).

Facility Agreement means the facility agreement referred to in Recital A above.

Rand Uranium means Rand Uranium Proprietary Limited.
1.2 Construction

The principles of construction set out in Clauses 1.2 (Construction) and 1.3 (Currency symbols and definitions) of the Facility Agreement, as amended and restated by this Agreement, shall apply to this Agreement as they apply to the Facility Agreement.

1.3 Third party rights

The provisions of Clause 1.4 (Third party rights) of the Facility Agreement shall apply to this Agreement as they apply to the Facility Agreement.

2. Amendment and restatement

2.1 Amendment and restatement

The Parties agree that with effect from the Effective Date, the Facility Agreement shall be amended and restated so as to be in the form set out in Annexure 1 (Amended and Restated Facility Agreement) hereto, so that with effect on the Effective Date, it shall be read and construed for all purposes in accordance with the Amended and Restated Facility Agreement.

2.2 Conditions precedent

The Agent shall promptly confirm, by written notice to Sibanye Gold, when it has received all of the documents and other evidence listed in Schedule 2 (Conditions precedent) in form and substance satisfactory to it (or shall notify Sibanye Gold that it has, with the consent of the Majority Lenders, waived the receipt of such documents and other evidence).

2.3 Resignation of Guarantor

(a) The Parties agree that, on the Effective Date, Rand Uranium Proprietary Limited (Rand Uranium) will be released from its obligations as a Guarantor under the Facility Agreement as contemplated in clause 26.6 (Resignation of Guarantor) of the Facility Agreement.

(b) Sibanye Gold confirms that no Default is continuing as at Signature Date and the Effective Date or would result from such release.

(c) Provided the provisions of this Agreement have been complied with, the conditions for Rand Uranium to be released as a Guarantor contained in the Facility Agreement shall be considered as having been satisfied on the Effective Date.

3. Guarantees

3.1 Confirmation

Without prejudice to the rights of any Finance Party which have arisen on or before the Effective Date:

(a) each Continuing Obligor confirms that, on and after the Effective Date, the Facility Agreement, as amended and restated by this Agreement, and the other Finance Documents will remain in full force and effect;

(b) each Continuing Obligor shall continue to be bound by all of its obligations, on and after the Effective Date, under (i) the Amended and Restated Facility Agreement and (ii) the other Finance Documents;

(c) each of the Parties confirm that the amendment (if any) of the Finance Documents pursuant to this Agreement or any other document shall not constitute a novation of the Finance Documents; and
(d) each Guarantor that is a Continuing Obligor confirms that, on and after the Effective Date, its guarantee, undertaking and indemnity under Clause 19 (Guarantee and Indemnity) of the Facility Agreement will remain in full force and effect and will extend to each Continuing Obligor's obligations under the Finance Documents (including, without limitation, their obligations under the Amended and Restated Facility Agreement).

3.2 New Obligations

To the extent that the guarantee, undertaking or indemnity under Clause 19 (Guarantee and Indemnity) of the Facility Agreement of each Guarantor that is a Continuing Obligor is not, for any reason, enforceable on or after the Effective Date in relation to any Obligor's obligations under the Finance Documents (including, without limitation, their obligations under the Amended and Restated Facility Agreement) that Guarantor guarantees to, undertakes with and indemnifies each Finance Party on the terms of that clause in relation to those obligations on and after the Effective Date.

4. Representations and warranties

The Repeating Representations are deemed to be repeated by each Obligor by reference to the facts and circumstances then existing on:

(a) the date of this Agreement; and

(b) (in the case of each Continuing Obligor only) the Effective Date.

5. Further action

Each Obligor shall, at its own expense, promptly take any action and sign or execute any further documents which the Agent may reasonably require to give effect to the requirements of this Agreement.

6. Costs and expenses

Sibanye Gold shall promptly on demand pay any Finance Party the amount of all the costs and expenses (including legal fees subject to any agreed cap) reasonably incurred by such Finance Party in connection with the negotiation, preparation, printing and execution of this Agreement and any other documents referred to in this Agreement.

7. Variation

No agreement to vary, add or cancel this Agreement shall be of any force or effect unless it is entered into in accordance with the provisions of Clause 36 (Amendment and Waiver) of the Amended and Restated Facility Agreement.

8. Counterparts

This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9. Governing law and jurisdiction

The provisions of Clauses 45 (Governing law) and 46 (Enforcement) of the Facility Agreement shall apply to this Agreement as they apply to the Facility Agreement.
10. Finance Documents

This Agreement is designated by the Agent and Sibanye Gold as a Finance Document.

This Agreement has been entered into on the date stated at the beginning of this Agreement.
## Schedule 1

### The Existing Obligors

<table>
<thead>
<tr>
<th>Name of Existing Borrower</th>
<th>Registration number (or equivalent, if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sibanye Gold Limited</td>
<td>2002/031431/06</td>
</tr>
<tr>
<td>Sibanye Rustenburg Platinum Mines Proprietary Limited</td>
<td>2015/305479/07</td>
</tr>
<tr>
<td>Kroondal Operations Proprietary Limited</td>
<td>2000/000341/07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Existing Guarantor</th>
<th>Registration number (or equivalent, if any)</th>
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</thead>
<tbody>
<tr>
<td>Sibanye Gold Limited</td>
<td>2002/031431/06</td>
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<td>Sibanye Rustenburg Platinum Mines Proprietary Limited</td>
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<tr>
<td>Kroondal Operations Proprietary Limited</td>
<td>2000/000341/07</td>
</tr>
<tr>
<td>Rand Uranium Proprietary Limited</td>
<td>2007/007531/07</td>
</tr>
<tr>
<td>Stillwater Mining Company</td>
<td>231761 (Incorporated in the State of Delaware, United State of America)</td>
</tr>
</tbody>
</table>
Schedule 2

Conditions precedent

The documents and other evidence referred to in Clause 2.2 (Conditions precedent) are as follows:

1. **Obligors**

   Copies of each of the following:

   (a) A copy of the constitutional documents of each Obligor or, in the case of any such document, that Obligor's written confirmation, as at a date no earlier than the date of this Agreement, that such document has not been amended or varied since it was last provided to the Agent under the Facility Agreement.

   (b) A copy of a resolution of the board of directors of each Obligor:

   (i) approving the transactions contemplated by this Agreement and the Facility Agreement and resolving that it execute the Facility Agreement and any amendments thereto;

   (ii) authorising a specified person or persons to execute the Facility Agreement on its behalf and any amendments thereto; and

   (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Facility Agreement and the Finance Documents to which it is a party.

   (c) A specimen of the signature of each person authorised by the resolutions referred to in paragraph (b) above or confirmation that the authorised signatories have not changed since their specimen signatures were last provided to the Agent under the Facility Agreement.

   (d) A certificate of an authorised signatory of the relevant Obligor certifying that each copy document relating to it specified in this Schedule 2 (Conditions Precedent) is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

   (e) A certificate of the authorised signatory of Sibanye Gold confirming as at the date of this Agreement that:

   (i) no Default has occurred or is continuing or will result from the execution of this Agreement and/or the Finance Documents (as the case may be) or, if a Default has occurred and is continuing, describing that Default and the steps being taken to remedy it; and

   (ii) the representations and warranties given by it under this Agreement and/or the Finance Documents (as the case may be) are correct in all respects or, if any such representation or warranty is not correct in all respects, describing the relevant misrepresentation and the steps being taken to remedy it.

2. **Finance Documents**

   A duly executed original of this Agreement.
3. **Legal opinions**

   (a) A legal opinion of Baker McKenzie New York, legal advisers to the Obligors in the State of New York in the United States of America, substantially in the form distributed to the Agent prior to signing this Agreement.

   (b) A legal opinion of Bowman Gilfillan Inc., legal advisers to the Arrangers and the Agent in South Africa, substantially in the form distributed to the Agent prior to signing this Agreement.

   (c) A legal opinion of Baker & McKenzie South Africa, legal advisers to the Obligors in South Africa, substantially in the form distributed to the Agent prior to signing this Agreement.

4. **Authorisations**

   A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified Sibanye Gold accordingly) in connection with the entry into and performance of the transactions contemplated by this Agreement or for the validity and enforceability of this Agreement and/or any Finance Document.
EXECUTION

SIBANYE GOLD LIMITED as an EXISTING BORROWER and an EXISTING GUARANTOR

/s/ Charl Keyter
By: Charl Keyter
Capacity: Director
Who warrants his/her authority hereto

SIBANYE RUSTENBERG PLATINUM MINES PROPRIETARY LIMITED as an EXISTING GUARANTOR

/s/ Charl Keyter
By: Charl Keyter
Capacity: Director
Who warrants his/her authority hereto

KROONDAL OPERATIONS PROPRIETARY LIMITED as an EXISTING GUARANTOR

/s/ Charl Keyter
By: Charl Keyter
Capacity: Authorised Signatory
Who warrants his/her authority hereto

RAND URANIUM PROPRIETARY LIMITED as an EXISTING GUARANTOR

/s/ Charl Keyter
By: Charl Keyter
Capacity: Authorised Signatory
Who warrants his/her authority hereto
STILLWATER MINING COMPANY as an EXISTING GUARANTOR

/s/ Charl Keyter

By: Charl Keyter

Capacity: Director

Who warrants his/her authority hereto
THE AGENT

NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION)

/s/ Jeanelle Botma

By: Jeanelle Botma

Capacity: Authorised Signatory

Who warrants his/her authority hereto

/s/ Dirk Jv Rensburg

By: Dirk Jv Rensburg

Capacity: Authorised Signatory

Who warrants his/her authority hereto
Annexure 1

Second Amended and Restated Facility Agreement
SECOND AMENDED AND RESTATED FACILITY AGREEMENT

SECOND AMENDED AND RESTATED REVOLVING FACILITY AGREEMENT

ZAR 6,000,000,000

for

SIBANYE GOLD LIMITED

arranged by

NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION)

FIRSTRAND BANK LIMITED (ACTING THROUGH ITS RAND MERCHANT BANK DIVISION)

ABSA BANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANK DIVISION)

THE STANDARD BANK OF SOUTH AFRICA LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION)

BANK OF CHINA LIMITED JOHANNESBURG BRANCH

as Mandated Lead Arrangers

with

NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION)

acting as Agent
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THIS AGREEMENT is originally dated 14 November 2016 and amended and restated on 28 September 2017, and further amended and restated on _ August 2018

BETWEEN:

(1) **SIBANYE GOLD LIMITED** (the Sibanye Gold);

(2) **THE SUBSIDIARIES** of Sibanye Gold listed in Part 1A of Schedule 1 as original borrowers;

(3) **THE SUBSIDIARIES** of Sibanye Gold listed in Part 1A of Schedule 1 as original guarantors;

(4) **THE SUBSIDIARIES** of Sibanye Gold listed in Part 1B of Schedule 1 as additional guarantors;

(5) **NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION)** as co-ordinator (the Co-ordinator);

(6) **NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION), FIRSTRAND BANK LIMITED (ACTING THROUGH ITS RAND MERCHANT BANK DIVISION), ABSA BANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANK DIVISION), THE STANDARD BANK OF SOUTH AFRICA LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION) AND BANK OF CHINA LIMITED JOHANNESBURG BRANCH** as mandated lead arrangers (together with the Co-ordinator the Arrangers);

(7) **THE FINANCIAL INSTITUTIONS** listed in Part 2 of Schedule 1 as lenders (the Original Lenders); and

(8) **NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION)** as agent of the other Finance Parties (the Agent).

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement:

1.1.1 **Acceptable Bank** means a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or A2 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;

1.1.2 **Accession Letter** means a document substantially in the form set out in Schedule 6 (Form of Accession Letter);

1.1.3 **Accounting Principles** means the IFRS as adopted by the International Accounting Standards Board, to the extent applicable to the relevant Financial Statements;
1.1.4 Additional Borrower means a company which becomes an Additional Borrower in accordance with Clause 26 (Change of Obligors);

1.1.5 Additional Guarantor means each company listed as such in Part 1B of Schedule 1 and any other company which becomes an Additional Guarantor in accordance with Clause 26 (Change of Obligors);

1.1.6 Additional Obligor means an Additional Borrower or an Additional Guarantor;

1.1.7 Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

1.1.8 Annual Financial Statements means the financial statements for a Financial Year delivered pursuant to Clause 21.1.1;

1.1.9 Applicable Inter-company Loans means inter-company loans which are fully subordinated to the liabilities of the Obligors under the Finance Documents and are between Obligors;

1.1.10 Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

1.1.11 Availability Period means the period from and including the Signature Date and ending on the earlier of:

1.1.11.1 the date on which the Facility is cancelled; and

1.1.11.2 the date falling one month prior to the Termination Date;

1.1.12 Available Commitment means a Lender’s Commitment minus:

1.1.12.1 the amount of its participation in any outstanding Loans; and

1.1.12.2 in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date, other than that Lender’s participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date;

1.1.13 Available Facility means the aggregate for the time being of each Lender’s Available Commitment;

1.1.14 Borrower means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 26 (Change of Obligors);

1.1.15 Break Costs means the amount (if any) by which:
1.1.15.1 the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

1.1.15.2 the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period;

1.1.16 **Burnstone** means Sibanye Gold Eastern Operations Proprietary Limited (previously known as Southgold Exploration Proprietary Limited);

1.1.17 **Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in Johannesburg;

1.1.18 **Code** means the US Internal Revenue Code of 1986;

1.1.19 **Commitment** means:

1.1.19.1 in relation to an Original Lender, the amount set opposite its name under the heading “Commitment” in Part 2 of Schedule 1 (The Original Parties) and the amount of any other Commitment transferred to it under this Agreement; and

1.1.19.2 in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement;

1.1.20 **Companies Act** means the Companies Act, 2008 of South Africa and all regulations promulgated under that Act;

1.1.21 **Company** means:

1.1.21.1 for the period up to and including the New TopCo Accession Date, Sibanye Gold; and

1.1.21.2 after the New TopCo Accession Date, New Topco;

1.1.22 **Compliance Certificate** means a certificate substantially in the form set out in Schedule 8 (Form of Compliance Certificate);

1.1.23 **Confidential Information** means all information relating to the Company, any Obligor, the Group, the Stillwater Group, the Finance Documents or the Facility of which a Finance Party
becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

1.1.23.1 any member of the Group or the Stillwater Group or any of their respective advisers; or

1.1.23.2 another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or the Stillwater Group or any of their respective advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

1.1.23.3 information that:

1.1.23.3.1 is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 37 (Confidential Information); or

1.1.23.3.2 is identified in writing at the time of delivery as non-confidential by any member of the Group or the Stillwater Group or any of their respective advisers; or

1.1.23.3.3 is known by that Finance Party before the date the information is disclosed to it in accordance with Clause 1.1.23.1 or 1.1.23.2 or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

1.1.23.3.4 relates to any Funding Rate;

1.1.24 Confidentiality Undertaking means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 9 (LMA Form of Confidentiality Undertaking) or in any other form agreed between the Company and the Agent;

1.1.25 Consolidated EBITDA has the meaning given to that term in Clause 22.1 (Financial Definitions);

1.1.26 Covenant Adjustment Period means the period from and including 30 June 2017 up to and including 31 December 2018;

1.1.27 Default means an Event of Default or any event or circumstance specified in Clause 24 (Events of Default) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default;
1.1.28 **Defaulting Lender** means any Lender:

1.1.28.1 which has failed to make its participation in a Loan available (or has notified the Agent or the Company (which has notified the Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with Clause 5.4 (Lenders’ Participation);

1.1.28.2 which has otherwise rescinded or repudiated a Finance Document; or

1.1.28.3 with respect to which an Insolvency Event has occurred and is continuing, unless, in the case of Clause 1.1.28.1:

1.1.28.4 its failure to pay is caused by:

1.1.28.4.1 administrative or technical error; or

1.1.28.4.2 a Disruption Event; and payment is made within five Business Days of its due date; or

1.1.28.5 the Lender is disputing in good faith whether it is contractually obliged to make the payment in question;

1.1.29 **Disruption Event** means either or both of:

1.1.29.1 a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

1.1.29.2 the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

1.1.29.3 from performing its payment obligations under the Finance Documents; or

1.1.29.4 from communicating with other Parties in accordance with the terms of the Finance Documents, and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted;

1.1.30 **DRDGold** means DRDGOLD Limited;

1.1.31 **EBITDA** has the meaning given to that term in Clause 22.1 (Financial Definitions);
1.1.32 **Effective Amendment Date** means the Effective Date as defined in the Second Amendment and Restatement Agreement;

1.1.33 **Effective Date** means the date of the notice given by the Agent pursuant to Clause 4.1 (Initial conditions precedent), being 15 November 2016;

1.1.34 **Encumbrance** means:

1.1.34.1 any mortgage, bond, notarial bond, pledge, lien, assignment or cession conferring security, hypothecation, a security interest, preferential right or trust arrangement or other encumbrance of the like securing any obligation of any person; or

1.1.34.2 any arrangement under which money or claims to, or for the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

1.1.34.3 any other type of preferential agreement or arrangement (including any title transfer and retention arrangement), the effect of which is the creation of a security interest;

1.1.35 **ERISA** means, at any date, the United States Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended from time to time, and the regulations promulgated thereunder, as the same may be in effect at such date;

1.1.36 **ERISA Affiliate** means any person that for purposes of Title I and Title IV of ERISA and section 412 of the Code is treated as a single employer with any Obligor under section 414 of the Code or section 4001 of ERISA;

1.1.37 **Eskom** means Eskom Holdings SOC Limited;

1.1.38 **Event of Default** means any event or circumstance specified as such in Clause 24 (Events of Default);

1.1.39 **Existing Facilities** means the term and revolving facilities made available to Sibanye Gold pursuant to a ZAR4,000,000,000 facilities agreement entered into between amongst others, Sibanye Gold, Absa Bank Limited (acting through its Absa Capital Division) Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division), FirstRand Bank Limited (acting through its Rand Merchant Bank division), Bank of China Limited, Johannesburg Branch and Investec Bank Limited (acting through its Corporate and Institutional Banking division), as amended and restated on 6 October 2015;

1.1.40 **Existing Facilities Repayment Amount** means the amount required by Sibanye Gold to fund the prepayment or repayment (as the case may be) of any amounts owing under the Existing Facilities in full;
1.1.41 **Facility** means the revolving loan facility made available under this Agreement as described in Clause 2 (The Facility);

1.1.42 **Facility Office** means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement;

1.1.43 **Fallback Interest Period** means a period of one week;

1.1.44 **FATCA** means:

1.1.44.1 sections 1471 to 1474 of the Code or any associated regulations;

1.1.44.2 any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in Clause 1.1.44.1; or

1.1.44.3 any agreement pursuant to the implementation of any treaty, law or regulation referred to in Clauses 1.1.44.1 or 1.1.44.2 with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

1.1.45 **FATCA Application Date** means:

1.1.45.1 in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

1.1.45.2 in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or

1.1.45.3 in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within Clauses 1.1.45.1 or 1.1.45.2, 1 January 2019, or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the Signature Date;

1.1.46 **FATCA Deduction** means a deduction or withholding from a payment under a Finance Document required by FATCA;

1.1.47 **FATCA Exempt Party** means a Party that is entitled to receive payments free from any FATCA Deduction;
1.1.48 **Fee Letter** means any letter or letters dated on or about the Signature Date between each Original Lender and Sibanye Gold (or the Agent and Sibanye Gold) setting out any of the fees referred to in Clause 13 (Fees);

1.1.49 **Finance Document** means this Agreement, any Fee Letter, the Funds Flow Confirmation Letter, any Accession Letter, any Resignation Letter and any other document designated as such by the Agent and the Company;

1.1.50 **Finance Party** means the Agent, the Arrangers or a Lender;

1.1.51 **Financial Half Year** has the meaning given to that term in Clause 22.1 (Financial Definitions);

1.1.52 **Financial Indebtedness** means (without double counting) any indebtedness for or in respect of:

1.1.52.1 moneys borrowed or credit granted;

1.1.52.2 any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

1.1.52.3 any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

1.1.52.4 the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with IFRS in force as at the Signature Date have been treated as an operating lease);

1.1.52.5 receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);

1.1.52.6 any amount of liability in respect of any purchase price for assets or services the payment of which is deferred where the deferral of such price is either:

1.1.52.6.1 used primarily as a method of raising credit; or

1.1.52.6.2 not made in the ordinary course of business;

1.1.52.7 any agreement or option to re-acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance;

1.1.52.8 any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

1.1.52.9 any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative
transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

1.1.52.10 any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

1.1.52.11 the amount raised by the issue of redeemable shares to the extent such shares are redeemable prior to the Termination Date; and

1.1.52.12 the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in Clauses 1.1.52.1 to 1.1.52.11;

1.1.53 **Financial Half Year** has the meaning given to that term in Clause 22.1 (Financial Definitions);

1.1.54 **Financial Quarter** has the meaning given to that term in Clause 22.1 (Financial Definitions);

1.1.55 **Financial Statements** means any financial statements referred to in Clause 21.1 (Financial Statements);

1.1.56 **Financial Year** has the meaning given to that term in Clause 22.1 (Financial Definitions);

1.1.57 **Franco-Nevada Loan** means the loan owing by Ezulwini Mining Company to Franco- Nevada GLW Holdings Corp., Gold Wheaton Gold Corp., Franco Nevada (Barbados) Corporation (previously known as Gold Wheaton (Barbados Corporation) and/or any one or more of their respective affiliates;

1.1.58 **Franco-Nevada Loan Agreement** means a written gold purchase agreement dated 5 November 2009 concluded amongst Ezulwini Mining Company and Franco-Nevada GLW Holdings Corp., Gold Wheaton Gold Corp. and Franco-Nevada (Barbados) Corporation (previously known as Gold Wheaton (Barbados Corporation) pursuant to which the Franco-Nevada Loan is made available to Ezulwini Mining Company;

1.1.59 **Funds Flow Confirmation Letter** means the written letter agreement entered into between the Finance Parties and Sibanye Gold, pursuant to which certain matters regarding the payments in respect of the first Utilisation are regulated;

1.1.60 **Funding Rate** means any individual rate notified by a Lender to the Agent pursuant to Clause 12.3 (Cost of Funds);

1.1.61 **Group** means the Company and its Subsidiaries for the time being;

1.1.62 **Group Structure Chart** means the group structure chart in agreed form showing at least the following information:
1.1.62.1 each member of the Group, including current name and company registration number, its jurisdiction of incorporation and/or its jurisdiction of establishment;

1.1.62.2 a list of shareholders of each member of the Group; and

1.1.62.3 indicating whether it is not a company with limited liability;

1.1.63 **Guarantor** means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 26 (Change of Obligors);

1.1.64 **Guarantor Threshold Test** has the meaning given to that term in Clause 23.20 (Guarantors);

1.1.65 **Historic Screen Rate** means, in relation to any Loan, the most recent applicable Screen Rate for rand and for a period equal in length to the Interest Period of that Loan and which is as of a day which is no more than 3 days before the Quotation Day;

1.1.66 **Holding Company** means, in relation to a person, any other person in respect of which it is a Subsidiary;

1.1.67 **IFRS** means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant Financial Statements;

1.1.68 **Impaired Agent** means the Agent at any time when:

1.1.68.1 it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

1.1.68.2 the Agent otherwise rescinds or repudiates a Finance Document;

1.1.68.3 (if the Agent is also a Lender) it is a Defaulting Lender under Clause 1.1.28.1 or 1.1.28.2 or 1.1.28.3 of the definition of “Defaulting Lender”; or

1.1.68.4 an Insolvency Event has occurred and is continuing with respect to the Agent; unless, in the case of Clause 1.1.68.1:

1.1.68.5 its failure to pay is caused by:

1.1.68.5.1 administrative or technical error; or

1.1.68.5.2 a Disruption Event; and

1.1.68.6 payment is made within five Business Days of its due date; or

1.1.68.7 the Agent is disputing in good faith whether it is contractually obliged to make the payment in question;
1.1.69 **Indebtedness for Borrowed Money** means Financial Indebtedness save for any indebtedness for or in respect of Clauses 1.1.52.9 and 1.1.52.10 of the definition of “Financial Indebtedness”, or in respect of any guarantee or indemnity of such indebtedness if and to the extent only 1.1.52.9 and 1.1.52.10 are not closed-out and/or called and consequently constitute Financial Indebtedness;

1.1.70 **Insolvency Event** in relation to an entity means that the entity:

1.1.70.1 is dissolved (other than pursuant to a consolidation, amalgamation or merger);

1.1.70.2 becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

1.1.70.3 institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

1.1.70.4 has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in Clause 1.1.70.3 and:

1.1.70.4.1 results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

1.1.70.4.2 is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

1.1.70.5 has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

1.1.70.6 seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in Clause 1.1.70.3);
1.1.70.7 has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

1.1.70.8 causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in Clauses 1.1.70.1 to 1.1.70.7; or

1.1.70.9 takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

1.1.71 **Interest Period** means, in relation to a Loan, each period determined in accordance with Clause 11 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (Default Interest);

1.1.72 **Interpolated Historic Screen Rate** means, in relation to JIBAR for any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

1.1.72.1 the most recent applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and

1.1.72.2 the most recent applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan, each for rand and each of which is as of a day which is no more than 3 days before the Quotation Day;

1.1.73 **Interpolated Screen Rate** means, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

1.1.73.1 the most recent applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and

1.1.73.2 the most recent applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan, each as of the Specified Time for rand;

1.1.74 **JIBAR** means, in relation to any Loan:

1.1.74.1 the applicable Screen Rate as of the Specified Time for rand and for a period equal in length to the Interest Period of that Loan; or
as otherwise determined pursuant to Clause 12 (Changes to the Calculation of Interest), and if, in either case, that rate is less than zero, JIBAR shall be deemed to be zero;

JSE means the Johannesburg Stock Exchange, a licensed financial exchange in terms of the Financial Markets Act, 2012, as managed by JSE Limited, a public company duly incorporated in accordance with the laws of South Africa with registration number 2005/022939/06, or any other financial exchange which operates as a successor exchange to the Johannesburg Stock Exchange;

JSE Listings Requirements means the listings requirements published by the JSE, as amended from time to time;

Legal Reservations means:

the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

the time barring of claims under the Prescription Act, 1969;

similar principles, rights and defences under the laws of any relevant jurisdiction; and

any other matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions delivered to the Agent under Clause 4.1 (Initial Conditions Precedent) or Clause 26 (Changes of Obligors);

Lender means:

any Original Lender; and

any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 25 (Changes to the Lenders), which in each case has not ceased to be a Party in accordance with the terms of this Agreement;

LMA means the Loan Market Association;

Loan means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan;

Lonmin Merger means the merger of Lonmin Plc and the Company to be effected by a share-for-share exchange between the Company and the shareholders of Lonmin Plc pursuant to the offer by Sibanye Gold initially announced on 14 December 2017, or any revised offer approved by the Facility Agent in writing;
1.1.82 **Majority Lenders** means a Lender or Lenders whose Commitments aggregate more than 66 2/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3% of the Total Commitments immediately prior to the reduction);

1.1.83 **Margin** means:

1.1.83.1 during the Covenant Adjustment Period, the percentage amount determined by reference to the ratio of Consolidated Net Borrowings to Consolidated EBITDA in respect of the most recent Measurement Period (the **Relevant Measurement Period**) using the table below:

<table>
<thead>
<tr>
<th>Ratio of Consolidated Net Borrowings to Consolidated EBITDA</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 3.25:1 but less than 3.5:1</td>
<td>2.90</td>
</tr>
<tr>
<td>Equal to or less than 3.25:1 and greater than 3.00:1</td>
<td>2.65</td>
</tr>
<tr>
<td>Equal to or less than 3.00:1</td>
<td>2.40</td>
</tr>
</tbody>
</table>

and

1.1.83.2 after the Covenant Adjustment Period, 2.40%, provided that during the Covenant Adjustment Period:

1.1.83.2.1 any reduction or increase in the Margin that would otherwise take effect after the start of the Covenant Adjustment Period under Clause 1.1.83.1 shall only take effect from the first day of the Interest Period following receipt by the Agent of the Compliance Certificate pursuant to Clause 21.2 (Compliance Certificate) in respect of the Relevant Measurement Period; and

1.1.83.2.2 if, following receipt by the Agent of the Compliance Certificate related to the Annual Financial Statements relating to any Relevant Measurement Period, that Compliance Certificate and those Financial Statements do not confirm the basis for the Margin that had been determined by reference to the ratio of Consolidated Net Borrowings to Consolidated EBITDA calculated on the basis of the Compliance Certificate relating to the unaudited financial statements previously delivered to the Agent in respect of that Relevant Measurement Period, then Clause 10.5 shall apply and the Margin shall be the percentage rate determined using the table in Clause 1.1.83.1 and the revised ratio of Consolidated Net Borrowings to Consolidated EBITDA calculated using the figures in the Compliance Certificate related to the relevant Annual Financial Statements;

1.1.84 **Margin Regulations** means Regulations T, U and X issued by the Board of Governors of the United States Federal Reserve System;
1.1.85 **Material Adverse Effect** means a material adverse effect on:

1.1.85.1 the business, operations, property or financial condition of the Group taken as a whole; or

1.1.85.2 the ability of the Obligors together to perform their financial or other obligations under the Finance Documents;

1.1.86 **Material Company** means any member of the Group (other than an Obligor and a Project Finance Subsidiary) which:

1.1.86.1 has EBITDA (determined on the same basis as Consolidated EBITDA) representing 5% or more of Consolidated EBITDA (provided that any amounts attributable to Project Finance Subsidiaries shall be excluded from the calculation of Consolidated EBITDA); or

1.1.86.2 has gross assets representing 10% or more of the gross assets of the Group (excluding assets of Project Finance Subsidiaries) calculated on a consolidated basis; Compliance with the conditions set out in Clauses 1.1.86.1 and 1.1.86.2 shall be determined by reference to the most recent Compliance Certificate supplied by the Company and/or the latest audited annual financial statements or unaudited half-yearly financial statements of that member of the Group (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited annual consolidated financial statements or unaudited half-yearly consolidated financial statements of the Company;

1.1.87 **Month** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

1.1.87.1 subject to Clause 1.1.87.3 if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

1.1.87.2 if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

1.1.87.3 if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end; the above rules will only apply to the last Month of any period;

1.1.88 **Multiemployer Plan** means any Plan which is described in section 4001(A)(3) of ERISA;

1.1.89 **New Lender** has the meaning given to that term in Clause 25 (Changes to the Lenders);
1.1.90 **New TopCo** means the company to be incorporated (in South Africa, the United Kingdom or such other jurisdiction approved in writing by the Facility Agent) as a new holding company of Sibanye Gold and interposed between Sibanye Gold and its existing shareholders, and which shall be listed on the JSE, NYSE, Toronto Stock Exchange or London Stock Exchange;

1.1.91 **New TopCo Accession Date** means the date on which New TopCo accedes to this Agreement as a Party, as contemplated in Clause 23.22 (New TopCo accession);

1.1.92 **Non-Obligor** means any person that is not an Obligor or a Project Finance Subsidiary;

1.1.93 **Non-Obligor Restricted Company** means a Restricted Company that is not an Obligor;

1.1.94 **Non-Project Finance Group Member** means any member of the Group other than a Project Finance Subsidiary;

1.1.95 **NYSE** means the New York Stock Exchange;

1.1.96 **Obligor** means a Borrower or a Guarantor;

1.1.97 **Original Financial Statements** means:

1.1.97.1 in relation to Sibanye Gold, the audited consolidated financial statements of the Group for the Financial Year ended 31 December 2015;

1.1.97.2 in relation to Kroondal Operations Proprietary Limited, its audited financial statements for the Financial Year ended 30 June 2016;

1.1.97.3 in relation to Sibanye Rustenburg Platinum Mines Proprietary Limited, its audited financial statements for its Financial Year ended 31 December 2015; and

1.1.97.4 in relation to Stillwater, its audited financial statements for the Financial Year ended 31 December 2016;

1.1.98 **Original Obligor** means an Original Borrower or an Original Guarantor;

1.1.99 **Party** means a party to this Agreement;

1.1.100 **PBGC** means the US Pension Benefit Guaranty Corporation or any entity succeeding to all or any of its functions under ERISA;

1.1.101 **Permitted Acquisition** means:

1.1.101.1 the Stillwater Acquisition;

1.1.101.2 the Lonmin Merger;

1.1.101.3 Project Top Deck;
1.1.101.4 any transaction in respect of which the disposing entity is a member of the Group if the disposal falls within Clauses 1.1.102.5 or 1.1.102.6 of the definition of Permitted Disposal;

1.1.101.5 an acquisition of product from another member of the Group which is to be subsequently disposed of by the acquiring company pursuant to a Streaming Transaction provided that if such disposal is made by a Restricted Company it falls within Clause 1.1.102.3 of the definition of Permitted Disposal;

1.1.101.6 an acquisition by Sibanye Gold of shares in K2017449061 (South Africa) Proprietary Limited and subsequent acquisition by Sibanye of shares in DRDGold, initially constituting approximately 38% of the issued share capital of DRDGold, in exchange for shares in K2017449061 (South Africa) Proprietary Limited; or

1.1.101.7 any other acquisition which is not classified as a “Category 1 Transaction” of the Company in terms of the JSE Listings Requirements, provided that no acquisition of a company or business that is completed during the Covenant Adjustment Period shall be treated as a Permitted Acquisition under this Clause 1.1.101.7 if (a) it would result in Indebtedness for Borrowed Money of the Group (as determined on a consolidated basis) increasing by more than ZAR 20,000,000 (or its equivalent in other currencies) at the time of its completion (a “Leverage Acquisition”) and (b) the aggregate amount by which Indebtedness for Borrowed Money of the Group (as determined on a consolidated basis) has increased as a result of all Leverage Acquisitions completed during the Covenant Adjustment Period exceeds ZAR 100,000,000 (or its equivalent in other currencies), unless the Company can demonstrate to the satisfaction of the Majority Lenders that:

1.1.101.7.1 Consolidated EBITDA to Consolidated Net Finance Charges for the Measurement Period in which the relevant Leveraged Acquisition completes will be equal to or exceed 5.0:1; and

1.1.101.7.2 Consolidated Net Borrowings to Consolidated EBITDA for that Measurement Period will be equal to or less than 2.5:1, and for the purpose of this definition, Consolidated EBITDA, Consolidated Net Finance Charges and Consolidated Net Borrowings shall be determined after giving pro forma effect to the Leveraged Acquisition giving rise to the need for the determination as if the Leveraged Acquisition had completed, and any resulting increase in Indebtedness for Borrowed Money had been incurred, at the start of the Measurement Period in which the relevant Leveraged Acquisition completes.

1.1.102 Permitted Disposal means any sale, lease, transfer or other disposal:

1.1.102.1 by a Restricted Company of any other assets which are obsolete, redundant or no longer required for the efficient operation of the business of such Restricted Company
(including assets associated with discontinued operations or mines that are under care and maintenance and tailings dumps);

1.1.102.2 by a Restricted Company in the ordinary course of its day-to-day trading if that sale, lease, transfer or other disposal is not otherwise restricted by a term of any Finance Document;

1.1.102.3 by a Restricted Company for cash on arm’s-length terms pursuant to Streaming Transactions (including a disposal of product by a Restricted Company to another member of the Group for cash on arm’s-length terms for the purpose of supplying product for a Streaming Transaction by the acquiring company) provided that the aggregate market value of product delivered to non-Restricted Companies pursuant to all such transactions does not, in aggregate, exceed US$100,000,000 (or its equivalent in any other currency or currencies) in any Financial Year;

1.1.102.4 by a Restricted Company pursuant to receivables discounting arrangements or similar transactions provided that: (i) the value of disposals pursuant to such transactions does not, in aggregate, exceed US$300,000,000 (or its equivalent in any other currency or currencies) in any Financial Year; and (ii) to the extent that such transaction gives rise to any Financial Indebtedness, such Financial Indebtedness is incurred in accordance with the terms of this Agreement;

1.1.102.5 by an Obligor to another Obligor;

1.1.102.6 by a Restricted Company (other than an Obligor) to any other Restricted Company (other than an Obligor);

1.1.102.7 by any Non-Project Finance Group Member to any Project Finance Subsidiary on arm’s length terms, provided that the aggregate value of such disposal (whether in a single transaction or a series of transactions) together with all other disposals from all Non-Project Finance Group Members to all Project Finance Subsidiaries, does not:

1.1.102.7.1 in respect of Burnstone, exceed ZAR1.8 billion over the term of the Facility; and

1.1.102.7.2 in respect of other Project Finance Subsidiaries exceed 5% of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) at any time over the term of the Facility;

1.1.102.8 by a Restricted Company to a Non-Obligor on arm’s length terms, provided that the aggregate value of such disposals (whether in a single transaction or a series of transactions) does not, in aggregate, exceed 15% (fifteen percent) of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) in any Financial Year and 25% (twenty five percent) of Consolidated
Tangible Net Worth (as determined in accordance with the most recent Financial Statements) over the term of the Facility;

1.1.102.9 of assets (other than shares or businesses) in exchange for other assets comparable or superior as to type, value and quality;

1.1.102.10 of cash equivalent investments for cash or in exchange for other cash equivalent investments;

1.1.102.11 arising as a result of any Permitted Encumbrance;

1.1.102.12 by Sibanye Gold of its tailings retreatment business to K2017449061 (South Africa) Proprietary Limited in exchange for shares in K2017449061 (South Africa) Proprietary Limited and which shares are then transferred to DRDGold in exchange for shares initially constituting approximately 38% of the issued share capital of DRDGold;

1.1.102.13 by Sibanye Gold of its shares in Sibanye Platinum Proprietary Limited to New TopCo pursuant to the implementation of Project Top Deck; or

1.1.102.14 for which the Agent (acting on the instructions of the Majority Lenders) has given its prior written consent;

1.1.103 **Permitted Encumbrance** means:

1.1.103.1 any Encumbrance created prior to the Signature Date which:

1.1.103.1.1 is disclosed in the Financial Statements of Sibanye Gold delivered to the Agent prior to the Signature Date and in all circumstances secures only indebtedness outstanding or a facility available at the Signature Date if the principal amount or original facility thereby secured is not increased after the Signature Date;

1.1.103.2 any Encumbrance created prior to the Signature Date in favour of Opiconsivia Trading 305 (RF) Proprietary Limited;

1.1.103.3 any netting or set-off arrangement entered into by any Restricted Company in the ordinary course of its banking arrangements (which shall include, for the avoidance of doubt, those pursuant to hedging arrangements (which constitute Permitted Financial Indebtedness) in relation to gold, silver, copper and other commodity prices, foreign exchange rates and interest rates where such arrangements are entered into for the purposes of providing protection against fluctuation in such rates or prices in the ordinary course of business and not for speculative purposes), for the purpose of netting debit and credit balances;
1.1.103.4 any lien arising by operation of law and in the ordinary course of trading and not by reason of any default (whether in payments or otherwise) of any Restricted Company;

1.1.103.5 any Encumbrance or Quasi-Encumbrance over or affecting any asset acquired by a member of the Group after the Signature Date if:

1.1.103.5.1 the Encumbrance or Quasi-Encumbrance was not created in contemplation of the acquisition of that asset by a member of the Group;

1.1.103.5.2 the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by a member of the Group; and

1.1.103.5.3 the Encumbrance or Quasi-Encumbrance is removed or discharged within six Months from the date of the acquisition of that asset, unless such Encumbrance is otherwise permitted to exist in terms of this definition;

1.1.103.6 any Encumbrance or Quasi-Encumbrance over or affecting any asset of any company which becomes a member of the Group after the Signature Date, where the Encumbrance or Quasi-Encumbrance is created prior to the date on which that company becomes a member of the Group, if:

1.1.103.6.1 the Encumbrance or Quasi-Encumbrance was not created in contemplation of the acquisition of that company;

1.1.103.6.2 the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

1.1.103.6.3 the Encumbrance or Quasi-Encumbrance is removed or discharged within six Months from the date on which the relevant company became a member of the Group, unless such Encumbrance is otherwise permitted to exist in terms of this definition;

1.1.103.7 any Encumbrance or Quasi-Encumbrance arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading;

1.1.103.8 any Encumbrance or Quasi-Encumbrance granted in respect of Financial Indebtedness incurred by a Project Finance Subsidiary over assets of, or the shares in, or any debt or other obligations of, a Project Finance Subsidiary (or the shares in a Holding Company whose only assets are the shares in and claims against a Project Finance Subsidiary);

1.1.103.9 any Encumbrances or Quasi-Encumbrance securing the indebtedness under the Franco-Nevada Loan Agreement pursuant to the agreements in the form delivered to the Agent prior to the Signature Date or in a form no more onerous to the Obligors than the form delivered to the Agent;
1.1.103.10 any Encumbrance or Quasi-Encumbrance resulting from the rules and regulations of any clearing system or stock exchange over shares and/or other securities held in that clearing system or stock exchange;

1.1.103.11 any Encumbrance or Quasi-Encumbrance arising as a result of a disposal which is a Permitted Disposal;

1.1.103.12 any Encumbrance or Quasi-Encumbrance arising as a consequence of any finance or capital lease constituting Permitted Financial Indebtedness;

1.1.103.13 in respect of Encumbrances or Quasi-Encumbrances over or affecting any asset of any member of the Group who is not a Restricted Company or a Project Finance Subsidiary;

1.1.103.14 any Encumbrance or Quasi-Encumbrance securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Encumbrance or Quasi-Encumbrance other than any permitted under Clauses 1.1.103.1 to 1.1.103.13 and Clauses 1.1.103.15 to 1.1.103.19) does not exceed 5% (five percent) of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements), as most recently measured before the creation of the Encumbrances or Quasi-Encumbrances, (or its equivalent in another currency) (but adjusted to include the net value of new assets acquired since the last date of the latest set of consolidated annual financial statements of the Group);

1.1.103.15 any other Encumbrance or Quasi-Encumbrance as agreed by the Agent (acting on the instructions of the Majority Lenders) in writing;

1.1.103.16 any Encumbrance arising pursuant to or permitted under the Finance Documents;

1.1.103.17 any Encumbrance in respect of any environmental bond which any member of the Group is required to issue under any applicable environmental law;

1.1.103.18 any Encumbrance contemplated in Clause 1.1.104.8 of the definition of “Permitted Financial Indebtedness” provided that the value of the assets encumbered does not exceed US$50,000,000 (or its equivalent in any other currency or currencies) at any time; or

1.1.103.19 any Encumbrance contemplated in Clause 1.1.104.10 of the definition of “Permitted Financial Indebtedness”;
1.1.104  **Permitted Financial Indebtedness** means any Financial Indebtedness:

1.1.104.1  arising under the Finance Documents;

1.1.104.2  arising under any environmental bond, rehabilitation bond or guarantee or any similar arrangement which any member of the Group is required to issue under any applicable environmental law;

1.1.104.3  arising under any derivative transaction, in the ordinary course of business, which does not have the commercial effect of borrowing, entered into in connection with protection against or benefit from fluctuation in any rate or price but not for speculative purposes (other than any amount which constitutes the marked to market value realised on such derivative transaction that has not been discharged within two Business Days of the date on which such amount arose, and other than any amount due as a result of the termination, close-out, restructure or refinancing of that derivative transaction that has not been discharged within two Business Days of the date on which such amount arose);

1.1.104.4  of the Group existing and available on the Signature Date (including of any person that becomes a member of the Group from time to time, provided that such Financial Indebtedness existed at the time that such person became a member of the Group and was not created in anticipation thereof);

1.1.104.5  between Group companies to the extent incurred for:

1.1.104.5.1  the purpose of financing general corporate and working capital requirements; or

1.1.104.5.2  the purposes of effecting a push down of amounts borrowed under the Stillwater Bridge Facilities to the Subsidiaries of the Company (whether by way of loans, shareholder contributions, the subscription of equity or otherwise) for the purposes of funding the consideration of the Stillwater Acquisition or the refinancing of such borrowed amounts or for payments to be made to the holders of the Stillwater Convertible Bonds;

1.1.104.6  not falling within Clauses 1.1.104.1, 1.1.104.2, 1.1.104.3, 1.1.104.4 or 1.1.104.5 and 1.1.104.7 to 1.1.104.10 below provided that the aggregate amount of all Financial Indebtedness (other than Financial Indebtedness of Obligors or Project Finance Subsidiaries) permitted under this Clause 1.1.104.6 does not at the time of the incurrence thereof exceed 7.5% (seven point five percent) of the Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) (or its equivalent in another currency) (without double counting in the case of Financial Indebtedness in respect of which more than one member of the Group is liable, whether by guarantee or otherwise);
1.1.104.7 created or incurred with the prior written consent of the Agent (acting on the instructions of the Majority Lenders);

1.1.104.8 arising under or in connection with a guarantee, bond or escrow arrangement required as a confirmation of certainty of funds available in connection with an offer made or to be made by a member of the Group to acquire shares in another person, provided that:

1.1.104.8.1 such Permitted Financial Indebtedness is incurred by an Obligor; and

1.1.104.8.2 prior to incurring such indebtedness the Company delivers a Compliance Certificate to the Agent confirming that it will be in compliance with its obligations under Clause 22 (Financial Covenants) prior to and immediately post incurring such indebtedness;

1.1.104.9 arising under the Stillwater Bridge Facilities or the Stillwater Convertible Bonds;

1.1.104.10 arising pursuant to a bank guarantee procured by any member of the Group in favour of Eskom required by Eskom as a prerequisite to its continued provision of electricity to any member of the Group;

1.1.105 **Plan** means an employee pension benefit plan which is subject to Title IV of ERISA, section 412 of the Code or section 302 of ERISA and with respect to which any Obligor or any ERISA Affiliate is (or, if such plan were terminated, would under section 4062 of ERISA be deemed to be) an “employer” as defined in section 3(5) of ERISA;

1.1.106 **Project Finance Subsidiaries** means:

1.1.106.1 Burnstone;

1.1.106.2 K2013164354 Proprietary Limited;

1.1.106.3 DRDGold (if it has become a Subsidiary of the Company and the Company notifies the Agent in writing that it wishes to designate DRDGold as a Project Finance Subsidiary), provided that:

1.1.106.3.1 since the date the Company became a direct or indirect shareholder of DRDGold, it has not received distributions, loans, assets, guarantees from any member of the Group;

1.1.106.3.2 the business of DRDGold is a standalone business independent from the businesses operated by other members of the Group; and

1.1.106.3.3 to the extent that DRDGold owes Financial Indebtedness to persons who are not members of the Group, none of the creditors in respect of such Financial
Indebtedness have recourse in respect of such Financial Indebtedness to any other member of the Group other than by way of security over shares in DRDGold; and

1.1.106.4 any other company or other entity (excluding the Obligors):

1.1.106.4.1 that since the Signature Date has not received distributions, loans, assets or guarantees from any member of the Group which in aggregate together with distributions, loans, assets and guarantees received by Project Finance Subsidiaries (other than DRDGold) from any other Restricted Company, exceeds 5% (five percent) of Consolidated Tangible Net Worth at any time;

1.1.106.4.2 whose sole business is, and remains, the ownership, development, construction, refurbishment, commissioning and/or operation of a project; and

1.1.106.4.3 which, to the extent that such company or entity owes Financial Indebtedness to persons who are not members of the Group, has no creditors in respect of such Financial Indebtedness which have recourse in respect of such Financial Indebtedness to any other member of the Group other than by way of security over shares in or pursuant to obligations owing by such company or entity to other members of the Group;

1.1.107 Project Top Deck means:

1.1.107.1 the interposition of New TopCo as a new direct Holding Company of Sibanye Gold, holding 100% of the shares in Sibanye Gold, between Sibanye Gold and its existing shareholders; and

1.1.107.2 the subsequent transfer of shares in Sibanye Platinum Proprietary Limited from Sibanye Gold to New TopCo;

1.1.108 Qualifying Lender has the meaning given to it in Clause 14 (Tax Gross Up and Indemnities);

1.1.109 Quasi-Encumbrance means an arrangement or transaction under which:

1.1.109.1 an Obligor sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by that or any other Obligor;

1.1.109.2 an Obligor sells, transfers or otherwise disposes of its receivables on recourse terms; or

1.1.109.3 money or the benefit of a bank account of an Obligor may be applied, set-off or made subject to a combination of accounts to, against or with that of a person that is not an Obligor, or any other preferential agreement or arrangement to which an Obligor is a party having a similar effect to that described in Clauses 1.1.109.1 to 1.1.109.3, in circumstances where
the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness;

1.1.110 Quotation Day means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period unless market practice differs in the Relevant Market in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days);

1.1.111 Related Fund in relation to a fund (the first fund), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund;

1.1.112 Relevant Market means the Johannesburg interbank market;

1.1.113 Repeating Representations means each of the representations set out in Clause 20 (Representations), other than Clause 20.8 (No Filing or Stamp Taxes), Clause 20.11 (No Misleading Information) and Clause 20.13 (No Proceedings Pending or Threatened);

1.1.114 Reportable Event means:

1.1.114.1 an event specified as such in section 4043(c) of ERISA, with respect to any Plan (other than a Multiemployer Plan), other than an event in relation to which the requirement to give 30 days’ notice of that event is waived by any regulation;

1.1.114.2 the filing of a notice of intent to terminate any Plan, pursuant to section 4041(c) of ERISA (including any such notice with respect to a plan amendment referred to in section 4041(c) of ERISA);

1.1.114.3 the institution of proceedings under section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Plan;

1.1.114.4 an Obligor or an ERISA Affiliate incurring any liability under Title IV of ERISA with respect to any Plan other than premiums due and not delinquent under section 4007 of ERISA); or

1.1.114.5 a failure of any Plan (other than a Multiemployer Plan) to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived, or to make a required contribution under section 412 or 430 of the Code to any Plan (other than a Multiemployer Plan) that would result in the imposition of an encumbrance;

1.1.115 Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;
1.1.116 **Resignation Letter** means a letter substantially in the form set out in Schedule 7 (Form of Resignation Letter);

1.1.117 **Restricted Company** means:

1.1.117.1 an Obligor; and

1.1.117.2 a Material Company;

1.1.118 **Rollover Loan** means one or more Loans:

1.1.118.1 made or to be made on the same day that a maturing Loan is due to be repaid;

1.1.118.2 the aggregate amount of which is equal to or less than the amount of the maturing Loan; and

1.1.118.3 made or to be made to the same Borrower for the purpose of refinancing that maturing Loan;

1.1.119 **SA Obligor** means an Obligor that is incorporated in South Africa;

1.1.120 **SA Obligors’ Agent** means the Company appointed to act on behalf of each SA Obligor in relation to the Finance Documents pursuant to Clause 2.3 (SA Obligors Agent);

1.1.121 **Screen Rate** means the mid-market rate for deposits in ZAR for the relevant period which appears on the Reuters Screen SAFEY Page alongside the caption YLD at the applicable time. If the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Company and the Majority Lenders;

1.1.122 **Second Amendment and Restatement Agreement** means the amendment and restatement agreement relating to this Agreement entered into between Sibanye Gold, the Agent and others during August 2018;

1.1.123 **Security** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

1.1.124 **Signature Date** means 14 November 2016;

1.1.125 **Specified Time** means a day or time determined in accordance with Schedule 10 (Timetables);

1.1.126 **Stillwater** means Stillwater Mining Company incorporated in the State of Delaware, United States of America;

1.1.127 **Stillwater Acquisition** means the acquisition by Sibanye Gold of all of the outstanding common stock of Stillwater as described in the announcement issued by Sibanye Gold on 9
December 2016 which was effected by the merger of Thor Mergco Inc., an indirect wholly owned Subsidiary of Sibanye Gold, with and into Stillwater, with Stillwater surviving as an indirect wholly-owned Subsidiary of Sibanye Gold;

1.1.128 **Stillwater Bridge Facilities** means the bridge loan facilities made available to Sibanye Gold and Thor Mergco Inc. by Citibank, N.A., London Branch and HSBC Bank PLC pursuant to a bridge loan facilities agreement dated 9 December 2016 in an aggregate principal amount of up to US$2,650,000,000 for the purposes of funding the consideration payable pursuant to the Stillwater Acquisition, paying fees, costs and expenses, stamp, registration and other Taxes incurred by Sibanye Gold or any other member of the Group in connection with the Stillwater Acquisition or the related agreements and the refinancing of the Stillwater Convertible Bonds;

1.1.129 **Stillwater Convertible Bonds** means:

1.1.129.1 the existing US$335,000,000 1.75% convertible bonds issued by Stillwater which are due in October 2032; and

1.1.129.2 the existing US$500,000 8.75% convertible bonds issued by Stillwater which are due in March 2028;

1.1.130 **Stillwater Group** means Stillwater and its Subsidiaries;

1.1.131 **Streaming Transactions** means transactions whereby a right to acquire a specified percentage of a specified product if such product is produced, mined extracted or otherwise recovered or derived by one or more members of the Group in the future, is granted to one or more third party acquirors (each a **Third Party Acquiror**) in exchange for an upfront cash payment, with or without further ongoing cash payments from the Third Party Acquiror, and in respect of which the Third Party Acquiror does not have any right of recourse against any member of the Group if the specified product is not produced, mined extracted or otherwise recovered or derived (as applicable) by the relevant member of the Group except as a result of the failure of members of the Group to comply with obligations to operate their mines and mining and other production facilities in accordance with good industry practices and procedures, including environmental requirements, and other representations and undertakings of similar effect or purpose (**Customary Recourse Arrangements**), nor does the Third Party Acquiror have any cash settlement entitlement against any member of the Group if the specified product is not produced, mined extracted or otherwise recovered or derived (as applicable) by the relevant member of the Group except in respect of Customary Recourse Arrangements and on terms that do not require the upfront payment made by the Third Party Acquiror to be refunded to such Third Party Acquiror in the event of the premature termination of the relevant transaction;
1.1.132 **Subsidiary** means a “subsidiary” as defined in the Companies Act and shall include any person who would, but for not being a “company” under the Companies Act, qualify as a “subsidiary” as defined in the Companies Act;

1.1.133 **Substitute Affiliate Lender Designation Notice** has the meaning given to it in Clause 25.9 (Lender Affiliates and Facility Office);

1.1.134 **Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

1.1.135 **Termination Date** means the third anniversary of the Effective Date;

1.1.136 **Top Deck Completion Date** means the date on which New TopCo becomes the Holding Company of Sibanye Gold in the manner provided in Clause 1.1.107.1;

1.1.137 **Total Commitments** means the aggregate of the Commitments, being ZAR6,000,000,000 at the Signature Date;

1.1.138 **Transfer Certificate** means a certificate substantially in the form set out in Schedule 4 (Form of Transfer Certificate) or any other form agreed between the Agent and the Company;

1.1.139 **Transfer Date** means, in relation to a transfer, the later of:

1.1.139.1 the proposed Transfer Date specified in the Transfer Certificate; and

1.1.139.2 the date on which the Agent executes the Transfer Certificate;

1.1.140 **UK or United Kingdom** means the United Kingdom of Great Britain and Northern Ireland;

1.1.141 **Unpaid Sum** means any sum due and payable but unpaid by an Obligor under the Finance Documents;

1.1.142 **US or United States** means the United States of America;

1.1.143 **US Bankruptcy Law** means the United States Bankruptcy Code of 1978 (Title 11 of the United States Code), as amended, or any other United States federal or state bankruptcy, insolvency or similar law;

1.1.144 **US Debtor** means an Obligor that is incorporated or organised under the laws of the United States or any state of the United States (including the District of Columbia) or that has a place of business or property in the United States;

1.1.145 **US GAAP** means the generally accepted accounting principles in the United States;

1.1.146 **US Guarantor** means any Guarantor that is a US Debtor;
1.1.147 US Tax Obligor means:

1.1.147.1 a Borrower which is resident for tax purposes in the US; or

1.1.147.2 an Obligor some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes;

1.1.148 Utilisation means a utilisation of the Facility;

1.1.149 Utilisation Date means the date of a Utilisation, being the date on which a Loan is to be made;

1.1.150 Utilisation Request means a notice substantially in the form set out in Schedule 3 (Utilisation Request);

1.1.151 VAT means:

1.1.151.1 any value added tax imposed in compliance with the Value added Tax Act, 1991;

1.1.151.2 any general service tax; and

1.1.151.3 any other tax of a similar nature.

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in this Agreement to:

1.2.1.1 the Agent, any Arranger, any Finance Party, any Lender, any Obligor or any Party shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, all or any combination of its rights and/or obligations under the Finance Documents;

1.2.1.2 assets includes present and future properties, revenues and rights of every description;

1.2.1.3 authority includes any court or any governmental, intergovernmental or supranational body, agency, department or any regulatory, self-regulatory or other authority;

1.2.1.4 a Finance Document or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

1.2.1.5 fraudulent transfer law means any applicable United States bankruptcy and fraudulent transfer and conveyance statute of any state of the United States and any related case law;

1.2.1.6 the use of the word including followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the eiusdem generis rule
must not be applied in the interpretation of such general wording or such specific examples;

1.2.1.7 a **group of Lenders** includes all the Lenders;

1.2.1.8 **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

1.2.1.9 a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

1.2.1.10 a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

1.2.1.11 **unconditionally** means, in relation to the payment of any amount to a person, where such amount cannot lawfully be required to be repaid or refunded by that person pursuant to the provisions of the Companies Act, 1973, the Companies Act, the Insolvency Act, 1936 or any other law relating to insolvency of general application;

1.2.1.12 a provision of law is a reference to that provision as amended or re-enacted; and

1.2.1.13 a time of day is a reference to Johannesburg time.

1.2.2 The determination of the extent to which a rate is **for a period equal in length** to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

1.2.3 Section, Clause and Schedule headings are for ease of reference only.

1.2.4 Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

1.2.5 A Default is **continuing** if it has not been remedied or waived.

1.2.6 The term **including** shall be construed to mean "including but not limited to".

1.2.7 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it appears only in an interpretation Clause, effect shall be given to it as if it were a substantive provision of the relevant Finance Document.
1.2.8 Unless inconsistent with the context, an expression in any Finance Document which denotes the singular includes the plural and *vice versa*.

1.2.9 The rule of construction that, in the event of ambiguity, a contract shall be interpreted against the party responsible for the drafting thereof, shall not apply in the interpretation of the Finance Documents.

1.2.10 The expiry or termination of any Finance Documents shall not affect those provisions of the Finance Documents that expressly provide that they will operate after any such expiry or termination or which of necessity must continue to have effect after such expiry or termination, notwithstanding that the Clauses themselves do not expressly provide for this.

1.2.11 The Finance Documents shall to the extent permitted by applicable law be binding on and enforceable by the administrators, trustees, permitted cessionaries, business rescue practitioners or liquidators of the Parties as fully and effectually as if they had signed the Finance Documents in the first instance and reference to any Party shall be deemed to include such Party’s administrators, trustees, permitted cessionaries, business rescue practitioners or liquidators, as the case may be.

1.2.12 Where figures are referred to in numerals and in words in any Finance Document, if there is any conflict between the two, the words shall prevail.

1.2.13 Unless a contrary indication appears, where any number of days is to be calculated from a particular day, such number shall be calculated as including that particular day and excluding the last day of such period.

1.3 **Currency symbols and definitions**

1.3.1 **R**, **ZAR** and **rand** denote the lawful currency of the Republic of South Africa.

1.3.2 **US$** and **USD** denotes the lawful currency of the United States of America.

1.4 **Third party rights**

1.4.1 Except as expressly provided for in this Agreement or in any other Finance Document, no provision of any Finance Document constitutes a stipulation for the benefit of any person who is not a party to that Finance Document.

1.4.2 Subject to Clause 36.3 (Other Exceptions) but otherwise notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a rand revolving loan facility in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties’ rights and obligations

2.2.1 The obligations of each Finance Party under the Finance Documents are separate and independent. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

2.2.2 The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with Clause 2.2.3 below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

2.2.3 A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 SA Obligors Agent

2.3.1 Each SA Obligor (other than the Company) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

2.3.1.1 the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower that is an SA Obligor, Utilisation Requests), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any SA Obligor notwithstanding that they may affect the SA Obligor, without further reference to or the consent of that SA Obligor; and
2.3.1.2 each Finance Party to give any notice, demand or other communication in respect of that SA Obligor pursuant to the Finance Documents to the Company, and, subject to any approvals expressly required by applicable law at such time to enable the SA Obligor to be so bound, in each case the SA Obligor shall be bound as though the SA Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

2.3.2 Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the SA Obligors' Agent or given to the SA Obligors' Agent under any Finance Document on behalf of another SA Obligor or in connection with any Finance Document (whether or not known to any other SA Obligor and whether occurring before or after such other SA Obligor became an SA Obligor under any Finance Document) shall be binding for all purposes on that SA Obligor as if that SA Obligor had expressly made, given or concurred with it.

2.3.3 The respective liabilities of each of the SA Obligors under the Finance Documents shall not be in any way affected by:

2.3.3.1 any actual or purported irregularity in any act done, or failure to act, by the SA Obligors’ Agent;

2.3.3.2 the SA Obligors’ Agent acting (or purporting to act) in any respect outside any authority conferred upon it by any SA Obligor; or

2.3.3.3 any actual or purported failure by, or inability of, the SA Obligors’ Agent to inform any SA Obligor of receipt by it of any notification under the Finance Documents.

2.3.4 In the event of any conflict between any notices or other communications of the SA Obligors' Agent and any other SA Obligor, those of the SA Obligors' Agent shall prevail.

3. PURPOSE

3.1 Purpose

Each Borrower shall apply all amounts borrowed by it under the Facility towards:

3.1.1 refinancing the Existing Facilities;

3.1.2 payment of all fees and costs due by the Company under the Finance Documents;

3.1.3 financing the Group’s:

3.1.3.1 on-going capital expenditure;
3.1.3.2 working capital; and

3.1.3.3 general corporate expenditure requirements which may include the financing of future acquisitions or business combinations (to the extent such transactions are permitted by the terms of this Agreement).

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

4.1.1 No Borrower may deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part I of Schedule 2 (Conditions Precedent) in form and substance satisfactory to the Agent. The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

4.1.2 Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in Clause 4.1.1, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (Lenders’ Participation) if on the date of the Utilisation Request and on the proposed Utilisation Date:

4.2.1 in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Loan, no Default is continuing or would result from the proposed Loan; and

4.2.2 the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Maximum number of Loans

A Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation 15 or more Loans would be outstanding.
5. UTILISATION

5.1 Delivery of a Utilisation Request

A Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

5.2.1 Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

5.2.1.1 in respect of all Utilisation Requests delivered in respect of the first Utilisation of the Facilities, such Utilisation Requests are accompanied by the Funds Flow Confirmation Letter;

5.2.1.2 the proposed Utilisation Date is a Business Day within the Availability Period;

5.2.1.3 the currency and amount of the Utilisation comply with Clause 5.3 (Currency and Amount); and

5.2.1.4 the proposed Interest Period complies with Clause 11 (Interest Periods).

5.2.2 Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

5.3.1 The currency specified in a Utilisation Request must be rand.

5.3.2 The amount of the proposed Loan must be an amount which is not more than the Available Facility and;

5.3.2.1 in respect of all Utilisation Requests delivered in respect of the first Utilisation of the Facilities, the aggregate amount to be advanced pursuant to such Utilisation Requests is not less than the Existing Facilities Repayment Amount; and

5.3.2.2 in respect of each subsequent Utilisation, is a minimum of ZAR50,000,000 or, if less, the Available Facility.

5.4 Lenders’ participation

5.4.1 If the conditions set out in this Agreement have been met and subject to Clause 6.1 (Repayment of Loans) each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office by no later than 2:30pm.
5.4.2 The amount of each Lender’s participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

5.4.3 The Agent shall notify each Lender of the amount of each Loan, the amount of its participation in that Loan and, if different, the amount of that participation to be made available in accordance with Clause 30.1 (Payments to the Agent), in each case by the Specified Time.

5.5 Cancellation of Commitment

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

6. REPAYMENT

6.1 Repayment of Loans

6.1.1 Each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.

6.1.2 Without prejudice to each Borrower’s obligation under Clause 6.1.1 above, if:

6.1.2.1 one or more Loans are to be made available to a Borrower:

6.1.2.1.1 on the same day that a maturing Loan is due to be repaid by that Borrower; and

6.1.2.1.2 in whole or in part for the purpose of refinancing the maturing Loan; and

6.1.2.2 the proportion borne by each Lender’s participation in the maturing Loan to the amount of that maturing Loan is the same as the proportion borne by that Lender’s participation in the new Loans to the aggregate amount of those new Loans, the aggregate amount of the new Loans shall, unless the Company notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Loan so that:

6.1.2.3 if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:

6.1.2.3.1 the relevant Borrower will only be required to make a payment under Clause 30.1 (Payments to the Agent) in an amount in the relevant currency equal to that excess; and

6.1.2.3.2 each Lender’s participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender’s participation in the maturing Loan and that Lender will not be required to make a
payment under Clause 30.1 (Payments to the Agent) in respect of its participation in the new Loans; and

6.1.2.4 if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:

6.1.2.4.1 the relevant Borrower will not be required to make a payment under Clause 30.1 (Payments to the Agent); and

6.1.2.4.2 each Lender will be required to make a payment under Clause 30.1 (Payments to the Agent) in respect of its participation in the new Loans only to the extent that its participation in the new Loans exceeds that Lender’s participation in the maturing Loan and the remainder of that Lender’s participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender’s participation in the maturing Loan.

7. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

7.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

7.1.1 that Lender shall promptly notify the Agent upon becoming aware of that event;

7.1.2 upon the Agent notifying the Company, the Available Commitment of that Lender will be immediately cancelled; and

7.1.3 to the extent that the relevant Lender’s participation has not been transferred pursuant to Clause 36.6 (Replacement of Lender), each Borrower shall repay that Lender’s participation in the Loans made to that Borrower on the last day of the Interest Period for each Loan occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender’s corresponding Commitment shall be cancelled in the amount of the participations repaid.

7.2 Voluntary cancellation

The Company may, if it gives the Agent not less than 5 Business Days’ prior notice, cancel the whole or any part (being a minimum amount of ZAR50,000,000 and in integral multiples of ZAR10,000,000 of the Available Facility). Any cancellation under this Clause 7.2 (Voluntary Cancellation) shall reduce the Commitments of the Lenders rateably under the Facility.
7.3 **Voluntary prepayment of Utilisations**

A Borrower to which a Utilisation has been made may, if it or the Company gives the Agent not less than 5 Business Days’ prior notice, prepay the whole or any part of a Utilisation (but if in part, being an amount that reduces the amount of the Utilisation by a minimum amount of ZAR50,000,000 and in integral multiples of ZAR10,000,000).

7.4 **Right of cancellation and repayment in relation to a single Lender**

7.4.1 If:

7.4.1.1 any sum payable to any Lender by an Obligor is required to be increased under Clause 14.2 (Tax Gross-Up); or

7.4.1.2 any Lender claims indemnification from the Company or an Obligor under Clause 14.3 (Tax indemnity) or Clause 15.1 (Increased Costs), the Company may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment(s) of that Lender and its intention to procure the repayment of that Lender’s participation in the Utilisations.

7.4.2 On receipt of a notice referred to in Clause 7.4.1 in relation to a Lender, the Commitment(s) of that Lender shall immediately be reduced to zero.

7.4.3 On the last day of each Interest Period which ends after the Company has given notice under Clause 7.4.1 in relation to a Lender (or, if earlier, the date specified by the Company in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender’s participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.

8. **MANDATORY PREPAYMENT AND CANCELLATION**

8.1 **Change of control**

8.1.1 If any person or group of persons acting in concert (other than New TopCo pursuant to the implementation of Project Top Deck) gains control of the Company then the procedure referred to in Clause 8.4 (General Procedure in respect of Specified Prepayment Events) shall be followed.

8.1.2 For the purpose of Clause 8.1.1 above **control** means in relation to the Company:

8.1.2.1 the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

8.1.2.1.1 cast, or control the casting of, more than:
8.1.2.1.1 if the shares are not listed, 50% (fifty percent); or

8.1.2.1.2 for so long as the shares are listed, unless another person or group of persons acting in concert has the power to cast or control the power of casting a higher percentage of such votes, 35% (thirty-five percent), of the maximum number of votes that might be cast at a general meeting of the Company; or

8.1.2.1.2 appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or

8.1.2.2 the holding beneficially and legally of more than 50% (fifty percent) of the issued ordinary share capital of the Company.

8.1.3 For the purpose of Clause 8.1.1 acting in concert means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Company by any of them, either directly or indirectly, to obtain or consolidate control of the Company.

8.2 Non-Obligor Restricted Companies

8.2.1 Cross Default

If:

8.2.1.1 any Financial Indebtedness of a Non-Obligor Restricted Company is not paid when due, or where there is an applicable grace period, within the originally applicable grace period;

8.2.1.2 any Financial Indebtedness of a Non-Obligor Restricted Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);

8.2.1.3 any commitment for any Financial Indebtedness of a Non-Obligor Restricted Company is cancelled or suspended by a creditor of such Non-Obligor Restricted Company as a result of an event of default (however described); or

8.2.1.4 any creditor of a member of a Non-Obligor Restricted Company becomes entitled to declare any Financial Indebtedness of a Non-Obligor Restricted Company due and payable prior to its specified maturity as a result of an event of default (however described);

and the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness arising pursuant to Clauses 8.2.1.1 to 8.2.1.4 above exceeds an amount of
US$15,000,000 (or its equivalent in any other currency or currencies) then the Company shall comply with Clause 8.4 (General Procedure in respect of Specified Prepayment Events).

8.2.2 Insolvency

If:

8.2.2.1 any Non-Obligor Restricted Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

8.2.2.2 the board of directors of a Non-Obligor Restricted Company adopts a resolution declaring that relevant Non-Obligor Restricted Company to be Financially Distressed (as defined in the Companies Act) or the board of that Non-Obligor Restricted Company has not timeously delivered the written notice required in terms of section 129(7) of the Companies Act; or

8.2.2.3 a moratorium is declared or takes effect in respect of any indebtedness of any Non-Obligor Restricted Company; then the Company shall comply with the provisions of Clause 8.4 (General Procedure in respect of Specified Prepayment Events).

8.2.3 Insolvency Proceedings

If:

8.2.3.1 any corporate action, legal proceedings or other procedure or step is taken in relation to:

8.2.3.1.1 the suspension of payments, the commencement of business rescue proceedings (whether by any Non-Obligor Restricted Company or by any other person under section 129 of the Companies Act or pursuant to an application by an “affected person” under section 131 of the Companies Act or by the court during any other proceedings in respect of any member of the Group), a moratorium of any Financial Indebtedness, liquidation, winding-up, dissolution, administration, judicial management, or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Non-Obligor Restricted Company;

8.2.3.1.2 a composition, compromise, assignment or arrangement with any creditor of any Non-Obligor Restricted Company;
the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, judicial manager, business rescue practitioner or other similar officer in respect of any Non-Obligor Restricted Company; or

enforcement of any Encumbrance over any assets of any Non-Obligor Restricted Company; or

any analogous procedure or step is taken in any jurisdiction, and any such procedure or proceedings are not contested in good faith or discharged within 30 (thirty) days (or such shorter period provided for contesting such procedure or proceedings under the laws of the relevant jurisdiction);

a resolution is passed by the board of directors of a Non-Obligor Restricted Company, application is made or an order is applied for or granted, to authorise the entry into or implementation of any business rescue proceedings (or any similar proceedings) in respect of any Non-Obligor Restricted Company or any analogous procedure or step is taken in any jurisdiction, then the Company shall comply with the provisions of Clause 8.4 (General Procedure in respect of Specified Prepayment Events).

Creditors’ Process

If the operation of an attachment, sequestration, distress or execution that affects a material part of the assets or revenues of a Non-Obligor Restricted Company arises and is not discharged within 21 days of such event occurring, then the Company shall comply with the provisions of Clause 8.4 (General Procedure in respect of Specified Prepayment Events).

Guarantor Threshold Test

If:

the Guarantor Threshold Test is not met on any date upon which it is tested in accordance with Clause 22.3 (General);

at such time all EBITDA contributing wholly-owned Subsidiaries of the Company are or have become Guarantors; and

the Company has failed, after using all reasonable endeavours, to procure that such number of non-wholly-owned Subsidiaries as is required to meet the Guarantor Threshold Test, have bound themselves as Additional Guarantors in accordance with the procedure set out in Clause 26.4 (Additional Guarantors) within 30 days of the Compliance Certificate showing that the Guarantor Threshold Test has not been met,
then the Company shall comply with the provisions of Clause 8.4 (General Procedure in respect of Specified Prepayment Events).

### 8.4 General procedure in respect of Specified Prepayment Events

If any of the events specified in Clause 8.1 (Change of Control), Clause 8.2 (Non-Obligor Restricted Companies) or Clause 8.3 (Guarantor Threshold) occurs, then:

8.4.1 the Company shall promptly notify the Agent upon becoming aware of that event;

8.4.2 the Company shall enter into negotiations with the Lenders for a period of not more than 60 days from the date of the notice referred to in Clause 8.4.1, with a view to agreeing terms and conditions acceptable to the Company and all of the Lenders for the continuation of the Facility;

8.4.3 during the negotiation period referred to in Clause 8.4.2, a Lender shall not be obliged to fund a Utilisation (except for a Rollover Loan); and

8.4.4 if an agreement is not reached during the negotiation period referred to in Clause 8.4.2, and if a Lender so requires and notifies the Agent after the negotiation period referred to in Clause 8.4.2 has ended, the Agent shall, by not less than 30 days’ notice to the Company, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents in respect of that Lender due and payable, in which case the Commitment of that Lender will be cancelled and that Lender’s participation in all such outstanding Loans together with accrued interest and all other amounts accrued under the Finance Documents will become due and payable on the date set out in the relevant notice.

### 8.5 Sanctions

8.5.1 If:

8.5.1.1 a misrepresentation occurs in respect of the representations contained in Clause 20.17 (Anti-Corruption Law and Sanctions); or

8.5.1.2 a breach of the undertakings contained in Clause 23.6 (Anti-corruption law and sanctions) occurs, each Obligor shall notify the Agent promptly upon becoming aware of that event (unless that Obligor is aware that a notification has already been provided by another Obligor).

8.5.2 If any event contemplated by Clause 8.5.1 occurs, the following shall apply:

8.5.2.1 upon the Agent receiving a notice from an Obligor under Clause 8.5.1 or a similar notice from any Finance Party, it shall notify the Lenders as soon as reasonably practicable;
8.5.2.2  a Lender shall not be obliged to fund any Utilisation; and

8.5.2.3  if a Lender so requires and notifies the Agent, the Agent shall, by not less than 10 days’ notice to the Company, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents in respect of that Lender due and payable, in which case the Commitment of that Lender will be cancelled and that Lender’s participation in all such outstanding Loans together with accrued interest and all other amounts accrued under the Finance Documents will become due and payable on the date set out in the relevant notice.

9.  RESTRICTIONS

9.1  Notices of cancellation or prepayment

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 7 (Illegality, Voluntary Prepayment and Cancellation) or Clause 8 (Mandatory Prepayment and Cancellation) shall (subject to the terms of those Clauses) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

9.2  Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

9.3  Reborrowing of the Facility

Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement, other than in circumstances where the prepayment or repayment has been made pursuant to Clause 8 (Mandatory Prepayment and Cancellation), in which event the Commitments shall be reduced by the amount prepaid or repaid.

9.4  Prepayment in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

9.5  No reinstatement of Commitments

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
9.6 Agent’s receipt of notices

If the Agent receives a notice under Clause 7 (Illegality, Voluntary Prepayment and Cancellation) or Clause 8 (Mandatory Prepayment and Cancellation), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

9.7 Application of prepayments

Any prepayment of a Utilisation under Clause 7.3 (Voluntary Prepayment of Utilisations) shall be applied pro rata to each Lender’s participation in that Utilisation.

10. INTEREST

10.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

10.1.1 Margin; and

10.1.2 JIBAR.

10.2 Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six monthly intervals after the first day of the Interest Period).

10.3 Default interest

10.3.1 If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to Clause 10.3.2 below is 2% per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.

10.3.2 If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

10.3.2.1 the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
10.3.2.2 the rate of interest applying to the overdue amount during that first Interest Period shall be 2% per annum higher than the rate which would have applied if the overdue amount had not become due.

10.3.3 Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of rates of interest

10.4.1 The Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

10.4.2 The Agent shall promptly notify the relevant Borrower of each Funding Rate relating to a Loan.

10.5 Margin Adjustment

If the Compliance Certificate received by the Agent which relates to the relevant Annual Financial Statements in relation to a Relevant Measurement Period shows that a higher or lower Margin should have applied during the Covenant Adjustment Period, then the relevant Borrower shall promptly pay to the Agent any amounts, or the Agent shall adjust future payments of interest by amounts (as applicable, in each case necessary to put the Agent and the Lenders and the relevant Borrower in the position they would have been in had the appropriate rate of the Margin applied during such period). Any reduction in interest under this Clause 10.5 will only apply in relation to interest payable to each Lender that, on the date on which such reduced payment is made, retains its participation in the Loans made to the relevant Borrower in respect of which the lower Margin should have applied.

11. INTEREST PERIODS

11.1 Selection of Interest Periods

11.1.1 A Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan.

11.1.2 Subject to this Clause 11, a Borrower (or the Company) may select an Interest Period of one, three or six Months or any other period agreed between the Company, the Agent and all the Lenders.

11.1.3 An Interest Period for a Loan shall not extend beyond the Termination Date.

11.1.4 Each Interest Period for a Loan shall start on the Utilisation Date.

11.1.5 A Loan has one Interest Period only.
11.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

12. CHANGES TO THE CALCULATION OF INTEREST

12.1 Unavailability of Screen Rate

12.1.1 Interpolated Screen Rate

If no Screen Rate is available for JIBAR for the Interest Period of a Loan, the applicable JIBAR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan.

12.1.2 Shortened Interest Period

If no Screen Rate is available for JIBAR for:

12.1.2.1 rand; or

12.1.2.2 the Interest Period of a Loan and it is not possible to calculate the Interpolated Screen Rate, the Interest Period of that Loan shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable JIBAR for that shortened Interest Period shall be determined pursuant to the definition of JIBAR.

12.1.3 Shortened Interest Period and Historic Screen Rate

If the Interest Period of a Loan is, after giving effect to Clause 12.1.2 above, the applicable Fallback Interest Period and no Screen Rate is available for JIBAR for:

12.1.3.1 rand; or

12.1.3.2 the Interest Period of that Loan and it is not possible to calculate the Interpolated Screen Rate, the applicable JIBAR shall be the Historic Screen Rate for that Loan.

12.1.4 Shortened Interest Period and Interpolated Historic Screen Rate

If Clause 12.1.3 above applies but no Historic Screen Rate is available for the Interest Period of the Loan, the applicable JIBAR shall be the Interpolated Historic Screen Rate for a period equal in length to the Interest Period of that Loan.
12.1.5 Cost of funds

If Clause 12.1.4 above applies but it is not possible to calculate the Interpolated Historic Screen Rate, the Interest Period of that Loan shall, if it has been shortened pursuant to Clause 12.1.2 above, revert to its previous length and there shall be no JIBAR for that Loan and Clause 12.3 (Cost of Funds) shall apply to that Loan for that Interest Period.

12.2 Market disruption

If before close of business in Johannesburg on the Quotation Day for the relevant Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35% of that Loan) that the cost to it of funding its participation in that Loan from the wholesale market for rand would be in excess of JIBAR then Clause 12.3 (Cost of Funds) shall apply to that Loan for the relevant Interest Period.

12.3 Cost of funds

12.3.1 If this Clause 12.3 applies, the rate of interest on each Lender’s share of the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

12.3.1.1 the Margin; and

12.3.1.2 the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling two Business Days after the Quotation Day (or, if earlier, on the date falling five Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.

12.3.2 If this Clause 12.3 applies and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

12.3.3 Any alternative basis agreed pursuant to Clause 12.3.2 above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

12.4 Break Costs

12.4.1 Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

12.4.2 Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.
13. **FEES**

13.1 **Commitment fee**

13.1.1 The Company shall pay, or shall procure that an Obligor shall pay to the Agent (for the account of each Lender) a fee computed at the rate of 0.84% per annum on that Lender’s Available Commitment for the Availability Period.

13.1.2 The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender’s Commitment at the time the cancellation is effective.

13.2 **Participation fee**

The Company shall pay to the Original Lenders an arrangement fee in the amount and at the times agreed in a Fee Letter.

13.3 **Agency fee**

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

14. **TAX GROSS UP AND INDEMNITIES**

14.1 **Definitions**

14.1.1 In this Agreement:


14.1.1.2 **Protected Party** means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

14.1.1.3 **Qualifying Lender** means a Lender which is beneficially entitled to interest as defined in section 24J(1) of the Income Tax Act payable to that Lender in respect of an advance under a Finance Document and is:

14.1.1.3.1 a Lender which is tax resident in South Africa;

14.1.1.3.2 a Lender which is not tax resident in South Africa if:

14.1.1.3.2.1 such advance in respect of which that interest is paid is effectively connected with or attributable to a permanent establishment of that Lender in South Africa;
14.1.1.3.2.2 that Lender is registered as a taxpayer in terms of Chapter 3 of the Tax Administration Act, 2011 of South Africa; and

14.1.1.3.2.3 that Lender has by the due date for payment of that interest submitted to the Borrower a declaration (a Tax Declaration) in such form as may be prescribed by the Commissioner for the South African Revenue Service pursuant to section 50E(2) of the Income Tax Act that that Lender is, in terms of section 50D(3) of the Income Tax Act, exempt from the withholding tax on interest in respect of that payment; or

14.1.1.3.2.4 a Treaty Lender.

14.1.1.4 Tax Credit means a credit against, relief or remission for, or repayment of any Tax.

14.1.1.5 Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

14.1.1.6 Tax Payment means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (Tax Gross-Up) or a payment under Clause 14.3 (Tax Indemnity).

14.1.1.7 Treaty Lender means a Lender which:

14.1.1.7.1 is treated as a resident of a Treaty State for the purposes of a Treaty;

14.1.1.7.2 does not carry on a business in South Africa through a permanent establishment with which that Lender’s participation in the Loan is effectively connected; and

14.1.1.7.3 otherwise qualifies under the terms of a Treaty for full exemption from tax imposed by South Africa on interest.

14.1.1.8 Treaty State means a jurisdiction having a double taxation agreement (a Treaty) with South Africa which makes provision for full exemption from Tax imposed by South Africa on interest.

14.1.2 Unless a contrary indication appears, in this Clause 14 a reference to determines or determined means a determination made in the absolute discretion of the person making the determination.

14.2 Tax gross-up

14.2.1 Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

14.2.2 The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in
respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.

14.2.3 If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

14.2.4 A payment shall not be increased under Clause 14.2.3 above by reason of a Tax Deduction on account of Tax imposed by South Africa, if on the date on which the payment falls due:

14.2.4.1 the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or

14.2.4.2 the relevant Lender is a Qualifying Lender solely by virtue of Clause 14.1.1.3.2 of the definition of Qualifying Lender and the relevant Lender has not given a Tax Declaration to the Borrower by the due date for the relevant interest payment; or

14.2.4.3 the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under Clause 14.2.7 below.

14.2.5 If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

14.2.6 Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

14.2.7 A Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.

14.3 Tax indemnity

14.3.1 The Company shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party
determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

14.3.2 Clause 14.3.1 above shall not apply:

14.3.2.1 with respect to any Tax assessed on a Finance Party under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes, if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

14.3.2.2 to the extent a loss, liability or cost:

14.3.2.2.1 is compensated for by an increased payment under Clause 14.2 (Tax Gross-Up); or

14.3.2.2.2 would have been compensated for by an increased payment under Clause 14.2 (Tax Gross-Up) but was not so compensated solely because one of the exclusions in Clause 14.2.4 of Clause 14.2 (Tax Gross-Up) applied; or

14.3.2.2.3 related to a FATCA Deduction required to be made by a Party.

14.3 A Protected Party making, or intending to make, a claim under Clause 14.3.1 above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.

14.3.4 A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 Tax Credit

14.4.1 If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

14.4.1.1 a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

14.4.1.2 that Finance Party has obtained and utilised that Tax Credit, the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.4.2 Each Finance Party and each of its affiliates have sole and absolute discretion as to how they organise their respective Tax affairs and none of them are under any obligation to utilise any amount of the Tax Payment as a Tax Credit.
14.4.3 Each Finance Party and each of its affiliates have no obligation to disclose any information whatsoever regarding their Tax affairs to any other Party.

14.5 **Lender status confirmation**

14.5.1 Each Lender which becomes a Party to this Agreement after the Signature Date shall indicate, in the Transfer Certificate or Substitute Affiliate Lender Designation Notice which it executes on becoming a Party, and for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

14.5.1.1 not a Qualifying Lender;

14.5.1.2 a Qualifying Lender (other than a Treaty Lender); or

14.5.1.3 a Treaty Lender.

14.5.2 If a New Lender, Replacement Lender or Substitute Affiliate Lender fails to indicate its status in accordance with this Clause 14.5 then such New Lender, Replacement Lender or Substitute Affiliate Lender (as the case may be) shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Company). For the avoidance of doubt, a Transfer Certificate or Substitute Affiliate Lender Designation Notice shall not be invalidated by any failure of a Lender to comply with this Clause 14.5.

14.6 **Stamp taxes**

The Company shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

14.7 **VAT**

14.7.1 All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to Clause 14.7.2 below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

14.7.2 If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any Party other
than the Recipient (the **Relevant Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

14.7.2.1 (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this Clause 14.7.2.1 applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

14.7.2.2 (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

14.7.3 Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

14.7.4 In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party’s VAT registration and such other information as is reasonably requested in connection with such Finance Party’s VAT reporting requirements in relation to such supply.

### 14.8 FATCA Information

14.8.1 Subject to Clause 14.8.3 below, each Party shall, within ten Business Days of a reasonable request by another Party:

14.8.1.1 confirm to that other Party whether it is:

14.8.1.1.1 a FATCA Exempt Party; or

14.8.1.1.2 not a FATCA Exempt Party;

14.8.1.2 supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party’s compliance with FATCA; and
14.8.1.3 supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party’s compliance with any other law, regulation, or exchange of information regime.

14.8.2 If a Party confirms to another Party pursuant to Clause 14.8.1.1 above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

14.8.3 Clause 14.8.1 above shall not oblige any Finance Party to do anything, and Clause 14.8.1.3 above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

14.8.3.1 any law or regulation;
14.8.3.2 any fiduciary duty; or
14.8.3.3 any duty of confidentiality.

14.8.4 If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with Clause 14.8.1.1 or 14.8.1.2 above (including, for the avoidance of doubt, where Clause 14.8.3 above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

14.8.5 If a Borrower is a US Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:

14.8.5.1 where an Original Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the Signature Date;
14.8.5.2 where a Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender, the relevant Transfer Date;
14.8.5.3 the date a new US Tax Obligor accedes as a Borrower; or
14.8.5.4 where a Borrower is not a US Tax Obligor, the date of a request from the Agent, supply to the Agent:
14.8.5.5 a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
14.8.5.6 any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
14.8.6 The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to Clause 14.8.5 to the relevant Borrower.

14.8.7 If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to Clause 14.8.5 is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the relevant Borrower.

14.8.8 The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to Clause 14.8.5 or 14.8.7 without further verification. The Agent shall not be liable for any action taken by it under or in connection with Clauses 14.8.5, 14.8.6 or 14.8.7.

14.9 FATCA Deduction

14.9.1 Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

14.9.2 Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

15. INCREASED COSTS

15.1 Increased costs

15.1.1 Subject to Clause 15.3 (Exceptions) the Company shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the Signature Date or (iii) the implementation or application or compliance with Basel III or CRD IV or any other law or regulation which implements Basel III or CRD IV (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

15.1.2 In this Agreement Increased Costs means:
15.1.2.1 a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
15.1.2.2 an additional or increased cost; or
15.1.2.3 a reduction of any amount due and payable under any Finance Document, which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

15.2 Increased cost claims

15.2.1 A Finance Party intending to make a claim pursuant to Clause 15.1 (Increased Costs) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.

15.2.2 Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

15.2.3 Each Finance Party providing a certificate in terms of Clause 15.2.2, is not required to disclose any information it deems to be confidential or commercially sensitive.

15.3 Exceptions

15.3.1 Clause 15.1 (Increased Costs) does not apply to the extent any Increased Cost is:

15.3.1.1 attributable to a Tax Deduction required by law to be made by an Obligor;

15.3.1.2 attributable to a FATCA Deduction required to be made by a Party;

15.3.1.3 compensated for by Clause 14.3 (Tax Indemnity) (or would have been compensated for under Clause 14.3 (Tax Indemnity) but was not so compensated solely because any of the exclusions in Clause 14.3.2 of Clause 14.3 (Tax Indemnity) applied); or

15.3.1.4 attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation;

15.3.1.5 attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the Signature Date (but excluding any Increased Costs arising out of Basel III or CRD IV or any other law or regulation which implements Basel III or CRD IV (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates)).
15.3.2 In this Clause 15.3, a reference to:

15.3.2.1 a Tax Deduction has the same meaning given to that term in Clause 14.1 (Definitions);

15.3.2.2 Basel III means:

15.3.2.2.1 the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

15.3.2.2.2 the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

15.3.2.2.3 any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

15.3.2.3 CRD IV means:

15.3.2.3.1 Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and

15.3.2.3.2 Directive 2013/36/EU of the European Parliament and the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

16. OTHER INDEMNITIES

16.1 Currency indemnity

16.1.1 If any sum due from an Obligor under the Finance Documents (a Sum), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the First Currency) in which that Sum is payable into another currency (the Second Currency) for the purpose of:

16.1.1.1 making or filing a claim or proof against that Obligor;

16.1.1.2 obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability
arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

16.1.2 Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

The Company shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

16.2.1 the occurrence of any Event of Default;

16.2.2 a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 29 (Sharing Among Finance Parties);

16.2.3 funding, or making arrangements to fund, its participation in a Loan requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

16.2.4 a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

16.3 Environmental Indemnity

The Obligors agree to indemnify each Finance Party, each Affiliate of a Finance Party and their respective directors, officers and employees (together, the Indemnified Parties), within three Business Days of demand, against any cost, loss, damages or liability (actual or contingent) suffered or incurred by that Indemnified Party (including all legal costs incurred by any Finance Party) (except to the extent solely caused by such Indemnified Party’s own gross negligence or wilful default) which arises, directly or indirectly, as a result of or in connection with:

16.3.1 the provision by the Lenders of the financing provided pursuant to the Finance Documents and/or the purpose for which such financing was utilised;

16.3.2 any litigation commenced against any Indemnified Party arising out of the execution or performance of, or enforcement by the Lenders of any rights under, any Finance Document;
16.3.3 an environmental claim;

16.3.4 any actual or alleged violation of any environmental laws resulting from, or in connection with, the assets or business of the Obligors and/or any transaction financed or to be financed with the proceeds of any advances made under the Finance Documents; or

16.3.5 any enquiry, investigation, subpoena (or similar order) or litigation with respect to any environmental claim and any other enquiry, investigation, subpoena (or similar order) or litigation in respect of any breach of any environmental law that has or is reasonably likely to give rise to a liability for any Finance Party, which relates to the Group, any assets of the Group or the operation of all or part of the business of the Group (or, in each case, any member of the Group) and which would not have arisen if the Finance Documents or any of them had not been executed by that Finance Party. Any Affiliate or any director, officer or employee of a Finance Party or its Affiliate may rely on this Clause 16.3 as a stipulation for its or his benefit.

16.4 Indemnity to the Agent

The Company shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

16.4.1 investigating any event which it reasonably believes is a Default;

16.4.2 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

16.4.3 instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.

17. MITIGATION BY THE LENDERS

17.1 Mitigation

17.1.1 Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (Illegality), Clause 14 (Tax Gross Up and Indemnities) or Clause 15 (Increased Costs) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

17.1.2 Clause 17.1.1 above does not in any way limit the obligations of any Obligor under the Finance Documents.
17.2 Limitation of liability

17.2.1 The Company shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (Mitigation).

17.2.2 A Finance Party is not obliged to take any steps under Clause 17.1 (Mitigation) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. COSTS AND EXPENSES

18.1 Transaction expenses

The Company shall promptly on demand pay any Finance Party the amount of all costs and expenses (including legal fees subject to any agreed cap) reasonably incurred by such Finance Party in connection with the negotiation, preparation, printing, execution and syndication of:

18.1.1 this Agreement and any other documents referred to in this Agreement; and

18.1.2 any other Finance Documents executed after the Signature Date.

18.2 Amendment costs

If:

18.2.1 an Obligor requests an amendment, waiver or consent in respect of a Finance Document or any document referred to in this Agreement; or

18.2.2 an amendment is required pursuant to Clause 30.10 (Change of Currency), the Company shall, within three Business Days of demand, reimburse the Agent for the amount of all costs and expenses (including legal fees, subject to any agreed cap) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 Enforcement costs

The Company shall, within three Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.
19. GUARANTEE AND INDEMNITY

19.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

19.1.1 guarantees to each Finance Party punctual performance by each Borrower of all that Borrower’s obligations under the Finance Documents;

19.1.2 undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

19.1.3 agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 19 if the amount claimed had been recoverable on the basis of a guarantee.

19.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 19 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.4 Waiver of defences

The obligations of each Guarantor under this Clause 19 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 19 (without limitation and whether or not known to it or any Finance Party) including:

19.4.1 any time, waiver or consent granted to, or composition with, any Obligor or other person;

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19.4.2 the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

19.4.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

19.4.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

19.4.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

19.4.6 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

19.4.7 any insolvency or similar proceedings.

19.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 19. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

19.6.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

19.6.2 hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor’s liability under this Clause 19.
19.7 Deferral of Guarantors’ rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 19:

19.7.1 to be indemnified by an Obligor;
19.7.2 to claim any contribution from any other guarantor of any Obligor’s obligations under the Finance Documents;
19.7.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
19.7.4 to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 19.1 (Guarantee and Indemnity);
19.7.5 to exercise any right of set-off against any Obligor; and/or
19.7.6 to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 30 (Payment Mechanics).

19.8 Release of Guarantors’ right of contribution

If any Guarantor (a Retiring Guarantor) ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

19.8.1 that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
19.8.2 each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

19.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

19.10 US Guarantors

Terms used in this Clause 19.10 are to be construed in accordance with any applicable fraudulent transfer laws.

19.10.1 Each US Guarantor acknowledges that it will receive valuable direct or indirect benefits as a result of the transactions financed by the Finance Documents.

19.10.2 Each Finance Party agrees that each US Guarantor's liability under this Clause 19 is limited so that no obligation of, or transfer by, any US Guarantor under this Clause 19 is subject to avoidance and turnover under any fraudulent transfer law.

19.10.3 Each US Guarantor represents and warrants to each Finance Party that:

19.10.3.1 the aggregate amount of its debts (including its obligations under the Finance Documents) is less than the aggregate value (being the lesser of fair valuation and present fair saleable value) of its assets;

19.10.3.2 its capital is not unreasonably small to carry on its business as it is being conducted;

19.10.3.3 it has not incurred and does not intend to incur debts beyond its ability to pay as they mature;

19.10.3.4 it has not made a transfer or incurred any obligation under any Finance Document with the intent to hinder, delay or defraud any of its present or future creditors; and

19.10.3.5 its obligations under the Finance Documents are not subject to avoidance and turnover under any fraudulent transfer law.

19.10.4 Each representation and warranty in this Clause 19.10:

19.10.4.1 is made by Stillwater on the date on which it accedes to this Agreement;

19.10.4.2 is deemed to be repeated by:
19.10.4.2.1 each Additional Guarantor on the date that Additional Guarantor becomes a US Guarantor; and
19.10.4.2.2 each US Guarantor on the date of each Utilisation Request and the first day of each Interest Period; and
19.10.4.3 is, when repeated, applied to the circumstances existing at the time of repetition.

20. REPRESENTATIONS

Each Obligor makes the representations and warranties in respect of itself and, where expressly provided, each Restricted Company or Subsidiary (as the case may be), set out in this Clause 20 to each Finance Party on the Signature Date.

20.1 Status

20.1.1 Each Restricted Company is a limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

20.1.2 Each Restricted Company has the power to own its assets and carry on its business as it is being conducted.

20.2 Binding obligations

The obligations expressed to be assumed by each Obligor in each Finance Document to which it is a party are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

20.3 Non-conflict with other obligations

The entry into and performance by each Obligor of, and the transactions contemplated by, the Finance Documents to which it is a party do not and will not conflict with:

20.3.1 any law or regulation applicable to it;
20.3.2 its constitutional documents; or
20.3.3 any material agreement or instrument binding upon it or any of its assets.

20.4 Power and authority

Each Obligor has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

20.5 Validity and admissibility in evidence

All Authorisations required or desirable:
20.5.1 to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

20.5.2 for the validity or enforceability of any Finance Document to which each Obligor is a party or to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect including, without limitation, any authorisation required from the South African Reserve Bank.

20.6 Governing law and enforcement

20.6.1 Subject to the Legal Reservations, the choice of law specified as the governing law of the Finance Documents to which each Obligor is a party will be recognised and enforced in its jurisdiction of incorporation.

20.6.2 Subject to the Legal Reservations, any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its jurisdiction of incorporation.

20.7 Insolvency

20.7.1 No Restricted Company has taken any corporate action, nor have any legal proceedings or creditors’ process been started or (to the best of its knowledge and belief) threatened against it, for its winding-up, dissolution or business rescue, or for the appointment of a liquidator, business rescue practitioner or similar officer of it or of its assets.

20.7.2 No Restricted Company is “financially distressed” (as defined in the Companies Act), to the extent that Applicable Inter-company Loans are excluded from the calculation of the fair value of such Restricted Company’s liabilities.

20.8 No filing or stamp taxes

Except to the extent set out in any legal opinion provided pursuant to the Finance Documents, under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents to which it is a party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

20.9 No deduction of Tax

As at the Signature Date, it is not required to make any deduction for or on account of tax from any payment it may make under any Finance Document to which it is a party, other than the withholding tax on interest income required to be withheld from interest income payable by South African tax residents to non-Qualifying Lenders.
20.10 No default

20.10.1 As at the Signature Date, the Effective Date and the first Utilisation Date, no Default is continuing or might reasonably be expected to result from the entry into of, or the performance of any transaction contemplated by, the Finance Documents or from its making use of any Utilisation.

20.10.2 As at any date falling after the first Utilisation Date, no Event of Default is continuing or might reasonably be expected to result from the entry into of, or the performance of any transaction contemplated by, the Finance Documents or from its making use of any Utilisation.

20.10.3 No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which could reasonably be expected to have a Material Adverse Effect.

20.11 No misleading information

20.11.1 Any information provided to the Finance Parties in connection with the Finance Documents was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.

20.11.2 Any financial projections provided to the Finance Parties in connection with the Finance Documents have been prepared on the basis of recent historical information and is believed in good faith to be based on reasonable assumptions.

20.11.3 No information provided to the Finance Parties in connection with the Finance Documents omits as at its date any information which, if disclosed, would reasonably be expected to materially and adversely affect the decision of the Lenders in considering whether or not to provide finance to the Borrowers under this Agreement.

20.11.4 Nothing has occurred since the date of the provision of information to the Finance Parties in connection with the Finance Documents which, if disclosed, would reasonably be expected to materially and adversely affect the decision of the Lenders in considering whether or not to provide finance to the Borrowers under this Agreement.

20.12 Financial statements

20.12.1 In relation to the Company, its latest audited annual financial statements were prepared in accordance with IFRS and fairly represent the Group’s financial condition and operations during the relevant financial period (on a consolidated basis, where applicable).

20.12.2 In relation to any Obligor other than the Company or, if applicable, any US Debtor, its latest audited annual financial statements were prepared in accordance with IFRS and fairly
represent its financial condition and operations during the relevant financial period (on a consolidated basis, where applicable).

20.12.3 In relation to any US Debtor (after it has become an Obligor), its latest audited annual financial statements were prepared in accordance with US GAAP or IFRS and fairly represent its financial condition and operations during the relevant financial period (on a consolidated basis, where applicable).

20.13 No proceedings pending or threatened

Other than:

20.13.1 as disclosed in its Financial Statements most recently delivered to the Agent; and

20.13.2 the potential litigation disclosed in Schedule 11 (Litigation), no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started or (to the best of its knowledge and belief, after due enquiry) threatened in writing against it which are reasonably expected to have a Material Adverse Effect.

20.14 No breach of laws

20.14.1 No Restricted Company is, nor is it likely to be as a result of entering into and performing its obligations under the Finance Documents to which it is a party, in violation of any law or in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets to an extent or in a manner which would be reasonably expected to have a Material Adverse Effect.

20.14.2 No Restricted Company has breached any law or regulation (including environmental laws) which breach has or would be reasonably expected to have a Material Adverse Effect.

20.15 Environmental laws

20.15.1 Each Restricted Company is in compliance with the undertakings given in Clause 23.3 (Environmental compliance) and Clause 23.5 (Environmental Information and Undertakings) regarding environmental compliance and claims, save to the extent that such non-compliance would not be reasonably expected to have a Material Adverse Effect and (to the best of its knowledge and belief) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or would be reasonably expected to have a Material Adverse Effect.

20.15.2 Each Restricted Company has adopted and complies with an environmental policy which requires monitoring of, and all applicable environmental laws and permits applicable to it
from time to time, unless non-compliance with such policy would not be reasonably expected to cause a Material Adverse Effect.

20.15.3 No environmental claim has commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against any member of the Group where that claim has or would reasonably be expected if adversely determined to have a Material Adverse Effect.

20.16 Taxation

20.16.1 Each Restricted Company has duly and punctually paid and discharged all taxes imposed upon it or its assets within the time period allowed without incurring penalties, except to the extent that:

20.16.1.1 payment is being contested in good faith;
20.16.1.2 it has maintained adequate reserves for those taxes; and
20.16.1.3 payment can be lawfully withheld.

20.16.2 The representation in Clause 20.16.1 shall not apply where the representation or statement relates to taxes, which do not in aggregate exceed US$15,000,000 (or its equivalent in any other currency or currencies) in any Financial Year.

20.17 Anti-corruption law and sanctions

20.17.1 It and its Subsidiaries have conducted their businesses in compliance with applicable anti-corruption and anti-money laundering laws and regulations and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws and regulations.

20.17.2 None of the Company or any of its Subsidiaries or any of their respective directors:

20.17.2.1 is a Person that is, or is owned or controlled by Persons that are, the subject of any Sanctions; or
20.17.2.2 is located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria.

20.17.3 For the purpose of this Clause 20.17 (Anti corruption law and sanctions) and Clause 23.6 (Anti corruption law and sanctions):  

20.17.3.1 **Governmental Authority** means the government of any jurisdiction, or any political subdivision thereof, whether provincial, state or local, and any department, ministry, agency, instrumentality, authority, body, court, central bank or other entity lawfully
exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to
government.

20.17.3.2 **Person** means an individual, firm, company, corporation, government, state or agency of a state or any association,
trust, joint venture, consortium or partnership.

20.17.3.3 **OFAC** means the Office of Foreign Assets Control of the US Department of the Treasury.

20.17.3.4 **Sanctions** means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted
or enforced by any of the Sanctions Authorities.

20.17.3.5 **Sanctions Authorities** means:

20.17.3.5.1 the United States government; 20.17.3.5.2 the United Nations;

20.17.3.5.3 the European Union;

20.17.3.5.4 the United Kingdom; or

20.17.3.5.5 the respective Governmental Authorities of any of the foregoing, including without limitation, OFAC, the US
Department of State and Her Majesty’s Treasury of the United Kingdom.

20.18 **Security and Financial Indebtedness**

20.18.1 No Encumbrance exists over all or any Restricted Company’s assets except for Permitted Encumbrances.

20.18.2 No member of the Group other than an Obligor or a Project Finance Subsidiary has any Financial Indebtedness
outstanding other than Permitted Financial Indebtedness.

20.19 **Pari passu ranking**

Each Obligor’s payment obligations under the Finance Documents to which it is a party rank at least *pari passu* with the
claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying
to companies generally in the jurisdiction of its incorporation.

20.20 **Good title to assets**

Each Restricted Company has good title to or valid leases or licences of, all of the assets necessary to carry on its business
as presently conducted, the absence of which would reasonably be expected to have a Material Adverse Effect.
20.21 Intellectual property

No Restricted Company is aware of any adverse circumstances relating to any intellectual property required for use in its business which has or would be reasonably expected to have a Material Adverse Effect.

20.22 Accounting reference date

The accounting reference date of each member of the Group (except for a person that has become a member of the Group in the three Months preceding the date on which this representation is made or deemed to be made) is 31 December.

20.23 No Material Adverse Effect

There has been no material adverse change in the business, operations, properties or financial condition of the Group taken as a whole, in respect of the representations made on the Signature Date, since the date of the audited annual financial statements of the Company for the year ended 31 December 2015 and, in respect of each representation made after the Signature Date, since the date of the most recent audited annual financial statements of the Company.

20.24 US Regulations

It is not:

20.24.1 a public utility (as such term is used in the United States Federal Power Act of 1920) or subject to regulation under the United States Federal Power Act of 1920;

20.24.2 required to be registered as an investment company (as such term is used in the United States Investment Company Act of 1940) or subject to regulation under the United States Investment Company Act of 1940; or

20.24.3 subject to regulation under any United States Federal or State law or regulation that limits its ability to incur or guarantee indebtedness.

20.25 Repetition

20.25.1 All the representations and warranties in this Clause are made by the Obligors on the Signature Date and the Effective Date.

20.25.2 The Repeating Representations are deemed to be made by the Company and each Obligor in respect of itself, and where expressly stated, in respect of each Restricted Company, by reference to the facts and circumstances then existing on:

20.25.2.1 the date of each Utilisation Request and the first day of each Interest Period; and
20.25.2.2 in the case of an Additional Obligor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Obligor.

21. INFORMATION UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the Signature Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Financial statements

The Company shall supply to the Agent in sufficient copies for all the Lenders:

21.1.1 as soon as the same become available, but in any event within 120 days after the end of each of its Financial Years:
   21.1.1.1 its audited consolidated financial statements for that Financial Year; and
   21.1.1.2 the audited financial statements of each Obligor for that Financial Year; and

21.1.2 as soon as the same become available, but in any event within 60 days after the end of each of its Financial Half Years:
   21.1.2.1 its unaudited condensed consolidated financial statements for that Financial Half Year; and
   21.1.2.2 the unaudited management accounts of each Obligor for that Financial Half Year; and

21.1.3 as soon as they become available, but in any event within 60 days of the end of each Financial Quarter ending on 31 March or 30 September:
   21.1.3.1 its unaudited management accounts for that Financial Quarter; and
   21.1.3.2 the unaudited management accounts of each Obligor for that Financial Quarter.

21.2 Compliance Certificate

21.2.1 The Company shall supply to the Agent, with each set of Financial Statements delivered pursuant to Clauses 21.1.1.1, 21.1.2.1 or 21.1.3.1, a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22 (Financial Covenants) and specify each Material Company as at the date as at which those Financial Statements were drawn up.

21.2.2 Each Compliance Certificate shall be signed by two directors of the Company.

21.3 Requirements as to financial statements

21.3.1 Each set of Financial Statements delivered by the Company pursuant to Clause 21.1 (Financial Statements) shall be certified by a director of the relevant company as fairly
representing its financial condition (or, if applicable, its consolidated financial condition) as at the date as at which those Financial Statements were drawn up.

21.3.2 The Company shall procure that each set of Financial Statements delivered pursuant to Clause 21.1 (Financial Statements) is prepared using IFRS (or, if delivered in respect of a US Debtor, IFRS or US GAAP).

21.3.3 The Company shall procure that each set of Financial Statements of an Obligor delivered pursuant to Clause 21.1 (Financial Statements) is prepared using IFRS (or, if delivered in respect of a US Debtor, IFRS or US GAAP), accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of Financial Statements, it notifies the Agent that there has been a change in IFRS (or, if delivered in respect of a US Debtor, IFRS or US GAAP), the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Agent:

21.3.3.1 a description of any change necessary for those Financial Statements to reflect the IFRS or US GAAP, as applicable, accounting practices and reference periods upon which that Obligor’s Original Financial Statements were prepared; and

21.3.3.2 sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 22 (Financial Covenants) has been complied with and make an accurate comparison between the financial position indicated in those Financial Statements and that Obligor’s Original Financial Statements, provided that no such notification shall be required to be provided by the Company to the Agent if the matters referred to in Clauses 21.3.3.1 and 21.3.3.2 are adequately disclosed in those financial statements.

21.3.4 Any reference in this Agreement to those Financial Statements shall be construed as a reference to those Financial Statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

21.3.5 The accounting reference date referred to in Clause 20.22 (Accounting Reference Date), shall not be changed.

21.4 Information: miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

21.4.1 if requested by the Agent, a report issued by the Company’s auditors confirming the arithmetic computations and the proper extraction of figures applied in determining which
members of the Group are Material Companies and that the Guarantor Threshold Test has been met;

21.4.2 all documents dispatched by the Company to its shareholders (or any class of them) or by the Company or any other Obligors to its creditors generally (or any class of them);

21.4.3 promptly upon becoming aware of them, details and copies of any changes proposed to be or made to its constitutional documents or the constitutional documents of it or any other Obligor, including the filing of any Memorandum of Incorporation under the Companies Act;

21.4.4 promptly, notice of any change in authorised signatories of it or any other Obligor signed by a director or company secretary of it or such other Obligor (as the case may be) accompanied by specimen signatures of any new authorised signatories;

21.4.5 promptly, upon request by the Agent, such additional information or documentation as the Facility Agent may reasonably require in order to verify that any signatory referred to in Clause 21.4.4 has been duly authorised;

21.4.6 promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings, winding-up applications, liquidation applications or business rescue applications which are reasonably likely to be adversely determined and, if so determined, would be reasonably likely to have a Material Adverse Effect;

21.4.7 promptly upon it becoming aware of it, of any breach of the terms and conditions of a Streaming Transaction which (a) is reasonably likely to result in a liability for damages or other claim(s) in respect of such breach being imposed on members of the Group in excess of USD50,000,000 (in aggregate) or (b) otherwise has or is reasonably likely to have a Material Adverse Effect;

21.4.8 promptly, an updated share register of Sibanye Gold pursuant to the implementation of Project Top Deck;

21.4.9 promptly such further information requested by the Facility Agent relating to the Lonmin Merger, Project Top Deck, any acquisition of shares in DRD Gold and any Streaming Transaction; and

21.4.10 promptly such further information regarding the financial condition, business and operations of the Group and/or any member of the Group as any Finance Party (through the Agent) may reasonably request.

21.5 Notification of default

21.5.1 The Company shall promptly notify the Agent of any Default (and the steps, if any, being taken to remedy it) upon becoming aware of its occurrence.
21.5.2 Promptly upon request by the Agent, the Company shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing), specifying the Default and the steps, if any, being taken to remedy it.

21.6 Use of websites

21.6.1 The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the **Website Lenders**) who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the **Designated Website**) if:

21.6.1.1 the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

21.6.1.2 both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

21.6.1.3 the information is in a format previously agreed between the Company and the Agent.

21.6.2 If any Lender (a **Paper Form Lender**) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

21.6.3 The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.

21.6.4 The Company shall promptly upon becoming aware of its occurrence notify the Agent if:

21.6.4.1 the Designated Website cannot be accessed due to technical failure;

21.6.4.2 the password specifications for the Designated Website change;

21.6.4.3 any new information which is required to be provided under this Agreement is posted onto the Designated Website;

21.6.4.4 any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

21.6.4.5 the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.
21.6.5 If the Company notifies the Agent under Clause 21.6.4.1 or Clause 21.6.4.5 above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

21.6.6 Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within ten Business Days.

21.7 “Know your customer” checks

21.7.1 If:

21.7.1.1 the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Signature Date;

21.7.1.2 any change in the status of or shareholders of an Obligor (other than the Company) after the Signature Date; or

21.7.1.3 a proposed transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such transfer, obliges the Agent or any Lender (or, in the case of Clause 21.7.1.3 above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in Clause 21.7.1.3 above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in Clause 21.7.1.3 above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

21.7.2 Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

21.7.3 The Company shall, by not less than 10 Business Days’ prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 26 (Change of Obligors).
21.7.4 Following the giving of any notice pursuant to Clause 21.7.3 above, if the accession of such Additional Obligor obliges the Agent or any Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Obligor.

22. FINANCIAL COVENANTS

22.1 Financial Definitions

All accounting expressions which are not otherwise defined in this Agreement shall be construed in accordance with the Accounting Principles and, unless the context dictates otherwise, the accounting expressions set forth below shall bear the following meanings:

22.1.1 Consolidated EBITDA means, in respect of any Measurement Period, the consolidated net income of the Group (less the net income of any Project Finance Subsidiaries but including any dividends received in cash by any member of the Group (other than a Project Finance Subsidiary) from a Project Finance Subsidiary), before, without duplication and all as calculated in accordance with IFRS (but adjusted on a pro forma basis to reflect acquisitions and disposals):

22.1.1.1 any provision on account of normal, deferred and royalty taxation;
22.1.1.2 any interest, commission, discounts or other fees incurred or payable, received or receivable by any member of the Group in respect of indebtedness;
22.1.1.3 any other interest received or receivable by any member of the Group on any deposit or bank account;
22.1.1.4 any non-cash adjustments to the environment rehabilitation and/or reclamation expenses;
22.1.1.5 any amount attributable to the amortisation of intangible assets and depreciation of tangible assets;
22.1.1.6 any non-cash gains or losses relating to and resulting from the marked to market valuation of derivative and/or financial instruments;
22.1.1.7 any losses from (or gains on the reversal of previously recognised) write-downs or impairments of assets and/or investments;
22.1.8 any gains or losses recognised on the attributable share of results of associates after tax, but including any dividends received in cash by any member of the Group from such an associate;

22.1.9 any share-based payments;

22.1.10 any other extraordinary or exceptional items; and

22.1.11 any other material non-cash gain or loss that needs to be accounted for under IFRS.

22.1.2 **Consolidated Net Borrowings** means at any time, the aggregate amount of all obligations of the members of the Group, other than Project Finance Subsidiaries (but including, for the avoidance of doubt, any obligations of any other member of the Group in respect of the obligations of a Project Finance Subsidiary), for or in respect of Indebtedness for Borrowed Money but excluding any such obligation to any member of the Group (other than a Project Finance Subsidiary), adjusted to take into account the aggregate amount of freely available cash and cash equivalents held by any member of the Group, other than Project Finance Subsidiaries, and so that no amount shall be included or excluded more than once.

22.1.3 **Consolidated Net Finance Charges** means, in respect of any Measurement Period, the aggregate amount of the interest (including the interest element of leasing and hire purchase payments and capitalised interest), commission, fees, discounts and other finance payments payable by any member of the Group, other than Project Finance Subsidiaries, (including any commission, fees, discounts and other finance payment payable by any member of the Group under any interest rate hedging arrangement but deducting any commission, fees, discounts and other finance payments receivable by any member of the Group (other than a Project Finance Subsidiary) under any interest rate hedging instrument) but deducting any other interest receivable by any member of the Group, other than Project Finance Subsidiaries, on any deposit or bank account.

22.1.4 **Consolidated Tangible Net Worth** means, at any time, the “Total Equity” as reported in the “Consolidated Statement of Changes in Equity” less goodwill and intangibles in the latest audited annual financial statements of the Company delivered to the Agent pursuant to Clause 21.1(Financial Statements).

22.1.5 **EBITDA** means, in respect of any member of the Group, in respect of any Measurement Period, the net income of that member of the Group before, without duplication and all as calculated in accordance with the Accounting Principles (but adjusted on a pro forma basis to reflect acquisitions and disposals):

22.1.5.1 any provision on account of normal, deferred and royalty taxation;
22.1.5.2 any interest, commission, discounts or other fees incurred or payable, received or receivable by that member of the Group in respect of indebtedness;

22.1.5.3 any other interest received or receivable by that member of the Group on any deposit or bank account;

22.1.5.4 any non-cash adjustments to the environment rehabilitation and/or reclamation expenses;

22.1.5.5 any amount attributable to the amortisation of intangible assets and depreciation of tangible assets;

22.1.5.6 any non-cash gains or losses relating to and resulting from the marked to market valuation of derivative and/or financial instruments;

22.1.5.7 any losses from (or gains on the reversal of previously recognised) write-downs or impairments of assets and/or investments;

22.1.5.8 any gains or losses recognised on the attributable share of results of associates after tax, but including any dividends received in cash by any member of the Group from such an associate;

22.1.5.9 any share-based payments;

22.1.5.10 any other extraordinary or exceptional items; and

22.1.5.11 any other material non-cash gain or loss that needs to be accounted for under IFRS;

22.1.6 **Financial Half Year** means the period commencing on the day after the end of a Financial Year and ending on the next Half Year Date.

22.1.7 **Financial Quarter** means the period of 3 (three) months ending on each of 31 March, 30 June, 30 September and 31 December of each calendar year.

22.1.8 **Financial Year** means the annual accounting period of the Obligors ending on 31 December in each year.

22.1.9 **Half Year Date** means 30 June of each calendar year.

22.1.10 **Measurement Date** means the last day of each of the Company’s Financial Years, the last day of each of the Company’s Financial Half Years and the last day of each Financial Quarter.

22.1.11 **Measurement Period** means each period of 12 months ending on each Measurement Date.
22.2 General Financial Conditions

The Obligors shall ensure that for so long as any amount is outstanding under the Finance Documents or any Commitment is in force:

22.2.1 the ratio of Consolidated EBITDA to Consolidated Net Finance Charges in respect of any Measurement Period shall be equal to or exceed 4.0:1;

22.2.2 the ratio of Consolidated Net Borrowings to Consolidated EBITDA in respect of any Measurement Period ending on the relevant Measurement Date shall not exceed:

22.2.2.1 3.5:1, if the relevant Measurement Date falls during the Covenant Adjustment Period; and

22.2.2.2 2.5:1, if the relevant Measurement Date falls after the Covenant Adjustment Period.

22.3 General

The financial covenants contained in Clause 22.2 (General Financial Conditions) and Clause 23.20 (Guarantors) shall be calculated and tested by reference to each set of the Financial Statements delivered pursuant to Clauses 21.1.1 and 21.1.2 of Clause 21.1 (Financial Statements).

23. GENERAL UNDERTAKINGS

The undertakings in this Clause 23 are given by each Obligor in respect of itself and, where expressly provided, each Restricted Company or members of the Group or Subsidiary (as the case may be), and remain in force from the Signature Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23.1 Authorisations

Each Obligor shall promptly:

23.1.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and

23.1.2 upon written request by the Agent, supply certified copies to the Agent of, any Authorisation required or desirable under any applicable law to enable it to perform its obligations under the Finance Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document to which it is a party.

23.2 Compliance with laws

Each Obligor shall comply in all respects with all laws and regulations to which it may be subject (including, but not limited to, environmental law), if failure so to comply would
materially impair the ability of the Obligors together to perform their obligations under the Finance Documents to which they are respectively a party.

23.3 Environmental compliance

Each Restricted Company shall comply with all environmental laws and obtain and maintain any environmental permits, take all reasonable steps in anticipation of known or expected future changes to or obligations under the environmental law or environmental permits, and implement procedures to monitor compliance with and to prevent liability under any environmental laws, to the extent required by applicable law if, in each case, failure to do so has or would be reasonably expected to have a Material Adverse Effect.

23.4 Environmental claims

Each Restricted Company shall, promptly upon becoming aware of the same, inform the Agent in writing of:

23.4.1 any environmental claim (not of a frivolous or vexatious nature and other than the potential claims set out in Schedule 11 (Litigation)) against it or any other member of the Group which is current, pending or (to the best of its knowledge and belief, after having made due enquiry) threatened; and

23.4.2 any facts or circumstances which are reasonably likely to result in any environmental claim (not of a frivolous or vexatious nature and other than the potential claims set out in Schedule 11 (Litigation)) being commenced or threatened against it, where the claim, is reasonably likely to be adversely determined and, if so determined, has or would reasonably be expected to have a Material Adverse Effect.

23.5 Environmental information and undertakings

23.5.1 The Company shall, promptly upon becoming aware of the same, inform the Agent in writing of any change to the environmental condition of:

23.5.1.1 any mine that it owns, operates or holds a beneficial or legal interest in from time to time; and

23.5.1.2 its contiguous properties, which has or would reasonably be expected to have a Material Adverse Effect.

23.5.2 The Company shall not change the use of the properties on which any mine that it owns, operates or holds a beneficial or legal interest in (or may in the future own, operate or hold a beneficial or legal interest in) such that the change would increase the risk of release of hazardous substances or cause environmental contamination that exceeds regulatory
limitations to an extent which has or would be reasonably expected to have a Material Adverse Effect.

23.6 **Anti-corruption law and sanctions**

23.6.1 It and its Subsidiaries will conduct their businesses in compliance with applicable anti-corruption and anti-money laundering laws and regulations and have instituted and will maintain and enforce policies and procedures designed to promote and achieve compliance with such laws and regulations.

23.6.2 No Restricted Company will directly or indirectly, use all or any of the proceeds of the Facility or lend, contribute, or otherwise make available such proceeds in violation of the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-money laundering laws or regulations.

23.6.3 None of the Company or any of its Subsidiaries or any of their directors:

23.6.3.1 is a Person that is, or is owned or controlled by Persons that are, the subject of any Sanctions; or

23.6.3.2 is located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria.

23.6.4 No Restricted Company will directly or indirectly use the proceeds of the Facility, or lend, contribute or otherwise make available all or any part of the proceeds of the Facility, to or for the benefit of, any Person:

23.6.4.1 for the purpose of financing any activities or business of or other transactions with or investments in:

23.6.4.1.1 any Person that is, or is owned or controlled by Persons that are, the subject of Sanctions; or

23.6.4.1.2 any Person that is located, organised or resident in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria; or

23.6.4.2 in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor or otherwise).

23.6.5 No Restricted Company will fund all or part of any payment in connection with a Finance Document out of proceeds derived from any action which is in breach of any Sanctions.
23.7 **Taxation**

23.7.1 Each Restricted Company will duly and punctually pay and discharge all taxes imposed upon it or its assets within the time period allowed without incurring penalties save where:

23.7.1.1 payment is being contested in good faith;

23.7.1.2 adequate reserves are being maintained for those taxes; and

23.7.1.3 payment can be lawfully withheld.

23.8 **Listing**

23.8.1 The entire issued share capital of the Company shall remain listed on the JSE, NYSE, Toronto Stock Exchange and/or London Stock Exchange.

23.8.2 The Company shall comply in all material respects with the JSE Listing Requirements and/or any other listing requirements applicable to the listing of its shares.

23.9 **Restrictions on disposals**

No Restricted Company shall enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset except for a Permitted Disposal.

23.10 **Restrictions on merger**

No Obligor shall enter into any amalgamation, demerger, merger or corporate reconstruction (as defined in the Companies Act) except for:

23.10.1 the Stillwater Acquisition;

23.10.2 any solvent amalgamation, demerger, merger or corporate reconstruction of, or between, members of the Group and where such transaction involves an Obligor merging with another entity provided that:

23.10.2.1 the Finance Documents are preserved as binding upon the surviving entity as a Borrower and/or Guarantor as applicable in place of the merged Obligor;

23.10.2.2 the surviving entity is a member of the Group;

23.10.2.3 the surviving entity is incorporated in the same jurisdiction as the merged Obligor; and

23.10.2.4 such transaction will not have a Material Adverse Effect;

23.10.3 the implementation of Project Top Deck;

23.10.4 the implementation of the Lonmin Merger; or
23.10.5 any amalgamation, demerger, merger or corporate reconstruction concluded with the prior written consent of the Majority Lenders.

23.11 **No change of business**

Each Obligor shall ensure that no substantial change is made to the general nature of the business of the Group being that of a mining business.

23.12 **Restriction on acquisitions**

No member of the Group shall acquire any company or shares or securities or a business, assets or undertaking, other than:

23.12.1 pursuant to a Permitted Acquisition; or

23.12.2 with the prior written consent of the Majority Lenders.

23.13 **Pari passu ranking**

Each Obligor will ensure that at all times the claims of the Finance Parties against it under the Finance Documents to which it is a party rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application in its jurisdiction of incorporation.

23.14 **Negative pledge**

No Restricted Company shall create or permit to subsist any Encumbrance or Quasi-Encumbrance over any of its assets other than for a Permitted Encumbrance.

23.15 **Arm’s length basis dealings**

23.15.1 Except as permitted by Clause 23.15.2 below, no Restricted Company shall enter into any transaction with any person except on arm’s length terms and for full market value.

23.15.2 The following transactions shall not be a breach of Clause 23.15.1:

23.15.2.1 intra-Group loans which constitute Permitted Financial Indebtedness;

23.15.2.2 any transactions required to be entered into by the Company to ensure a certain black economic empowerment rating necessary for its business where:

23.15.2.2.1 it is not possible to enter into such transaction on an arm’s length basis; and

23.15.2.2.2 failure to enter in such transaction would result in a Material Adverse Effect; and

23.15.2.3 fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Agent or as otherwise agreed by the Agent.
23.16 **Restriction on Financial Indebtedness**

No member of the Group (other than an Obligor or a Project Finance Subsidiary) shall incur, create or permit to subsist or have outstanding any Financial Indebtedness other than Permitted Financial Indebtedness.

23.17 **Insurance**

Each Restricted Company will maintain insurances on and in relation to its business, properties and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

23.18 **Access**

If a Default is continuing or the Agent reasonably suspects a Default is continuing, each Restricted Company shall, and the Company shall ensure that each member of the Group will, permit the Agent and/or accountants or other professional advisers and contractors of the Agent free access at all reasonable times and on reasonable notice at the risk and cost of the Restricted Company or the Company to:

23.18.1 the premises, assets, books, accounts and records of each member of the Group; and

23.18.2 meet and discuss matters with senior management.

23.19 **Intellectual property**

Each Restricted Company shall maintain its intellectual property where a failure to do so has or would reasonably be expected to have a Material Adverse Effect.

23.20 **Guarantors**

23.20.1 Subject to Clause 23.20.3, the Company shall ensure that on each Half-Yearly Measurement Date:

23.20.1.1 the aggregate EBITDA of the Guarantors for the Measurement Period ending on that Half-Yearly Measurement Date; and

23.20.1.2 the aggregate gross assets of the Guarantors on that Half-Yearly Measurement Date; (in each case calculated on an unconsolidated basis and excluding all intra-Group items and investments in Subsidiaries of any member of the Group) represents not less than 85% of the Consolidated EBITDA and 80% of the consolidated gross assets (excluding goodwill) of the Group respectively (the **Guarantor Threshold Test**).
23.20.2 For purposes of the Guarantor Threshold Test, the term “Group” shall exclude Project Finance Subsidiaries and the term "Half Yearly Measurement Date" shall mean the last day of each Financial Year of the Company and the last day of each of its Financial Half Years.

23.20.3 If, on any Half Yearly Measurement Date, the Guarantor Threshold Test has not been met and at such time all EBITDA contributing wholly-owned Subsidiaries of the Company are or have become Guarantors, then the Company shall use all reasonable endeavours to procure that such number of non-wholly-owned Subsidiaries as is required to meet the Guarantor Threshold Test, within 30 days from date on which the Compliance Certificate showing that the Guarantor Threshold Test has not been met is delivered, accede as Additional Guarantors in accordance with the procedure set out in Clause 26.4 (Additional Guarantors) below. If having used such reasonable endeavours, the Company is unable to procure that such non wholly-owned Subsidiaries become Guarantors at the end of the 30 day period, failure to satisfy the Guarantor Threshold Test shall not constitute an Event of Default.

23.21 US regulations

23.21.1 With respect to any Plan (other than a Multiemployer Plan), no Reportable Event has occurred or is reasonably expected to occur where such event, individually or in the aggregate, would have a Material Adverse Effect.

23.21.2 Each Plan (other than a Multiemployer Plan) complies in form and operation with ERISA, the Code and all other applicable laws and regulations except where failure to do so would not reasonably be likely to have a Material Adverse Effect.

23.21.3 Each Obligor shall promptly and in any event within 15 days upon becoming aware of it notify the Agent of any Reportable Event.

23.22 New TopCo accession

23.22.1 Sibanye Gold shall procure that New TopCo accedes to this Agreement as a Guarantor in accordance with Clause 26.4 (Additional Guarantors) as if New TopCo were a Subsidiary and as the Company on the Top Deck Completion Date.

23.22.2 Upon the date of accession of New TopCo, Sibanye Gold shall deliver a certificate to the Agent confirming that no Default has occurred or is continuing.
24. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 24 is an Event of Default (save for Clause 24.18 (Acceleration)).

24.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

24.1.1 its failure to pay is caused by:

24.1.1.1 administrative or technical error; or

24.1.1.2 a Disruption Event; and

24.1.2 payment is made within 5 Business Days of its due date.

24.2 Financial covenants

Any requirement of Clause 22 (Financial Covenants) is not satisfied or there is a breach of the undertakings given in Clause 21 (Information Undertakings).

24.3 Other obligations

24.3.1 An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.1 (Non-Payment) and in Clause 24.2 (Financial Covenants)).

24.3.2 No Event of Default under Clause 24.3.1 above will occur if the failure to comply is capable of remedy and is remedied within 10 Business Days of the earlier of

24.3.2.1 the Agent giving notice to the Company; and

24.3.2.2 the Obligor becoming aware of the failure to comply.

24.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in relation to the Finance Documents or any other document or statement delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made, provided that:

24.4.1 if it is capable of remedy, no Event of Default will occur if the same is remedied within 10 Business Days from the earlier of:

24.4.1.1 the Agent giving notice to the Company; and
24.4.1.2 any Obligor becoming aware of such incorrect or misleading representation or statement; or

24.4.2 if the representation or statement relates to taxes and the amount of such taxes is equal to or less than an amount of US$15,000,000 (or its equivalent in any other currency or currencies), no Event of Default shall occur.

24.5 Cross default

24.5.1 Any Financial Indebtedness of an Obligor (other than a Project Finance Subsidiary) is not paid when due nor within any originally applicable grace period.

24.5.2 Any Financial Indebtedness of an Obligor (other than a Project Finance Subsidiary) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

24.5.3 Any commitment for any Financial Indebtedness of an Obligor is cancelled or suspended by a creditor of such Obligor as a result of an event of default (however described).

24.5.4 Any creditor of an Obligor becomes entitled to declare any Financial Indebtedness of that Obligor and payable prior to its specified maturity as a result of an event of default (however described).

24.5.5 No Event of Default will occur under this Clause 24.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within Clauses 24.5.1 to 24.5.4 above is less than US$15,000,000 (or its equivalent in any other currency or currencies).

24.6 Insolvency

24.6.1 An Obligor:

24.6.1.1 is unable or admits inability to pay its debts as they fall due;

24.6.1.2 suspends making payments on any of its debts; or

24.6.1.3 by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

24.6.2 The board of directors of an Obligor adopts a resolution declaring the relevant Obligor to be Financially Distressed (as defined in the Companies Act) or the board of that Obligor has not timeously delivered the written notice required in terms of section 129(7) of the Companies Act.

24.6.3 A moratorium is declared in respect of any indebtedness of any Obligor.
24.7 Insolvency proceedings

24.7.1 Any corporate action, legal proceedings or other procedure or step is taken in relation to:

24.7.1.1 the suspension of payments, the commencement of business rescue proceedings (whether by any Obligor or by any other person under section 129 of the Companies Act or pursuant to an application by an “affected person” under section 131 of the Companies Act or by the court during any other proceedings in respect of any member of the Group), a moratorium of any Financial Indebtedness, liquidation, winding-up, dissolution, administration, judicial management or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor;

24.7.1.2 a composition, compromise, assignment or arrangement with any creditor of any Obligor;

24.7.1.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, judicial manager, business rescue practitioner or other similar officer in respect of any Obligor;

24.7.1.4 enforcement of any Encumbrance over any assets of any Obligor; or

24.7.1.5 any analogous procedure or step is taken in any jurisdiction, and any such procedure or proceedings are not contested in good faith nor discharged within 30 days (or such shorter period provided for contesting such procedure or proceedings under the laws of the relevant jurisdiction).

24.7.2 A resolution is passed by the board of directors of an Obligor, application is made or an order is applied for or granted, to authorise the entry into or implementation of any business rescue proceedings (or any similar proceedings) in respect of any Obligor or any analogous procedure or step is taken in any jurisdiction.

24.7.3 Any of the following occurs in respect of a US Debtor:

24.7.3.1 it commences a voluntary case or proceeding under any US Bankruptcy Law; or

24.7.3.2 an involuntary case under any US Bankruptcy Law is commenced against it and is not dismissed or stayed within 60 days after commencement of the case; or

24.7.3.3 an order for relief or other order approving any case or proceeding is entered under any US Bankruptcy Law.

24.8 Creditors’ process

Any attachment, sequestration, distress or execution that affects a material part of the assets or revenues of an Obligor occurs and is not discharged within 21 days of such event occurring.
24.9 **Unlawfulness and invalidity**

24.9.1 It is or becomes unlawful in any applicable jurisdiction for an Obligor to perform any of its obligations under the Finance Documents.

24.9.2 Any Finance Document ceases to be in full force and effect.

24.9.3 Any obligation or obligations of any Obligor under any Finance Documents are not or cease to be legal, valid, binding or enforceable obligations subject to Legal Reservations.

24.10 **Failure to comply with final judgment**

24.10.1 Any Restricted Company fails within 5 Business Days of the due date to comply with or pay any sum due from it under any material final judgment or any final order (being a judgment or order which is not subject to any rescission or appeal and/or capable of being subject to any such rescission or appeal) made or given by any court of competent jurisdiction.

24.10.2 For purposes of this Clause 24.10 (Failure to Comply with Final Judgment) a “material final judgement” shall be any judgement for the payment of an amount of money in excess of US$15,000,000 (or its equivalent in any other currency or currencies).

24.11 **Cessation of business**

Any Restricted Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a part of its business constituting a material part of the Group’s business as whole, provided that, in the case of a Restricted Company (other than an Obligor) such suspension or termination shall only be an Event of Default if such suspension or termination would reasonably be expected to have a Material Adverse Effect.

24.12 **Audit Qualification**

The Company’s auditors qualify the audited annual consolidated financial statements of the Company in any material respect.

24.13 **Expropriation**

24.13.1 The management of any Restricted Company is wholly or partially replaced by any governmental authority; or

24.13.2 All or a majority of the shares of any Restricted Company or a material part of the assets or revenues of any Restricted Company is seized, nationalised, expropriated or compulsorily acquired by any governmental authority, provided that the seizure, nationalisation, expropriation or compulsory acquisition of all or a majority of the shares of any Restricted Company (other than an Obligor) or a material part of the assets or revenues of any Restricted Company (other than an Obligor) shall only constitute an Event of Default if such
24.14 Repudiation and rescission of agreements

An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document to which it is a party or evidences an intention to rescind or repudiate a Finance Document.

24.15 Litigation

24.15.1 Any litigation, arbitration, administrative or regulatory proceedings or disputes are commenced or threatened in relation to the Finance Documents or the transactions contemplated in the Finance Documents or against any Restricted Company or its assets which is reasonably likely to be adversely determined and, if so determined, could be expected to have a Material Adverse Effect.

24.15.2 This Clause will not apply in respect of any litigation, arbitration, administrative or regulatory proceedings:

24.15.2.1 that are disclosed in the Financial Statements of the Company delivered to the Agent as a condition precedent before the Signature Date; or

24.15.2.2 arising from the potential litigation disclosed in Schedule 11 (Litigation).

24.16 Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

24.17 Loss of Mining Rights

Any loss of a mining right for any reason whatsoever that affects any material part of the assets or revenues of the Group as a whole is not reinstated within 30 days of such loss.

24.18 Acceleration

24.18.1 On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

24.18.1.1 cancel all or any part of the Total Commitments whereupon they shall immediately be cancelled;

24.18.1.2 declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
24.18.1.3 declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

25. CHANGES TO THE LENDERS

25.1 Transfers by the Lenders

25.1.1 Subject to this Clause 25 (Changes to the Lenders), a Lender (the Existing Lender) may:

25.1.1.1 cede any of its rights; and/or

25.1.1.2 transfer by cession and delegation any of its rights and obligations, under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the New Lender).

25.1.2 No member of the Group is permitted to take:

25.1.2.1 a cession any of any Lender’s rights; or

25.1.2.2 a transfer by cession and delegation of any Lender’s rights and obligations, under the Finance Documents.

25.2 Conditions of transfer

25.2.1 A Transfer will only be effective if the procedure set out in Clause 25.5 (Procedure for Transfer) is followed.

25.2.2 If:

25.2.2.1 a Lender cedes and delegates, or transfers any of its rights or obligations under the Finance Documents, or changes its Facility Office; and

25.2.2.2 as a result of circumstances existing at the date the cession, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (Tax Gross Up and Indemnities) or Clause 15 (Increased Costs), then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the transfer or change had not occurred.
25.2.3 Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

25.3 Cession or transfer fee

The New Lender shall, on the date upon which a cession or transfer takes effect, pay to the Agent (for its own account) a fee of ZAR35,000.

25.4 Limitation of responsibility of Existing Lenders

25.4.1 Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

25.4.1.1 the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
25.4.1.2 the financial condition of any Obligor;
25.4.1.3 the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
25.4.1.4 the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document, and any representations or warranties implied by law are excluded.

25.4.2 Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

25.4.2.1 has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
25.4.2.2 will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

25.4.3 Nothing in any Finance Document obliges an Existing Lender to:
25.4.3.1 accept a re-transfer or re-cession and re-delegation from a New Lender of any of the rights and obligations ceded and
delighted or transferred under this Clause 25 (Changes to the Lenders); or

25.4.3.2 support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor
of its obligations under the Finance Documents or otherwise.

25.5 Procedure for transfer

25.5.1 Subject to the conditions set out in Clause 25.2 (Conditions of Transfer) a transfer is effected in accordance with Clause
25.5.3 below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing
Lender and the New Lender. The Agent shall, subject to Clause 25.5.2 below, as soon as reasonably practicable after
receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement
and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

25.5.2 The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New
Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all
applicable laws and regulations in relation to the transfer to such New Lender.

25.5.3 Subject to Clause 25.8 (Pro Rata Interest Settlement), on the Transfer Date:

25.5.3.1 to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by cession its rights and obligations
under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations
towards one another under the Finance Documents and their respective rights against one another under the Finance
Documents shall be cancelled (being the Discharged Rights and Obligations);

25.5.3.2 each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against
one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender
have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

25.5.3.3 the Agent, the Arrangers, the New Lender and other Lenders shall acquire the same rights and assume the same
obligations between themselves as they would have acquired and assumed had the New Lender been an Original
Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the
Agent, the Arrangers and the Existing Lender shall each be released from further obligations to each other under the
Finance Documents; and

25.5.3.4 the New Lender shall become a Party as a “Lender”.

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25.6 Copy of Transfer Certificate to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, send to the Company a copy of that Transfer Certificate.

25.7 Security over Lenders’ rights

In addition to the other rights provided to Lenders under this Clause 25.7, each Lender may without consulting with or obtaining consent from any Obligor, at any time cede, pledge or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

25.7.1 any cession, pledge or other Security to secure obligations to a federal reserve or central bank; and

25.7.2 in the case of any Lender which is a fund, any cession, pledge or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities, except that no such cession, pledge or Security shall:

25.7.2.1 release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant cession, pledge or Security for the Lender as a party to any of the Finance Documents; or

25.7.2.2 require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

25.8 Pro rata interest settlement

25.8.1 If the Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 25.5 (Procedure for Transfer), the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

25.8.1.1 any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (Accrued Amounts) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and
25.8.1.2 the rights ceded or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:

25.8.1.2.1 when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and

25.8.1.2.2 the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 25.8, have been payable to it on that date, but after deduction of the Accrued Amounts.

25.8.2 In this Clause 25.8 references to “Interest Period” shall be construed to include a reference to any other period for accrual of fees.

25.9 Lender Affiliates and Facility Office

25.9.1 In respect of a Loan or Loans to a particular Borrower (Designated Loans) a Lender (a Designating Lender) may at any time and from time to time designate (by written notice to the Agent):  

25.9.1.1 a substitute Facility Office from which it will make Designated Loans (a Substitute Facility Office); or

25.9.1.2 nominate an Affiliate to act as the Lender of Designated Loans (a Substitute Affiliate Lender).

25.9.2 A notice to nominate a Substitute Affiliate Lender must be in the form set out in Schedule 5 (Form of Substitute Affiliate Lender Designation Notice) and be countersigned by the relevant Substitute Affiliate Lender confirming it will be bound as a Lender under this Agreement in respect of the Designated Loans in respect of which it acts as Lender.

25.9.3 The Designating Lender will act as the representative of any Substitute Affiliate Lender it nominates for all administrative purposes under this Agreement. The Obligors, the Agent, and the other Finance Parties will be entitled to deal only with the Designating Lender, except that payments will be made in respect of Designated Loans to the Facility Office of the Substitute Affiliate Lender. In particular the Commitments of the Designating Lender will not be treated as reduced by the introduction of the Substitute Affiliate Lender for voting purposes under this Agreement or the other Finance Documents.

25.9.4 Save as mentioned in Clause 25.9.3, a Substitute Affiliate Lender will be treated as a Lender for all purposes under the Finance Documents and having a Commitment equal to the principal amount of all Designated Loans in which it is participating if and for so long as it continues to be a Substitute Affiliate Lender under this Agreement.

25.9.5 A Designating Lender may revoke its designation of an Affiliate as a Substitute Affiliate Lender by notice in writing to the Agent provided that such notice may only take effect
25.9.6 If a Designating Lender designates a Substitute Facility Office or Substitute Affiliate Lender in accordance with this clause:

25.9.6.1 any Substitute Affiliate Lender shall be treated for the purposes of Clause 14.5 (Lender Status Confirmation) as having become a Lender on the date of its designation as such in terms of this Clause 25.9 (Lender Affiliates and Facility Office); and

25.9.6.2 the provisions of Clauses 25.2.2.1 and 25.2.2.2 of Clause 25.2 (Conditions of Transfer) shall not apply to or in respect of the transfer of rights and obligations of the Designating Lender to the or Substitute Affiliate Lender.

25.9.7 Each Substitute Affiliate Lender, by countersigning the relevant Substitute Affiliate Lender Designation Notice, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Designating Lender in accordance with this Agreement on or prior to the date on which the designation becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Designating Lender would have been had it remained a Lender in respect of the Designated Loans.

25.9.8 The Agent shall, as soon as reasonably practicable after it has received a Substitute Affiliate Lender Designation Notice, send the Company a copy of that Substitute Affiliate Lender Designation Notice.

26. CHANGE OF OBLIGORS

26.1 Cession and delegation by Obligors

No Obligor may cede, delegate, assign or transfer any of its rights or obligations under the Finance Documents.

26.2 Additional Borrowers

26.2.1 Subject to compliance with the provisions of Clause 21.7.3 and Clause 21.7.4 (“Know your customer” Checks), the Company may request that any of its Subsidiaries (other than a Subsidiary that is incorporated in or organized under the laws of the United States or any state of the United States (including the District of Columbia)) becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:

26.2.1.1 the Company has nominated the Subsidiary to become an Additional Borrower,
26.2.1.2 the Subsidiary is:

26.2.1.2.1 incorporated in the same jurisdiction as an existing Borrower; or

26.2.1.2.2 approved by all the Lenders (if incorporated in any other jurisdiction);

26.2.1.3 the Company delivers to the Agent a duly completed and executed Accession Letter;

26.2.1.4 the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower;

26.2.1.5 the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent; and

26.2.1.6 the Additional Borrower also becomes an Additional Guarantor in accordance with the procedure set out in Clause 26.4 (Additional Guarantors).

26.2.2 No Subsidiary of the Company that is incorporated or organized under the laws of the United States or any state of the United States (including the District of Columbia) may become an Additional Borrower.

26.2.3 The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent).

26.2.4 Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in Clause 26.2.3 above the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

26.3 **Resignation of a Borrower**

26.3.1 The Company may request that a Borrower (other than Sibanye Gold) ceases to be a Borrower by delivering to the Agent a Resignation Letter.

26.3.2 The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:

26.3.2.1 no Default or Event of Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case); and

26.3.2.2 the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,
whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

26.4 Additional Guarantors

26.4.1 Subject to compliance with the provisions of Clause 21.7.3 and Clause 21.7.4 (“Know your customer” Checks), the Company may request that any of its Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:

26.4.1.1 the Company delivers to the Agent a duly completed and executed Accession Letter; and

26.4.1.2 the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.

26.4.2 The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent).

26.4.3 Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in Clause 26.4.2 above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

26.5 Repetition of Representations

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

26.6 Resignation of a Guarantor

26.6.1 The Company may request that a Guarantor (other than the Company) ceases to be a Guarantor by delivering to the Agent a Resignation Letter.

26.6.2 The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case).
27. ROLE OF THE AGENT AND THE ARRANGERS

27.1 Appointment of the Agent

27.1.1 Each of the Arrangers and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

27.1.2 Each of the Arrangers and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

27.2 Instructions

27.2.1 The Agent shall:

27.2.1.1 unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:

27.2.1.1.1 all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and

27.2.1.1.2 in all other cases, the Majority Lenders; and

27.2.1.2 not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with Clause 27.2.1.1 above.

27.2.2 The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

27.2.3 Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

27.2.4 The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance
Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

27.2.5 In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

27.2.6 The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender’s consent) in any legal or arbitration proceedings relating to any Finance Document.

27.3 Duties of the Agent

27.3.1 The Agent’s duties under the Finance Documents are solely mechanical and administrative in nature.

27.3.2 Subject to Clause 27.3.3 below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

27.3.3 Without prejudice to Clause 25.6 (Copy of Transfer Certificate to Company), Clause 27.3.2 above shall not apply to any Transfer Certificate or any Substitute Affiliate Lender Designation Notice.

27.3.4 Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

27.3.5 If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

27.3.6 If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arrangers) under this Agreement, it shall promptly notify the other Finance Parties.

27.3.7 The Agent shall provide to the Company, within five Business Days of a request by the Company (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the transmission of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance
Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

27.3.8 The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

27.4 Role of the Arrangers

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

27.5 No fiduciary duties

27.5.1 Nothing in any Finance Document constitutes the Agent or the Arrangers as a trustee or fiduciary of any other person.

27.5.2 Neither the Agent nor the Arrangers shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

27.6 Business with the Group

The Agent and the Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

27.7 Rights and discretions

27.7.1 The Agent may:

27.7.1.1 rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

27.7.1.2 assume that:

27.7.1.2.1 any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and

27.7.1.2.2 unless it has received notice of revocation, that those instructions have not been revoked; and

27.7.1.3 rely on a certificate from any person;

27.7.1.3.1 as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

27.7.1.3.2 to the effect that such person approves of any particular dealing, transaction, step, action or thing,
as sufficient evidence that that is the case and, in the case of Clause 27.7.3.1 above, may assume the truth and accuracy of that certificate.

27.7.2 The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

27.7.2.1 no Default has occurred (unless it has actual knowledge of a Default arising under Clause 24.1 (Non-Payment));

27.7.2.2 any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and

27.7.2.3 any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.

27.7.3 The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

27.7.4 Without prejudice to the generality of Clause 27.7.3 above or Clause 27.7.5 below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.

27.7.5 The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

27.7.6 The Agent may act in relation to the Finance Documents through its officers, employees and agents.

27.7.7 Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

27.7.8 Without prejudice to the generality of Clause 27.7.7, the Agent:

27.7.8.1 may disclose; and

27.7.8.2 on the written request of the Company or the Majority Lenders shall, as soon as reasonably practicable, disclose, the identity of a Defaulting Lender to the Company and to the other Finance Parties.

27.7.9 Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any of the Arrangers is obliged to do or omit to do anything if it would, or might in
its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

27.7.10 Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

27.8 Responsibility for documentation

Neither the Agent nor any of the Arrangers is responsible or liable for:

27.8.1 the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, any of the Arrangers, an Obligor or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

27.8.2 the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or

27.8.3 any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

27.9 No duty to monitor

The Agent shall not be bound to enquire:

27.9.1 whether or not any Default has occurred;

27.9.2 as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

27.9.3 whether any other event specified in any Finance Document has occurred.

27.10 Exclusion of liability

27.10.1 Without limiting Clause 27.10.2 below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent will not be liable for:
27.10.1.1 any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;

27.10.1.2 exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or

27.10.1.3 without prejudice to the generality of Clauses 27.10.1.1 and 27.10.1.2 above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation, for negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of:

27.10.1.3.1 any act, event or circumstance not reasonably within its control; or

27.10.1.3.2 the general risks of investment in, or the holding of assets in, any jurisdiction, including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

27.10.2 No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.4 (Third Party Rights).

27.10.3 The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

27.10.4 Nothing in this Agreement shall oblige the Agent or any of the Arrangers to carry out:

27.10.4.1 any “know your customer” or other checks in relation to any person; or
27.10.4.2 any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender, on behalf of any Lender and each Lender confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arrangers.

27.10.5 Without prejudice to any provision of any Finance Document excluding or limiting the Agent’s liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

27.11 Lenders’ indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent’s gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 30.11 (Disruption to Payment Systems), notwithstanding the Agent’s negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

27.12 Resignation of the Agent

27.12.1 The Agent may resign and appoint one of its Affiliates as successor by giving notice to the Lenders and the Company.

27.12.2 Alternatively the Agent may resign by giving 30 days’ notice to the Lenders and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.

27.12.3 If the Majority Lenders have not appointed a successor Agent in accordance with Clause 27.12.2 above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent.
27.12.4 If the Agent wishes to resign because it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under Clause 27.12.3, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 27 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent’s normal fee rates and those amendments will bind the Parties.

27.12.5 The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Company shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

27.12.6 The Agent’s resignation notice shall only take effect upon the appointment of a successor.

27.12.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under Clause 27.12.5 above) but shall remain entitled to the benefit of Clause 16.3 (Indemnity to the Agent) and this Clause 27 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

27.12.8 The Agent shall resign in accordance with Clause 27.12.2 above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to Clause 27.12.3 above) if on or after the date which is three Months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

27.12.8.1 the Agent fails to respond to a request under Clause 14.8 (FATCA Information) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

27.12.8.2 the information supplied by the Agent pursuant to Clause 14.8 (FATCA Information) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
27.12.8.3 the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.

27.13 Replacement of the Agent

27.13.1 After consultation with the Company, the Majority Lenders may, by giving 30 days’ notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent.

27.13.2 The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

27.13.3 The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under Clause 27.13.2 above) but shall remain entitled to the benefit of Clause 16.3 (Indemnity to the Agent) and this Clause 27 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

27.13.4 Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

27.14 Confidentiality

27.14.1 In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

27.14.2 If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

27.14.3 Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any of the Arrangers is obliged to disclose to any other person (i) any confidential
information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

27.15 Relationship with the Lenders

27.15.1 Subject to Clause 25.8 (Pro Rata Interest Settlement), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent’s principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

27.15.1.1 entitled to or liable for any payment due under any Finance Document on that day; and

27.15.1.2 entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day, unless it has received not less than five Business Days’ prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

27.15.2 Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 32.7 (Electronic Communication) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 32.2 (Addresses) and Clause 32.7.1.2 (Electronic Communication) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

27.16 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

27.16.1 the financial condition, status and nature of each member of the Group;
27.16.2 the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

27.16.3 whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

27.16.4 the adequacy, accuracy or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

27.17 Agent’s management time

Any amount payable to the Agent under Clause 16.4 (Indemnity to the Agent), Clause 18 (Costs and Expenses) and Clause 27.11 (Lenders’ Indemnity to the Agent) shall include the cost of utilising the Agent’s management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and is in addition to any fee paid or payable to the Agent under Clause 13 (Fees).

27.18 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

28. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

28.1 interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

28.2 oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

28.3 oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.
29. SHARING AMONG THE FINANCE PARTIES

29.1 Payments to Finance Parties

If a Finance Party (a Recovering Finance Party) receives or recovers any amount from an Obligor other than in accordance with Clause 30 (Payment Mechanics) (a Recovered Amount) and applies that amount to a payment due under the Finance Documents then:

29.1.1 the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;

29.1.2 the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 30 (Payment Mechanics), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

29.1.3 the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the Sharing Payment) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.6 (Partial Payments).

29.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the Sharing Finance Parties) in accordance with Clause 30.6 (Partial Payments) towards the obligations of that Obligor to the Sharing Finance Parties.

29.3 Recovering Finance Party’s rights

On a distribution by the Agent under Clause 29.2 (Redistribution of Payments) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

29.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

29.4.1 each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that
Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the **Redistributed Amount**); and

29.4.2 as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

29.5 **Exceptions**

29.5.1 This Clause 29 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

29.5.2 A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

29.5.2.1 it notified that other Finance Party of the legal or arbitration proceedings; and

29.5.2.2 that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

30. **PAYMENT MECHANICS**

30.1 **Payments to the Agent**

30.1.1 On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent for value on the due date at the time and in such funds specified by the Agent (unless a contrary indication appears in a Finance Document) as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

30.1.2 Payment shall be made to such account in the principal financial centre of the country of that currency and with such bank as the Agent, in each case, specifies.

30.2 **Distributions by the Agent**

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (Distributions to an Obligor) and Clause 30.4 (Clawback and Pre-Funding) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days’ notice with a bank specified by that Party in the principal financial centre of the country of that currency.
30.3 **Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with Clause 31 (Set-Off)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

30.4 **Clawback and pre-funding**

30.4.1 Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

30.4.2 Unless Clause 30.4.3 below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

30.4.3 If the Agent is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:

30.4.3.1 the Agent shall notify the Company of that Lender’s identity and the Borrower to whom that sum was made available shall on demand refund it to the Agent; and

30.4.3.2 the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

30.5 **Impaired Agent**

30.5.1 If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 30.1 (Payments to the Agent) may instead either:

30.5.1.1 pay that amount direct to the required recipient(s); or

30.5.1.2 if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that
amount to an interest-bearing account held with an Acceptable Bank within the meaning of the definition of “Acceptable Bank” and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the “Paying Party”) and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the “Recipient Party” or “Recipient Parties”).

30.5.2 In each case such payments must be made on the due date for payment under the Finance Documents.

30.5.3 All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties pro rata to their respective entitlements.

30.5.4 A Party which has made a payment in accordance with this Clause 30.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

30.5.5 Promptly upon the appointment of a successor Agent in accordance with Clause 27.13 (Replacement of the Agent), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to Clause 30.5.6 below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 30.2 (Distributions by the Agent).

30.5.6 A Paying Party shall, promptly upon request by a Recipient Party and to the extent:

30.5.6.1 that it has not given an instruction pursuant to Clause 30.5.5; and

30.5.6.2 that it has been provided with the necessary information by that Recipient Party,

30.5.7 give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

30.6 Partial payments

30.6.1 If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

30.6.1.1 first, in or towards payment pro rata of any unpaid amount owing to the Agent (acting in its capacity as such) under the Finance Documents;
secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;

thirdly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and

fourthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

The Agent shall, if so directed by the Majority Lenders, vary the order set out in Clauses 30.6.1.1 to 30.6.1.4 above.

Clauses 30.6.1 and 30.6.2 above will override any appropriation made by an Obligor.

30.7 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

30.8 Business Days

Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.9 Currency of account

Subject to Clauses 30.9.2 and 30.9.3 below, rand is the currency of account and payment for any sum due from an Obligor under any Finance Document.

Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

Any amount expressed to be payable in a currency other than rand shall be paid in that other currency.

30.10 Change of currency

Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
30.10.1.1 any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and

30.10.1.2 any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

30.2 If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

30.11 Disruption to payment systems, etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Company that a Disruption Event has occurred:

30.11.1 the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;

30.11.2 the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in Clause 30.11.1 if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

30.11.3 the Agent shall consult with the Finance Parties in relation to any changes mentioned in Clause 30.11.1;

30.11.4 any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 36 (Amendments and Waivers);

30.11.5 the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 30.11; and

30.11.6 the Agent shall notify the Finance Parties of all changes agreed pursuant to Clause 30.11.4 above.
31. **SET-OFF**

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32. **NOTICES**

32.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

32.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

32.2.1 in the case of the Company (for itself and as SA Obligors’ Agent):

- Constantia Office Park
- Cnr 14th Avenue and Hendrik Potgieter Road Weltevreden Park
- 1709 South Africa
- Attention: Mr Charl Keyter
- Fax No.: (011) 278 9863
- Email: charl.keyter@sibanyestillwater.com or charl.keyter@sibanyegold.co.za

32.2.2 in the case of Stillwater:

- 26 West Dry Creek Circle, Suite 400 Littleton, CO 80120
- United States of America
- Attention: Tony Harris and Chris Bateman
- Fax No.: (011) 278 9863 and (+1) 720 502 7481
- Email: tony.harris@sibanyestillwater.com and chris.bateman@sibanyestillwater.com

32.2.3 in the case of the Agent:

- 3rd floor
- F Block
- Nedbank 135 Rivonia Campus 135 Rivonia Road
- Sandown 2196
- Attention: Head of Transaction Management
- Fax No.: (011) 295 1763
32.2.4 in the case of FirstRand Bank Limited (acting through its Rand Merchant Bank division) its:

14th Floor
1 Merchant Place
Corner Fredman Drive and Rivonia Road Sandton
2196
Attention: Masereko Fihlela
Fax No.: (011) 282 4783
E-mail: masereko.fihlela@rmb.co.za; and termlendingadmin@rmb.co.za

32.2.5 in the case of The Standard Bank of South Africa Limited:

3rd Floor East 30 Baker Street Rosebank 2196
Attention: PMG Manager, Mining and Metals Fax No.: (086) 587 6769
E-mail: Paul.Ronquest@standardbank.co.za
MEITMU@standardbank.co.za; and
Venorthy.Naidoo@standardbank.co.za

32.2.6 in the case of Bank of China Limited Johannesburg Branch:

Alice Lane Towers 14 – 16th Floors
15 Alice Lane
Sandton 2146
Attention: Fahim Khan (Senior Manager)
Department: Comprehensive Risk Management Department
Fax No.: +27 11 520 9685
Tel No.: +27 11 520 9600
E-mail: jhb_crmd@mail.notes.bank-of-china.com

32.2.7 in the case of Absa Bank Limited in its capacity as an Original Lender and a Co-Arranger:

15 Alice Lane Sandton 2196
Attention: Legal – Documentation and Governance Services
Refer: Arlene Roelofse
Fax No.: (011) 895 7847
E-mail: Arlene.Roelofse@absacapital.com; and
xradocmanvalidations@barclayscapital.com

32.2.8 in the case of each Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days’ notice.
32.3 **Domicilia**

32.3.1 Each of the Parties chooses its physical address provided under or in connection with Clause 32.2(Addresses) as its *domicilium citandi et executandi* at which documents in legal proceedings in connection with this Agreement or any other Finance Document may be served.

32.3.2 Any Party may by written notice to the other Parties change its *domicilium* from time to time to another address, not being a post office box or a *poste restante*, in South Africa, provided that any such change shall only be effective on the fourteenth day after deemed receipt of the notice by the other Parties pursuant to Clause 32.4 (Delivery).

32.4 **Delivery**

32.4.1 Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

32.4.1.1 if by way of fax, when received in legible form; or

32.4.1.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; and, if a particular department or officer is specified as part of its address details provided under Clause 32.2 (Addresses), if addressed to that department or officer.

32.4.2 Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent’s signature below (or any substitute department or officer as the Agent shall specify for this purpose).

32.4.3 All notices from or to an Obligor shall be sent through the Agent.

32.4.4 Any communication or document made or delivered to the Company in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

32.4.5 Any communication or document which becomes effective, in accordance with Clauses 32.4.1 to 32.4.4 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

32.5 **Notification of address and fax number**

Promptly upon changing its address or fax number, the Agent shall notify the other Parties.
32.6 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

32.7 Electronic communication

32.7.1 Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

32.7.1.1 notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

32.7.1.2 notify each other of any change to their address or any other such information supplied by them by not less than five Business Days’ notice.

32.7.2 Any such electronic communication as specified in Clause 32.7.1 above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

32.7.3 Any such electronic communication as specified in Clause 32.7.1 above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

32.7.4 Any electronic communication which becomes effective, in accordance with Clause 32.7.3 above, after 5.00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

32.7.5 Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 32.7.

32.8 English language

32.8.1 Any notice given under or in connection with any Finance Document must be in English.

32.8.2 All other documents provided under or in connection with any Finance Document must be:
32.8.2.1 in English; or

32.8.2.2 if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

33. CALCULATIONS AND CERTIFICATES

33.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

33.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, *prima facie* evidence of the matters to which it relates.

33.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

34. PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired. The term *inoperable* in this Clause 34 shall include, without limitation, inoperable by way of suspension or cancellation.

35. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document or other document or other indulgence shall operate as a waiver nor shall any single or partial exercise of any right or remedy otherwise affect any of that Party’s rights in terms of or arising from any Finance Document or estop such Party from enforcing, at any time and without notice, strict and punctual compliance with each and every provision or term of any Finance Document. No consent to any waiver or novation of a Party’s rights in terms of or arising from any Finance Document on the part of any Finance Party shall be effective unless
it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

36. **AMENDMENTS AND WAIVERS**

36.1 **Required consents**

36.1.1 Subject to Clause 36.2 (All Lender Matters) and Clause 36.3 (Other Exceptions), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.

36.1.2 The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 36.

36.2 **All Lender matters**

Subject to Clause 36.4 (Replacement of Screen Rate) an amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:

36.2.1 the definition of “Majority Lenders” in Clause 1.1 (Definitions);
36.2.2 an extension to the date of payment of any amount under the Finance Documents;
36.2.3 a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
36.2.4 an increase in any Commitment, an extension of the Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;
36.2.5 a change to the Borrowers or Guarantors other than in accordance with Clause 26 (Change of Obligors);
36.2.6 any provision which expressly requires the consent of all the Lenders;
36.2.7 Clause 2.2 (Finance Parties’ Rights and Obligations), Clause 25 (Changes to the Lender), Clause 29 (Sharing among the Finance Parties), this Clause 36, Clause 45 (Governing Law) or Clause 46.1 (Jurisdiction); or
36.2.8 the nature or scope of the guarantee and indemnity granted under Clause 19 (Guarantee and Indemnity), shall not be made without the prior consent of all the Lenders.
36.3 **Other exceptions**

An amendment or waiver which relates to the rights or obligations of the Agent or any of the Arrangers (each in their capacity as such) may not be effected without the consent of the Agent or that Arranger, as the case may be.

36.4 **Replacement of Screen Rate**

Subject to Clause 36.3 (Other Exceptions), if the Screen Rate is not available for rand, any amendment or waiver which relates to providing for another benchmark rate to apply in relation to rand in place of that Screen Rate (or which relates to aligning any provision of a Finance Document to the use of that other benchmark rate) may be made with the consent of the Majority Lenders and the Obligors.

36.5 **Excluded Commitments**

36.5.1 If any Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 15 Business Days of that request being made (unless, the Company and the Agent agree to a longer time period in relation to any request):

36.5.1.1 its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and

36.5.1.2 its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of Lenders has been obtained to approve that request.

36.6 **Replacement of Lender**

36.6.1 If:

36.6.1.1 any Lender becomes a Non-Consenting Lender (as defined in Clause 36.6.4 below); or

36.6.1.2 an Obligor becomes obliged to repay any amount in accordance with Clause 7.1 (Illegality) or to pay additional amounts pursuant to Clause 14.2 (Tax Gross-Up), Clause 14.3 (Tax Indemnity) or Clause 15 (Increased Costs) to any Lender,

then the Company may, on 10 Business Days’ prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (Change to the Lenders) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a **Replacement Lender**) selected by the Company, which is acceptable to the Agent and which confirms its willingness to assume
and does assume all the obligations of the transferring Lender in accordance with Clause 25 (Changes to the Lenders) for a purchase price in cash payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender’s participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 25.8 (Pro-Rate Interest Settlement), Break Costs and other amounts payable in relation thereto under the Finance Documents. Such transfer shall be deemed (subject to satisfaction of Clause 25.5.2 (Conditions of Transfer)) to have been completed 10 Business Days after the transforee concerned delivers a Transfer Certificate executed by it to the Lender concerned and pays the relevant amount to the Agent.

36.6.2 The replacement of a Lender pursuant to this Clause 36.6 shall be subject to the following conditions:

36.6.2.1 the Company shall have no right to replace the Agent;

36.6.2.2 neither the Agent nor the Lender shall have any obligation to the Company to find a Replacement Lender;

36.6.2.3 in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 30 days after the date on which that Lender is deemed a Non-Consenting Lender;

36.6.2.4 in no event shall the Lender replaced under this Clause 36.6 be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and

36.6.2.5 the Lender shall only be obliged to transfer its rights and obligations pursuant to Clause 36.6.1 above once it is satisfied that it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to that transfer.

36.6.3 A Lender shall perform the checks described in Clause 36.6.2.5 above as soon as reasonably practicable following delivery of a notice referred to in Clause 36.6.1 above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

36.6.4 In the event that:

36.6.4.1 the Company or the Agent (at the request of the Company) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;

36.6.4.2 the consent, waiver or amendment in question requires the approval of all the Lenders; and
36.6.4.3 the Majority Lenders have consented or agreed to such waiver or amendment, then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a **Non-Consenting Lender**.

36.7 **Right of cancellation in relation to a Defaulting Lender**

36.7.1 If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent five Business Days' notice of cancellation of the Available Commitment of that Lender.

36.7.2 On the notice referred to in Clause 36.7.1 becoming effective, the Available Commitment of the Defaulting Lender shall immediately be reduced to zero.

36.7.3 The Agent shall as soon as practicable after receipt of a notice referred to in Clause 36.7.1, notify all the Lenders.

36.8 **Replacement of a Defaulting Lender**

36.8.1 The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 10 Business Days' prior written notice to the Agent and such Lender:

36.8.1.1 replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (Changes to the Lenders) all (and not part only) of its rights and obligations under this Agreement;

36.8.1.2 require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (Changes to the Lenders) all (and not part only) of the undrawn Commitment of the Lender; or

36.8.1.3 require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (Changes to the Lenders) all (and not part only) of its rights and obligations in respect of the Facility, to a Replacement Lender selected by the Company, which confirms its willingness to assume and does assume all the obligations, or all the relevant obligations, of the transferring Lender in accordance with Clause 25 (Changes to the Lenders) for a purchase price in cash payable at the time of transfer which is either:

36.8.1.3.1 in an amount equal to the outstanding principal amount of such Lender’s participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 25.8 (Pro Rate Interest Settlement), Break Costs and other amounts payable in relation thereto under the Finance Documents; or


36.8.1.3.2 in an amount agreed between that Defaulting Lender, the Replacement Lender and the Company and which does not exceed the amount described in Clause 36.8.1.3.1.

36.8.2 Such transfer shall be deemed (subject to satisfaction of Clause 25.2 (Conditions of Transfer) to have been completed 10 Business Days after the transferee concerned delivers a Transfer Certificate executed by it to the Lender concerned and pays the relevant amount to the Agent.

36.8.3 Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 36.7 shall be subject to the following conditions:

36.8.3.1 the Company shall have no right to replace the Agent;

36.8.3.2 neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;

36.8.3.3 the transfer must take place no later than 10 Business Days after the notice referred to in Clause 36.8.1;

36.8.3.4 in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and

36.8.3.5 the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to Clause 36.8.1 once it is satisfied that it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.

36.8.4 The Defaulting Lender shall perform the checks described in Clause 36.8.3.5 as soon as reasonably practicable following delivery of a notice referred to in Clause 36.8.1 and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

37. CONFIDENTIAL INFORMATION

37.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 37.2 (Disclosure of Confidential Information) and Clause 37.3 (Disclosure to Numbering Service Providers), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.
37.2 Disclosure of Confidential Information

Any Finance Party may disclose:

37.2.1 to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this Clause 37.2.1 is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

37.2.2 to any person:

37.2.2.1 to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person’s Affiliates, Related Funds, Representatives and professional advisers;

37.2.2.2 with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person’s Affiliates, Related Funds, Representatives and professional advisers;

37.2.2.3 appointed by any Finance Party or by a person to whom Clause 37.2.2.1 or 37.2.2.2 applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under Clause 27.15.2);

37.2.2.4 who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in Clause 37.2.2.1 or 37.2.2.2;

37.2.2.5 to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

37.2.2.6 to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
37.2.2.7 to whom or for whose benefit that Finance Party cedes, pledges or otherwise creates Security (or may do so) pursuant to Clause 25.7 (Security over Lenders’ Rights);

37.2.2.8 who is a Party; or

37.2.2.9 with the consent of the Company;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

37.2.2.9.1 in relation to Clauses 37.2.2.2 and 37.2.2.3, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

37.2.2.9.2 in relation to Clause 37.2.2.4, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information; and

37.2.2.9.3 in relation to Clauses 37.2.2.5, 37.2.2.6 and 37.2.2.7, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

37.2.3 to any person appointed by that Finance Party or by a person to whom Clause 37.2.2.1 or 37.2.2.2 applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this Clause 37.2.3 if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party; and

37.2.4 to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.
37.3 Disclosure to numbering service providers

37.3.1 Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:

37.3.1.1 names of Obligors;
37.3.1.2 country of domicile of Obligors;
37.3.1.3 place of incorporation of Obligors;
37.3.1.4 the Signature Date;
37.3.1.5 Clause 45 (Governing Law);
37.3.1.6 the names of the Agent and the Arrangers;
37.3.1.7 date of each amendment and restatement of this Agreement;
37.3.1.8 amounts of, and names of, the Facility (and any tranches);
37.3.1.9 amount of Total Commitments;
37.3.1.10 currency of the Facility;
37.3.1.11 type of the Facility;
37.3.1.12 ranking of the Facility;
37.3.1.13 Termination Date;
37.3.1.14 changes to any of the information previously supplied pursuant to Clauses 37.3.1.1 to 37.3.1.13 above; and
37.3.1.15 such other information agreed between such Finance Party and the Company, to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

37.3.2 The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

37.3.3 The Company represents that none of the information set out in Clauses 37.3.1.1 to 37.3.1.15 is, nor will at any time be, unpublished price-sensitive information.
37.3.4 The Agent shall notify the Company and the other Finance Parties of:

37.3.4.1 the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and

37.3.4.2 the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

37.4 Entire agreement

This Clause 37 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

37.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

37.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

37.6.1 of the circumstances of any disclosure of Confidential Information made pursuant to Clause 37.2.2.5 except where such disclosure is made to any of the persons referred to in that Clause during the ordinary course of its supervisory or regulatory function; and

37.6.2 upon becoming aware that Confidential Information has been disclosed in breach of this Clause 37.

37.7 Continuing obligations

The obligations in this Clause 37 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

37.7.1 the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

37.7.2 the date on which such Finance Party otherwise ceases to be a Finance Party.
CONFIDENTIALITY OF FUNDING RATES

Confidentiality and disclosure

38.1.1 The Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by Clauses 38.1.2 and 38.1.3 below.

38.1.2 The Agent may disclose:

38.1.2.1 any Funding Rate to the relevant Borrower pursuant to Clause 10.4 (Notification of Rates of Interest); and

38.1.2.2 any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender.

38.1.3 The Agent may disclose any Funding Rate, and each Obligor may disclose any Funding Rate, to:

38.1.3.1 any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this Clause 38.1.3.1 is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

38.1.3.2 any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

38.1.3.3 any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive.
information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

38.1.3.4 any person with the consent of the relevant Lender.

38.2 Related obligations

38.2.1 The Agent and each Obligor acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.

38.2.2 The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender:

38.2.2.1 of the circumstances of any disclosure made pursuant to Clause 38.1.3.2 except where such disclosure is made to any of the persons referred to in that Clause during the ordinary course of its supervisory or regulatory function; and

38.2.2.2 upon becoming aware that any information has been disclosed in breach of this Clause 38.

38.3 No Event of Default

No Event of Default will occur under Clause 24.3 (Other Obligations) by reason only of an Obligor’s failure to comply with this Clause 38.

39. WAIVER OF IMMUNITY

Each Obligor irrevocably and unconditionally waives any right it may have to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

40. SOLE AGREEMENT

The Finance Documents constitute the sole record of the agreement between the Parties in regard to the subject matter thereof.

41. RENUNCIATION OF BENEFITS

Each Obligor renounces, to the extent permitted under applicable law, the benefits of each of the legal exceptions of excussion, division, revision of accounts, no value received, errore calculi, non causa debiti, non numeratae pecuniae and cession of actions, and declares that it understands the meaning of each such legal exception and the effect of such renunciation.
42. **NO IMPLIED TERM**

No Party shall be bound by any express or implied term, representation, warranty, promise or the like, not recorded in any Finance Document in regard to the subject matter thereof.

43. **INDEPENDENT ADVICE**

Each Obligor acknowledges that it has been free to secure independent legal and other advice as to the nature and effect of all of the provisions of the Finance Documents and that it has either taken such independent legal and other advice or dispensed with the necessity of doing so. Further, each of the Obligors acknowledges that all of the provisions of each Finance Document and the restrictions therein contained are part of the overall intention of the Parties in connection with the Finance Documents.

44. **COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

45. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by South African law.

46. **ENFORCEMENT**

46.1 **Jurisdiction**

46.1.1 The Parties hereby irrevocably and unconditionally consent to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg (or any successor to that division) (the High Court) in regard to all matters arising from the Finance Documents (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a Dispute).

46.1.2 The Parties agree that the High Court is the most appropriate and convenient court to settle Disputes and accordingly no Party will argue to the contrary.

46.1.3 This Clause 46.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.
47. WAIVER OF TRIAL BY JURY

Each Party waives any right it may have to a jury trial of any claim or cause of action in connection with any Finance Document or any transaction contemplated by any Finance Document. This Agreement may be filed as a written consent to trial by the court.

48. USA PATRIOT ACT

Each Finance Party that is subject to the requirements of the USA Patriot Act hereby notifies each Obligor that, pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Obligors, which information includes the name and address of the Obligors and other information that will allow that Finance Party to identify the Obligors in accordance with the USA Patriot Act. Each Obligor agrees that it will provide each Finance Party with such information as it may request in order for that Finance Party to satisfy the requirements of the USA Patriot Act.

- SIGNATURES TO FOLLOW -
SIGNED at_________ on this the_____ day of___20___.

For and on behalf of
SIBANYE GOLD LIMITED (AS ORIGINAL BORROWER AND AN ORIGINAL GUARANTOR)

____________________________
Signatory:
Capacity:
Who warrants his authority hereto
SIGNED at______on this the______day of__20__.  

For and on behalf of  
SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED (AS ORIGINAL BORROWER AND AN ORIGINAL GUARANTOR)  

______________________________  
Signatory:  
Capacity:  
Who warrants his authority hereto
SIGNED at______ on this the______ day of__20__.  

For and on behalf of
KROONDAL OPERATIONS PROPRIETARY LIMITED
(AS ORIGINAL BORROWER AND AN ORIGINAL
GUARANTOR)

__________________________
Signatory:
Capacity:
Who warrants his authority hereto
SIGNED at_____ on this the_____ day of__20__. 

For and on behalf of 

NEDBANK LIMITED (ACTING THROUGH ITS NEDBANK CORPORATE AND INVESTMENT BANKING DIVISION)  

______________________________
Signatory:  
Capacity:  
Who warrants his authority hereto  

______________________________
Signatory:  
Capacity:  
Who warrants his authority hereto
SIGNED at______on this the______ day of 20__.

For and on behalf of
THE STANDARD BANK OF SOUTH AFRICA LIMITED
(Acting through its Corporate and
Investment Banking Division)

___________________________________________
Signatory:
Capacity:
Who warrants his authority hereto
SIGNED at______on this the______day of 20__.

For and on behalf of
FIRSTRAND BANK LIMITED (ACTING THROUGH ITS RAND MERCHANT BANK DIVISION)

Signatory:  
Capacity:  
Who warrants his authority hereto

Signatory:  
Capacity:  
Who warrants his authority hereto
SIGNED at______ on this the______ day of 20__. 

For and on behalf of
ABSA BANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION)

______________________________
Signatory:
Capacity:                      
Who warrants his authority hereto

______________________________
Signatory:
Capacity:                      
Who warrants his authority hereto
SIGNED at______on this the______day of__20__.  

For and on behalf of  
BANK OF CHINA LIMITED JOHANNESBURG BRANCH  

Signatory:  
Capacity:  
Who warrants his authority hereto  

Signatory:  
Capacity:  
Who warrants his authority hereto
# SCHEDULE 1

## THE ORIGINAL PARTIES

### PART 1A

#### ORIGINAL OBLIGORS

<table>
<thead>
<tr>
<th>Name of Original Borrower</th>
<th>Registration number (or equivalent, if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sibanye Gold Limited</td>
<td>2002/031431/06</td>
</tr>
<tr>
<td>Sibanye Rustenburg Platinum Mines Proprietary Limited</td>
<td>2015/305479/07</td>
</tr>
<tr>
<td>Kroondal Operations Proprietary Limited</td>
<td>2000/000341/07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Original Guarantor</th>
<th>Registration number (or equivalent, if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sibanye Gold Limited</td>
<td>2002/031431/06</td>
</tr>
<tr>
<td>Sibanye Rustenburg Platinum Mines Proprietary Limited</td>
<td>2015/305479/07</td>
</tr>
<tr>
<td>Kroondal Operations Proprietary Limited</td>
<td>2000/000341/07</td>
</tr>
</tbody>
</table>

### PART 1B

#### ADDITIONAL GUARANTORS

<table>
<thead>
<tr>
<th>Name of Additional Guarantor</th>
<th>Registration number (or equivalent, if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stillwater Mining Company</td>
<td>2317621 (incorporated in the State of Delaware, United States of America)</td>
</tr>
</tbody>
</table>
## PART 2

### LENDERS

<table>
<thead>
<tr>
<th>Name of Original Lender</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nedbank Limited (acting through its Nedbank Corporate and Investment Bank Division)</td>
<td>ZAR1,200,000,000</td>
</tr>
<tr>
<td>FirstRand Bank Limited (acting through its Rand Merchant Bank Division)</td>
<td>ZAR1,200,000,000</td>
</tr>
<tr>
<td>The Standard Bank of South Africa Limited (acting through its Corporate and Investment Bank Division)</td>
<td>ZAR1,200,000,000</td>
</tr>
<tr>
<td>Absa Bank Limited (acting through its Corporate and Investment Bank Division)</td>
<td>ZAR1,200,000,000</td>
</tr>
<tr>
<td>Bank of China Limited Johannesburg Branch</td>
<td>ZAR1,200,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>ZAR6,000,000,000</strong></td>
</tr>
</tbody>
</table>
SCHEDULE 2

CONDITIONS PRECEDENT

1. **Original Obligors**

1.1 A copy of the constitutional documents of each Original Obligor.

1.2 A copy of a resolution of the board of directors of each Original Obligor:

1.2.1 approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

1.2.2 in the case of each Original Guarantor:

1.2.2.1 complying with the requirements of section 45(3)(b) and section 45(4) of the Companies Act in connection with any financial assistance to be granted by that Original Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party; and

1.2.2.2 complying with the requirements of section 46 of the Companies Act in connection with any “distribution” (as defined in the Companies Act) that may arise as a result of its entry into the Finance Documents to which it is a party;

1.2.3 authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

1.2.4 authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

1.3 A specimen of the signature of each person authorised by the resolution referred to in Clause 1.2 above.

1.4 To the extent required by the Companies Act, any other applicable law or the constitutional documents of an Original Obligor, a copy of a resolution duly passed by the holders of the issued shares of that Original Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that Original Obligor is a party.

1.5 A copy of a special resolution of the shareholders of each Original Guarantor approving, in accordance with section 45(3)(a)(ii) of the Companies Act, any financial assistance to be granted by that Original Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party.
1.6 A certificate of the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Original Obligor to be exceeded.

1.7 A certificate of the Company (signed by a director) confirming as at the Signature Date that:

1.7.1 no Default has occurred or is continuing or will result from the execution of the Finance Documents or, if a Default has occurred and is continuing describing that Default and the steps being taken to remedy it; and

1.7.2 the representations given by it under the Finance Documents are correct in all respects or, if any such representation is not correct in all respects, describing the relevant misrepresentation and the steps being taken to remedy it.

1.8 A certificate of an authorised signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the Signature Date.

2. Finance Documents

A duly executed original of each of the following Finance Documents:

2.1 this Agreement; and

2.2 the Fee Letters.

3. Legal opinions

3.1 A legal opinion of Bowmans, legal advisers to the Arrangers and the Agent in South Africa, substantially in the form distributed to the Agent prior to signing this Agreement.

3.2 A legal opinion of Baker & McKenzie South Africa, legal advisers to the Obligors in South Africa, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

4. Other documents and evidence

4.1 A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

4.2 The Original Financial Statements of each Original Obligor.

4.3 Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 13 (Fees) and Clause 18 (Costs and Expenses) have been paid or will be paid by the first Utilisation Date.
4.4 The Group Structure Chart.

4.5 A certificate of the Company to the satisfaction of the Agent confirming the arithmetic computations and the proper extraction of figures applied in determining which members of the Group are Material Companies and that the Guarantor Threshold Test has been met.

4.6 Such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any other Finance Party) in order for the Agent and each other Finance Party to carry out and be satisfied it has complied with all necessary "know your customer" or similar identification procedures under applicable laws and regulations (including the Financial Intelligence Centre Act, 2001) pursuant to the transactions contemplated in the Finance Documents.

4.7 A copy of any other document, authorisation, opinion or assurance specified by the Agent.
PART 2

CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR

1. An Accession Letter, duly executed by the Additional Obligor and the Company.

2. A copy of the constitutional documents of the Additional Obligor.

3. A copy of a resolution of the board of directors of the Additional Obligor:
   3.1 approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;
   3.2 in the case of an Additional Guarantor incorporated in South Africa and to the extent applicable:
      3.2.1 complying with the requirements of section 45(3)(b) and section 45(4) of the Companies Act in connection with any financial assistance to be granted by that Additional Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party; and
      3.2.2 complying with the requirements of section 46 of the Companies Act in connection with any “distribution” (as defined in the Companies Act) that may arise as a result of its entry into the Finance Documents to which it is a party;
   3.3 authorising a specified person or persons to execute the Accession Letter on its behalf; and
   3.4 authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents.

4. Each Guarantor as at the date on which each Additional Obligor accedes to the Agreement in accordance with Clause 26 (Change of Obligors) is required to deliver the following documents to the Agent in a form and substance acceptable to the Agent:
   4.1 a resolution of the board of directors of such Guarantor;
   4.1.1 complying with the requirements of section 45(3)(b) and section 45(4) of the Companies Act in connection with any financial assistance to be granted by that Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party;
   4.1.2 complying with the requirements of section 46 of the Companies Act in connection with any “distribution” (as defined in the Companies Act) that may arise as a result of its entry into the Finance Documents to which it is a party;
4.2 to the extent required by the Companies Act, any other applicable law or the constitutional documents of the Guarantor, a copy of a resolution duly passed by the holders of the issued shares of that Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that Guarantor is a party; and

4.3 a copy of a special resolution of the shareholders of each Original Guarantor incorporated in South Africa approving, in accordance with section 45(3)(a)(ii) of the Companies Act, any financial assistance to be granted by that Original Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party.

5. A specimen of the signature of each person authorised by the resolution referred to in Clause 3 above.

6. To the extent required by the Companies Act, any other applicable law or the constitutional documents of an Additional Guarantor, a copy of a resolution duly passed by the holders of the issued shares of that Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that Additional Guarantor is a party.

7. If applicable, in the case of an Additional Guarantor incorporated in South Africa, a copy of a special resolution of the shareholders of the Additional Guarantor approving, in accordance with section 45(3)(a)(ii) of the Companies Act, any financial assistance to be granted by the Additional Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party.

8. A certificate of the Additional Obligor (signed by a director or an authorised signatory) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.

9. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part 2 of Schedule 2 in respect of that Additional Obligor is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

10. Such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any other Finance Party) in order for the Agent and each other Finance Party to carry out and be satisfied it has complied with all necessary "know your customer" or similar identification procedures under applicable laws and regulations (including the Financial Intelligence Centre Act, 2001) pursuant to the transactions contemplated in the Finance Documents.

11. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
12. If available, the latest audited Financial Statements of the Additional Obligor.

13. The following legal opinions, each addressed to the Agent and the Lenders:

13.1 a legal opinion of the legal advisers to the Agent in South Africa;

13.2 if the Additional Obligor is incorporated in South Africa, a legal opinion of the legal advisers to the Arrangers and the Agent in South Africa;

13.3 a legal opinion of the legal advisers to the Agent in the jurisdiction of incorporation of the Additional Guarantor; and

13.4 a legal opinion of the legal advisers to the Obligors in the jurisdiction of incorporation of the Additional Guarantor.

14. If the proposed Additional Obligor is incorporated in or organised under a state of the United States of America or in the District of Columbia:

14.1 a good standing certificate of that Additional Obligor from its jurisdiction of incorporation or organisation, dated not earlier than five Business Days prior to the date of the relevant Accession Letter; and

14.2 a certificate of the chief financial officer, treasurer or assistant treasurer or, if there is no chief financial officer, treasurer or assistant treasurer, the president of that Additional Obligor certifying as to the solvency of the company after the consummation of the transactions contemplated by the Finance Documents.
SCHEDULE 3

UTILISATION REQUEST

From: [Borrower]
To: [Agent]
Dated:

Dear Sirs

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement
dated 14 November 2016 (as amended and restated) (the Agreement)

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this
   Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:
   
   Proposed Utilisation Date: [☐] (or, if that is not a Business Day, the next Business Day)
   
   Currency of Loan: rand
   
   Amount: [☐] or, if less, the Available Facility
   
   Interest Period: [☐]

3. We confirm that each condition specified in Clause 4.2 (Further Conditions Precedent) is satisfied on the date of this Utilisation
   Request.

4. The proceeds of this Loan should be credited to the following bank account (the Account):

   Account Name: [☐]
   
   Bank: [☐]
   
   Account Number: [☐]
   
   Branch: [☐]
   
   Branch Code: [☐]

5. This Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for
[name of relevant Borrower]
SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

To: [☐] as Agent

From: [The Existing Lender] (the Existing Lender) and [The New Lender] (the New Lender)

Dated:

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement dated 14 November 2016 (as amended and restated) (the Agreement)

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2. We refer to Clause 25.5 (Procedure for Transfer):

2.1 The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by cession and delegation, and in accordance with Clause 25.5 (Procedure for transfer), all of the Existing Lender’s rights and obligations under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment and participations in Loans under the Agreement as specified in the Schedule.

2.2 The proposed Transfer Date is [☐].

2.3 The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 32.2 (Addresses) are set out in the Schedule.

3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in Clause 25.4.3 (Limitation of Responsibility of Existing Lenders).

4. The New Lender agrees that it shall assume the same obligations towards each other Finance Party under the Finance Documents as if it had been an original party to the relevant Finance Document.

5. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)][a Treaty Lender][not a Qualifying Lender].

6. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

7. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by South African law.
8. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments,]

[Existing Lender]  [New Lender]

By:  By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [□].

[Agent]

By:
FORM OF SUBSTITUTE AFFILIATE LENDER DESIGNATION NOTICE

To:          [☐](as Agent) for itself and each of the other parties to the Facilities Agreement referred to below.

From:      [Designating Lender] (the “Designating Lender”)

Dated:

Dear Sirs

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement dated 14 November 2016 (as amended and restated) (the Agreement)

1. We refer to the Agreement. Terms defined in the Agreement have the same meaning in this Substitute Affiliate Lender Designation Notice.

2. We hereby designate our Affiliate details of which are given below as a Substitute Affiliate Lender in respect of any Loans required to be advanced to [specify name of borrower or refer to all borrowers in a particular jurisdiction etc] (Designated Loans).

3. The details of the Substitute Affiliate Lender are as follows:

   Name:

   Facility Office:

   Fax Number:

   Attention:

   Jurisdiction of Incorporation:

4. By countersigning this notice below the Substitute Affiliate Lender agrees to become a Substitute Affiliate Lender in respect of Designated Loans as indicated above and agrees to be bound by the terms of the Agreement accordingly.

5. The Substitute Affiliate Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)][a Treaty Lender][not a Qualifying Lender].

6. This Substitute Affiliate Lender Designation Notice and any non-contractual obligations arising out of or in connection with it are governed by South African law.
For and on behalf of
[Designating Lender]
We acknowledge and agree to the terms of the above.

For and on behalf of
[Substitute Affiliate Lender]
We acknowledge the terms of the above.

For and on behalf of
The Agent
Dated
To: [☐] as Agent

From: [Subsidiary] and [insert name of the Company at the time]

Dated:

Dear Sirs

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement
dated 14 November 2016 (as amended and restated) (the Agreement)

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.

2. [Subsidiary] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Agreement as an Additional [Borrower]/[Guarantor] pursuant to Clause [26.2 (Additional Borrowers)]/[Clause 26.4 (Additional Guarantors)] of the Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].

3. [The Company confirms that no Default is continuing or would occur as a result of [Subsidiary] becoming an Additional Borrower.]

4. [Subsidiary’s] administrative details are as follows:

   Address:

   Fax No:

   Attention:

5. This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by South African law.

   [insert name of the Company at the time]  [Subsidiary]
SCHEDULE 7

FORM OF RESIGNATION LETTER

To: [☐] as Agent

From: [resigning Obligor] and [insert name of the Company at the time]

Dated:

Dear Sirs

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement
dated 14 November 2016 (as amended and restated) (the Agreement)

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2. Pursuant to [Clause 26.3 (Resignation of a Borrower)]/[Clause 26.6 (Resignation of a Guarantor)], we request that [resigning Obligor] be released from its obligations as a [Borrower]/[Guarantor] under the Agreement.

3. [We confirm that:

3.1 no Default is continuing or would result from the acceptance of this request;

3.2 the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents.]³

4. [We confirm that no Default is continuing or would result from the acceptance of this request.]⁴

5. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by South African law.

[insert name of the Company at the time] [Subsidiary]

By: By

---

³ For resigning Borrower
⁴ For resigning Guarantor
SCHEDULE 8

FORM OF COMPLIANCE CERTIFICATE

To:      [☐] as Agent

From:  [Company]

Dated:

Dear Sirs

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement
dated 14 November 2016 (as amended and restated) (the Agreement)

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We confirm that: [Insert details of covenants to be certified]

2.1 We confirm that the following are Material Companies [☐].

3. [We confirm that no Default is continuing.]*

Signed:

Director
of
[insert name of the Company at the time]

Director
of
[insert name of the Company at the time]

[insert applicable certification language]

for and on behalf of

[insert name of the Company at the time]

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.
Dear Sirs,

We understand that you are considering participating in the Facility. In consideration of us agreeing to make available to you certain information with the knowledge and approval of the Company, by your signature of a copy of this letter you agree as follows:

(A) CONFIDENTIALITY

1. CONFIDENTIALITY UNDERTAKING

You undertake:

1.1 to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by paragraph (A)2 below and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information;

1.2 to keep confidential and not disclose to anyone except as provided for by paragraph (A)2 below the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facility;

1.3 to use the Confidential Information only for the Permitted Purpose; and

1.4 to use all reasonable endeavours to ensure that any person to whom you disclose any information in accordance with paragraph 2 below (unless disclosed under paragraph 2.2)
acknowledges and complies with the provisions of this letter as if that person were also party to it.

2. PERMITTED DISCLOSURE

We agree that you may disclose such Confidential Information and such of those matters referred to in paragraph (A)1.2 above as you shall consider appropriate:

2.1 to your Affiliates and their officers, directors, employees, professional advisers and auditors if any person to whom the Confidential Information is to be given pursuant to this paragraph (A)2.1 is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

2.2 to any person to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation; and

2.3 with the prior written consent of us and the Company.

3. NOTIFICATION OF DISCLOSURE

You agree (to the extent permitted by law and regulation) to inform us:

3.1 of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (A)2.2 above except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

3.2 upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. RETURN OF COPIES

If you do not participate in the Facility and we so request in writing, you shall return or destroy all Confidential Information supplied to you by us and destroy or permanently erase (to the extent technically practicable) all copies of Confidential Information made by you and use your reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph (A)2.2 above.
5. CONTINUING OBLIGATIONS

The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in Part A of this letter shall cease on the earlier of (a) the date on which you become a party to the Facility Agreement or (b) the date falling [twelve] months after the date of your final receipt (in whatever manner) of any Confidential Information.

6. NO REPRESENTATION; CONSEQUENCES OF BREACH, ETC

You acknowledge and agree that:

6.1 neither we nor any of our officers, employees or advisers (each a “Relevant Person”) (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any member of the Group or be otherwise liable to you or any other person in respect of the Confidential Information or any such information; and

6.2 we or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person or member of the Group may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

7. ENTIRE AGREEMENT; No Waiver; Amendments, etc

7.1 This letter constitutes the entire agreement between us in relation to your obligations regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

7.2 No failure to exercise, nor any delay in exercising any right or remedy under this letter will operate as a waiver of any such right or remedy or constitute an election to affirm this letter. No election to affirm this letter will be effective unless it is in writing. No single or partial exercise of any right or remedy will prevent any further or other exercise or the exercise of any other right or remedy under this letter.

7.3 The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us.

8. INSIDE INFORMATION

You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable
legislation including securities law relating to insider dealing and market abuse and you undertake not to use any Confidential Information for any unlawful purpose.

9. NATURE OF UNDERTAKINGS

The undertakings given by you under Part A of this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of the Company and each other member of the Group.

(B) MISCELLANEOUS

1. THIRD PARTY RIGHTS

1.1 Subject to this paragraph (B)1 and to paragraphs (A)6 and (A)9, a person who is not a party to this letter has no right to enforce or to enjoy the benefit of any term of this letter.

1.2 The Relevant Persons and each member of the Group may enjoy the benefit of the terms of paragraphs (A)6 and (A)9 subject to and in accordance with this paragraph (B)1.

1.3 Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person or any member of the Group to rescind or vary this letter at any time.

2. GOVERNING LAW AND JURISDICTION

2.1 This letter and the agreement constituted by your acknowledgement of its terms (the “Letter”) and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of the transaction contemplated by this Letter) are governed by South African law.

2.2 The parties hereby irrevocably and unconditionally consent to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg (or any successor to that division) in regard to any dispute arising out of or in connection with this Letter (including a dispute relating to any non-contractual obligation arising out of or in connection with either this Letter or the negotiation of the transaction contemplated by this Letter).

3. DEFINITIONS

In this letter (including the acknowledgement set out below):

3.1 “Affiliate” means each of your holding companies and subsidiaries and each subsidiary of each of your holding companies (as each such term is defined in the Companies Act 71 of 2008)

3.2 “Confidential Information” means all information relating to the Company, any Obligor, the Group, the Finance Documents and/or the Facility which is provided to you in relation to the Finance Documents or Facility by us or any of our affiliates or advisers, in whatever form, and
includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

3.2.1 is or becomes public information other than as a direct or indirect result of any breach by you of this letter; or
3.2.2 is identified in writing at the time of delivery as non-confidential by us or our advisers; or
3.2.3 is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you after that date, from a source which is, as far as you are aware, unconnected with the Group and which, in either case, as far as you are aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

3.3 “Facility Agreement” means the facility agreement entered into or to be entered into in relation to the Facility.

3.4 “Facility Interest” means a legal, beneficial or economic interest acquired or to be acquired expressly and specifically in or in relation to the Facility, whether as initial lender or by way of cession, transfer, novation, sub-participation (whether disclosed, undisclosed, risk or funded) or any other similar method.

3.5 “Finance Documents” means the documents defined in the Facility Agreement as Finance Documents.

3.6 “Group” means the Company and its subsidiaries for the time being (as such term is defined in the Companies Act 2008).

3.7 “Obligor” means a borrower or a guarantor under the Facility Agreement.

3.8 “Permitted Purpose” means considering and evaluating whether to enter into the Facility.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

…………………………

For and on behalf of
[Arranger]
To: [Arranger]

The Company and each other member of the Group

We acknowledge and agree to the above:

..............................

For and on behalf of

[Potential Lender]
SCHEDULE 10

TIMETABLES

Delivery of a duly completed Utilisation Request (Clause 5.1 (Delivery of a Utilisation Request))  U-3

9:30am

Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (Lenders’ Participation)  U-3

noon

JIBAR is fixed  Quotation Day 11.00 a.m.

“U” = the date of the proposed Utilisation.
SCHEDULE 11
LITIGATION

SILICOSIS LITIGATION

On 21 August 2012, a court application was served on a group of respondents that included Sibanye Gold Ltd (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye Gold Ltd, (the December Respondents and, together with the August Respondents, the Respondents) on 10 January 2013, on behalf of classes of mine workers, former mine workers and their dependants who were previously employed by, or who are currently employed by, amongst others, Sibanye Gold Ltd and who allegedly contracted silicosis and/or other occupational lung diseases.

On 6 March 2013, a number of applicants instituted class certification applications in the South Gauteng High Court (the High Court) against AASA initially then on 21 August 2013 all of the applicants sought consolidation of their various class applications. The primary relief sought was for the certification of two composite classes of plaintiffs (for silicosis and tuberculosis), to proceed in a single class action against all of the proposed defendants, who are the respondents in the various class applications. The consolidation was approved by the court.

On 13 May 2016 the High Court ordered, amongst other things: (1) the certification of two classes: (a) a silicosis class comprising current and former mine workers who have contracted silicosis, and the dependents of mine workers who have died of silicosis; and (b) a tuberculosis class comprising current and former mine workers who have contracted pulmonary tuberculosis and the dependents of deceased mine workers who died of pulmonary tuberculosis; and (2) that the common law be developed to provide that, where a claimant commences suing for general damages and subsequently dies before close of pleadings, the claim for general damages will transfer to the estate of the deceased claimant. The progression of the matter further will be done in two phases; (i) a determination of common issues, on an opt out basis, and (ii) the hearing and determination of individualized issues, on an opt in basis.

On 3 June 2016, the defendants applied for leave to appeal the High Court’s earlier ruling. The application for leave to appeal was heard on Thursday 23 June 2016 by the same bench of the High Court that issued the class certification ruling on 13 May 2016. On Friday 24 June 2016, the High Court ruled that the defendants (i) be granted leave to appeal to the Supreme Court of Appeal (the SCA) on the ruling developing the common law in relation to general damages; and (ii) be refused leave to appeal their ruling in relation to the certification of a Silicosis Class and a Tuberculosis Class.

The legal process is unfolding accordingly and the defendants have petitioned the SCA directly to allow leave to appeal on the refused grounds. It is expected that the appeal will be heard in the second quarter of 2017.
ACID MINE DRAINING LITIGATION

The Group has identified a risk of potential long-term Acid Mine Drainage ("AMD"), on certain of its operations. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. The Group has not been able to reliably determine the financial impact that AMD might have on the Group, however, the Group has adopted a proactive approach by initiating projects such as Sibanye Amanzi Project (previously known as Liquid Gold) (long-term water management strategy), and the identification of mine rehabilitation to focus on AMD risk management. The Group also conducts acid base accounting to obtain a more detailed understanding of where the key potential AMD risks are located at identified operations, thereby better informing appropriate long-term mitigation strategies.
FIRST SUPPLEMENTAL INDENTURE

First Supplemental Indenture (this "Supplemental Indenture") dated as of January 23, 2019, among Stillwater Mining Company (the "Issuer"), Sibanye Gold Limited, Rand Uranium Proprietary Limited, Kroondal Operations Proprietary Limited, Sibanye Rustenburg Platinum Mines Proprietary Limited (together, the "Guarantors") and The Bank of New York Mellon, London Branch, a New York banking corporation, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, each of the Issuer and the Guarantors has heretofore executed and delivered to the Trustee an indenture (the "Indenture") dated as of June 27, 2017, providing for the issuance of an unlimited aggregate principal amount of the Issuer’s 6.125% Senior Notes due 2022 (the "2022 Notes") and 7.125% Senior Notes due 2025 (the "2025 Notes" and, together with the 2022 Notes, the "Notes");

WHEREAS, pursuant to Section 9.01(a) of the Indenture, the Trustee, the Issuer and the Guarantors may execute and deliver this Supplemental Indenture without the consent of any Holder; and

WHEREAS, the Issuer has requested and hereby requests that the Trustee join with the Issuer and the Guarantors in the execution and delivery of this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Amendment. Section 4.09(b)(vi)(B) of the Indenture is hereby deleted and replaced in its entirety by the following:

   “the Leverage Ratio of the Company and its Restricted Subsidiaries upon completion of such acquisition, merger, amalgamation or consolidation would be equal to or less than such ratio immediately prior to such acquisition, merger, amalgamation or consolidation, after giving pro forma effect to such transaction or series of related transactions and the Incurrence of such Indebtedness pursuant to this clause (vi).”


5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or .pdf transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or .pdf shall be deemed to be their original signatures for all purposes.
6. **Headings.** The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

7. **The Trustee.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity, sufficiency or adequacy of this Supplemental Indenture or for or in respect of the recitals or statements contained herein, all of which recitals and statements are made solely by the Issuer, and the Trustee assumes no responsibility for their correctness.

8. **Ratification of Indenture; Supplemental Indenture Part of Indenture.** Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of any Note heretofore or hereafter authenticated and delivered shall by bound hereby.

   [Remainder of page left intentionally blank]
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

STILLWATER MINING COMPANY

By: /s/ Charl Keyte
   Name: Charl Keyte
   Title: Director

SIBANYE GOLD LIMITED

By: /s/ Charl Keyte
   Name: Charl Keyte
   Title: Director

RAND URANIUM PROPRIETARY LIMITED

By: /s/ Charl Keyte
   Name: Charl Keyte
   Title: Authorized Signatory

KROONDAL OPERATIONS PROPRIETARY LIMITED

By: /s/ Charl Keyte
   Name: Charl Keyte
   Title: Authorized Signatory

SIBANYE RUSTENBURG PLANTIMUM MINES PROPRIETARY LIMITED

By: /s/ Charl Keyte
   Name: Charl Keyte
   Title: Director
THE BANK OF NEW YORK MELLON, LONDON BRANCH, as Trustee

By: /s/ Tomas Vanson
   Name: Thomas Vanson
   Title: Authorised Signatory
FIRST SUPPLEMENTAL INDENTURE

First Supplemental Indenture (this "Supplemental Indenture") dated as of January 23, 2019, among Stillwater Mining Company (the "Issuer"), Sibanye Gold Limited, Rand Uranium Proprietary Limited, Kroondal Operations Proprietary Limited, Sibanye Rustenburg Platinum Mines Proprietary Limited (together, the "Guarantors") and The Bank of New York Mellon, London Branch, a New York banking corporation, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, each of the Issuer and the Guarantors has heretofore executed and delivered to the Trustee an indenture (the "Indenture") dated as of June 27, 2017, providing for the issuance of an unlimited aggregate principal amount of the Issuer’s 6.125% Senior Notes due 2022 (the "2022 Notes") and 7.125% Senior Notes due 2025 (the "2025 Notes" and, together with the 2022 Notes, the "Notes");

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WHEREAS, the Issuer has requested and hereby requests that the Trustee join with the Issuer and the Guarantors in the execution and delivery of this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

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[Remainder of page left intentionally blank]
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

STILLWATER MINING COMPANY

By: /s/ Charl Keyter
   Name: Charl Keyter
   Title: Director

SIBANYE GOLD LIMITED

By: /s/ Charl Keyter
   Name: Charl Keyter
   Title: Director

RAND URANIUM PROPRIETARY LIMITED

By: /s/ Charl Keyter
   Name: Charl Keyter
   Title: Authorized Signatory

KROONDAL OPERATIONS PROPRIETARY LIMITED

By: /s/ Charl Keyter
   Name: Charl Keyter
   Title: Authorized Signatory

SIBANYE RUSTENBURG PLANTIMUM MINES PROPRIETARY LIMITED

By: /s/ Charl Keyter
   Name: Charl Keyter
   Title: Director
THE BANK OF NEW YORK MELLON, LONDON BRANCH, as Trustee

By: /s/ Tomas Vanson
   Name: Thomas Vanson
   Title: Authorised Signatory
6. **Headings.** The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

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By: /s/ Charl Keyter
    Name: Charl Keyter
    Title: Director

SIBANYE GOLD LIMITED

By: /s/ Charl Keyter
    Name: Charl Keyter
    Title: Director

RAND URANIUM PROPRIETARY LIMITED

By: /s/ Charl Keyter
    Name: Charl Keyter
    Title: Authorized Signatory

KROONDAL OPERATIONS PROPRIETARY LIMITED

By: /s/ Charl Keyter
    Name: Charl Keyter
    Title: Authorized Signatory

SIBANYE RUSTENBURG PLANTIMUM MINES
PROPRIETARY LIMITED

By: /s/ Charl Keyter
    Name: Charl Keyter
    Title: Director
THE BANK OF NEW YORK MELLON, LONDON BRANCH, as Trustee

By: /s/ Tomas Vanson

Name: Thomas Vanson
Title: Authorised Signatory

[Signature Page to Stillwater – Sibanye First Supplemental Indenture]
FACILITY AGREEMENT

6 April 2018

US$600,000,000
REVOLVING FACILITY AGREEMENT

for

SIBANYE GOLD LIMITED

STILLWATER MINING COMPANY

KROONDAL OPERATIONS PROPRIETARY LIMITED

and

SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED

arranged by

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

and

HSBC BANK PLC

with

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED
acting as Agent

ALLEN & OVERY
Allen & Overy (South Africa) LLP
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### Schedule

1. **The Parties**
   - **Part 1**  The Original Borrowers  
   - **Part 2**  The Original Guarantors  
   - **Part 3**  The Original Lenders

2. **Conditions precedent**
   - **Part 1**  Conditions Precedent to Initial Utilisation  
   - **Part 2**  Conditions Precedent Required to be Delivered by an Additional Obligor

3. **Utilisation Request**

4. **Form of Transfer Certificate**

5. **Form of Substitute Affiliate Lender Designation Notice**

6. **Form of Assignment Agreement**

7. **Form of Accession Letter**

8. **Form of Resignation Letter**

9. **Form of Compliance Certificate**

10. **Form of Increase Confirmation**

11. **LMA Form of Confidentiality Undertaking**

12. **Timetables**

13. **Form of Extension Confirmation**

**Signatories**
THIS AGREEMENT is dated 6 April 2018 and made

BETWEEN:

(1) SIBANYE GOLD LIMITED (Sibanye Gold);

(2) THE SUBSIDIARIES of Sibanye Gold listed in Part 1 of Schedule 1 as original borrowers (together with Sibanye Gold, the Original Borrowers);

(3) THE SUBSIDIARIES of Sibanye Gold listed in Part 2 of Schedule 1 as original guarantors (together with Sibanye Gold, the Original Guarantors);

(4) BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED and HSBC BANK PLC as co-ordinators (the Co-ordinators);

(5) BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED and HSBC BANK PLC as mandated lead arrangers (together with the Co-ordinators the Arrangers);

(6) THE FINANCIAL INSTITUTIONS listed in Part 3 of Schedule 1 as lenders (the Original Lenders); and

(7) BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED as agent of the other Finance Parties (the Agent).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

Acceptable Bank means a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A2 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency.

Accession Letter means a document substantially in the form set out in Schedule 7 (Form of Accession Letter).

Accounting Principles means the IFRS as adopted by the International Accounting Standards Board, to the extent applicable to the relevant Financial Statements.

Additional Borrower means each company which becomes an Additional Borrower in accordance with Clause 26 (Changes to the Obligors).

Additional Guarantor means any company which becomes an Additional Guarantor in accordance with Clause 26 (Changes to the Obligors).

Additional Obligor means an Additional Borrower or an Additional Guarantor.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.
**Applicable Inter-company Loans** means inter-company loans which are fully subordinated to the liabilities of the Obligors under the Finance Documents and are between Obligors.

**Assignment Agreement** means an agreement substantially in the form set out in Schedule 6 (Form of Assignment Agreement) or any other form agreed between the relevant assignor and assignee.

**Authorisation** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**Availability Period** means, in relation to each Lender, the period from and including the Signature Date ending on the earlier of:

(a) the date on which the Facility is cancelled; and

(b) the date falling one month prior to the Termination Date for that Lender.

**Available Commitment** means a Lender's Commitment minus:

(a) the amount of its participation in any outstanding Loans; and

(b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

**Available Facility** means the aggregate for the time being of each Lender's Available Commitment.

**Borrower** means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 26 (Changes to the Obligors).

**Break Costs** means the amount (if any) by which:

(a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

(exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

**Burnstone** means Sibanye Gold Eastern Operations Proprietary Limited (previously known as Southgold Exploration Proprietary Limited).

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London and New York.

**CFC** has the meaning given to it in Clause 19.11 (US guarantee limitations).

**Code** means the US Internal Revenue Code of 1986.
**Commitment** means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Part 3 of Schedule 1 (The Parties) and the amount of any other Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (Increase); and

(b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (Increase),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Companies Act** means the Companies Act, 2008 of South Africa and all regulations promulgated under that Act.

**Company** means:

(a) for the period up to and including the New TopCo Accession Date, Sibanye Gold; and

(b) after the New TopCo Accession Date, New Topco.

**Compliance Certificate** means a certificate substantially in the form set out in Schedule 9 (Form of Compliance Certificate).

**Confidential Information** means all information relating to the Company, any Obligor, the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

(a) any member of the Group or any of their respective advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of their respective advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

   (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 37 (Confidential Information); or

   (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

   (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate.
**Confidentiality Undertaking** means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 11 (LMA Form of Confidentiality Undertaking) or in any other form agreed between the Company and the Agent.

**Consolidated EBITDA** has the meaning given to that term in Clause 22.1 (Financial definitions).

**Default** means an Event of Default or any event or circumstance specified in Clause 24 (Events of Default) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

**Defaulting Lender** means any Lender:

(a) which has failed to make its participation in a Loan available (or has notified the Agent or the Company (which has notified the Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with Clause 5.4 (Lenders' participation);

(b) which has otherwise rescinded or repudiated a Finance Document; or

(c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:
   
   (A) administrative or technical error; or
   
   (B) a Disruption Event; and
   
   payment is made within five Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

**Disruption Event** means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
   
   (i) from performing its payment obligations under the Finance Documents; or
   
   (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.
**DRDGold** means DRDGOLD Limited.

**DRE** has the meaning given to it in Clause 19.11 (US guarantee limitations).

**EBITDA** has the meaning given to that term in Clause 22.1 (Financial definitions).

**Encumbrance** means:

(a) any mortgage, bond, notarial bond, pledge, lien, assignment or cession conferring security, hypothecation, a security interest, preferential right or trust arrangement or other encumbrance of the like securing any obligation of any person; or

(b) any arrangement under which money or claims to, or for the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential agreement or arrangement (including any title transfer and retention arrangement), the effect of which is the creation of a security interest.

**ERISA** means, at any date, the United States Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended from time to time, and the regulations promulgated thereunder, as the same may be in effect at such date.

**ERISA Affiliate** means any person that for purposes of Title I and Title IV of ERISA and section 412 of the Code is treated as a single employer with any Obligor under section 414 of the Code or section 4001 of ERISA.

**Eskom** means Eskom Holdings SOC Limited.

**Event of Default** means any event or circumstance specified as such in Clause 24 (Events of Default).

**Extension Confirmation** means a confirmation substantially in the form set out in Schedule 13 (Form of Extension Confirmation).

**Facility** means the revolving loan facility made available under this Agreement as described in Clause 2 (The Facility).

**Facility Office** means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

**Fallback Interest Period** means a period of one week.

**FATCA** means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.
FATCA Application Date means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

(b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or

(c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2019,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the Signature Date.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction.

Fee Letter means any letter or letters dated on or about the Signature Date between the Co-ordinators and Sibanye Gold (or the Agent and Sibanye Gold) setting out any of the fees referred to in Clause 13 (Fees).

Finance Document means this Agreement, any Fee Letter, any Accession Letter, any Resignation Letter, the Mandate Letter and any other document designated as such by the Agent and the Company.

Finance Party means the Agent, the Arrangers or a Lender.

Financial Half Year has the meaning given to that term in Clause 22.1 (Financial definitions).

Financial Indebtedness means (without double counting) any indebtedness for or in respect of:

(a) moneys borrowed or credit granted (including pursuant to a Permitted Inventory Transaction);

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);

(f) any amount of liability in respect of any purchase price for assets or services the payment of which is deferred where the deferral of such price is either:

(i) used primarily as a method of raising credit; or
(ii) not made in the ordinary course of business;

(g) any agreement or option to re-acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance;

(h) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(k) the amount raised by the issue of redeemable shares to the extent such shares are redeemable prior to the last Termination Date to occur; and

(l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.

Financial Quarter has the meaning given to that term in Clause 22.1 (Financial definitions).


Financial Year has the meaning given to that term in Clause 22.1 (Financial definitions).

Franco-Nevada Loan means the loan owing by Ezulwini Mining Company to Franco-Nevada GLW Holdings Corp., Gold Wheaton Gold Corp., Franco Nevada (Barbados) Corporation (previously known as Gold Wheaton (Barbados Corporation) and/or any one or more of their respective affiliates.

Franco-Nevada Loan Agreement means a written gold purchase agreement dated 5 November 2009 concluded amongst Ezulwini Mining Company and Franco-Nevada GLW Holdings Corp., Gold Wheaton Gold Corp. and Franco-Nevada (Barbados) Corporation (previously known as Gold Wheaton (Barbados Corporation) pursuant to which the Franco-Nevada Loan is made available to Ezulwini Mining Company.

FSHCO has the meaning given to it in Clause 19.11 (US guarantee limitations).

Funding Rate means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 12.3 (Cost of funds).

Group means the Company and its Subsidiaries for the time being.

Group Structure Chart means the group structure chart in agreed form showing at least the following information:

(a) each member of the Group, including current name and company registration number, its jurisdiction of incorporation and/or its jurisdiction of establishment;

(b) a list of shareholders of each member of the Group; and
(c) indicating whether it is not a company with limited liability.

Guarantor means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 26 (Changes to the Obligors).

Guarantor Threshold Test has the meaning given to that term in Clause 23.20 (Guarantors).

Historic Screen Rate means, in relation to any Loan, the most recent applicable Screen Rate for dollars and for a period equal in length to the Interest Period of that Loan and which is as of a day which is no more than three days before the Quotation Day.

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

IFRS means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant Financial Statements.

Impaired Agent means the Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a), (b) or (c) of the definition of "Defaulting Lender"; or

(d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

(ii) payment is made within five Business Days of its due date; or

(iii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

Increase Confirmation means a confirmation substantially in the form set out in Schedule 10 (Form of Increase Confirmation).

Indebtedness for Borrowed Money means Financial Indebtedness save for any indebtedness for or in respect of paragraphs (i) and (j) of the definition of "Financial Indebtedness", or in respect of any guarantee or indemnity of such indebtedness if and to the extent only (i) and (j) are not closed-out and/or called and consequently constitute Financial Indebtedness.

Information Package means the document in the form approved by Sibanye Gold concerning the Group which, at Sibanye Gold's request and on its behalf, was prepared in relation to this transaction, approved by Sibanye Gold and distributed by the Co-ordinators to selected financial institutions on or before the Signature Date.
**Insolvency Event** in relation to an entity means that the entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

(d) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (c) above and:

   (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

   (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (c) above);

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (g) above; or

(i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**Interest Period** means, in relation to a Loan, each period determined in accordance with Clause 11 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (Default interest).
**Interpolated Historic Screen Rate** means, in relation to LIBOR for any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the most recent applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and

(b) the most recent applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each for dollars and each of which is as of a day which is no more than three days before the Quotation Day.

**Interpolated Screen Rate** means, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time for dollars.

**IRS** means the US Internal Revenue Service.

**JSE** means JSE Limited, a public company duly incorporated in accordance with the laws of South Africa with registration number 2005/022939/06, or any other financial exchange which operates as a successor exchange to JSE Limited.

**JSE Listings Requirements** means the listings requirements published by the JSE, as amended from time to time.

**Legal Reservations** means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any relevant jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions delivered to the Agent under Clause 4.1 (Initial conditions precedent) or Clause 26 (Changes to the Obligors).

**Lender** means:

(a) any Original Lender; and
(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with with Clause 2.2 (Increase) or Clause 25 (Changes to the Lenders),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

LIBOR means, in relation to any Loan:

(a) the applicable Screen Rate as of the Specified Time for dollars and for a period equal in length to the Interest Period of that Loan; or

(b) as otherwise determined pursuant to Clause 12 (Changes to the Calculation of Interest),

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.


LMA means the Loan Market Association.

Loan means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

Lonmin Merger means the merger of Lonmin Plc and the Company to be effected by a share-for-share exchange between the Company and the shareholders of Lonmin Plc pursuant to the offer by Sibanye Gold initially announced on 14 December 2017, or any revised offer.

Majority Lenders means a Lender or Lenders whose Commitments aggregate more than 66 2/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3% of the Total Commitments immediately prior to the reduction).

Mandate Letter means the written mandate letter concluded between Sibanye Gold, the Co-ordinators and the Bookrunners on 9 February 2018.

Margin means:

(a) 1.85% per cent. per annum; or

(b) if Consolidated Net Borrowings to Consolidated EBITDA in respect of the most recent Measurement Period exceeds 2.50:1, 2% per annum.

However:

(i) for the purpose of determining the Margin, Consolidated Net Borrowings to Consolidated EBITDA and Measurement Period shall be determined in accordance with Clause 22.1 (Financial definitions);

(ii) any increase or decrease in the Margin shall, subject to paragraph (iii) below, take effect and apply to each Loan borrowed after receipt by the Agent of the Compliance Certificate for the relevant Measurement Period pursuant to Clause 21.2 (Compliance Certificate); and

(iii) whilst an Event of Default is continuing, the Margin will be 2 per cent. per annum.

Margin Regulations means Regulations T, U and X issued by the Board of Governors of the United States Federal Reserve System.
**Margin Stock** means "margin stock" or "margin securities" as defined in the Margin Regulations.

**Material Adverse Effect** means a material adverse effect on:

(a) the business, operations, property or financial condition of the Group taken as a whole; or

(b) the ability of the Obligors together to perform their financial or other obligations under the Finance Documents.

**Material Company** means any member of the Group (other than an Obligor and a Project Finance Subsidiary) which:

(a) has EBITDA (determined on the same basis as Consolidated EBITDA) representing 5% or more of Consolidated EBITDA (provided that any amounts attributable to Project Finance Subsidiaries shall be excluded from the calculation of Consolidated EBITDA); or

(b) has gross assets representing 10% or more of the gross assets of the Group (excluding assets of Project Finance Subsidiaries) calculated on a consolidated basis.

Compliance with the conditions set out in paragraph (a) and (b) above shall be determined by reference to the most recent Compliance Certificate supplied by the Company and/or the latest audited annual financial statements or unaudited half-yearly financial statements of that member of the Group (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited annual consolidated financial statements or unaudited half-yearly consolidated financial statements of the Company.

**Month** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) subject to paragraph (c) below if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

**Multiemployer Plan** means any Plan which is described in Section 4001(a)(3) of ERISA.

**New Lender** has the meaning given to that term in Clause 25 (Changes to the Lenders).

**New TopCo** means the company to be incorporated as a new holding company of Sibanye Gold and interposed between Sibanye Gold and its existing shareholders, and which shall be listed on the JSE, NYSE, Toronto Stock Exchange or London Stock Exchange.

**New TopCo Accession Date** means the date on which New TopCo accedes to this Agreement as a Party, as contemplated in Clause 23.22 (New TopCo accession).

**Non-Obligor** means any person that is not an Obligor or a Project Finance Subsidiary.
Non-Obligor Restricted Company means a Restricted Company that is not an Obligor.

Non-Project Finance Group Member means any member of the Group other than a Project Finance Subsidiary.

NYSE means the New York Stock Exchange.

Obligation has the meaning given to it in Clause 19.11 (US guarantee limitations).

Obligor means a Borrower or a Guarantor.

Original Financial Statements means:

(a) in relation to Sibanye Gold, the unaudited condensed consolidated financial statements for the Financial Half Year ended 31 December 2017;

(b) in relation to Stillwater Mining Company, its unaudited management accounts for the Financial Half Year ended 31 December 2017;

(c) in relation to Kroondal Operations Proprietary Limited, its audited financial statements for its Financial Year ended 31 December 2016; and

(d) in relation to Sibanye Rustenburg Platinum Mines Proprietary Limited, its audited financial statements for its Financial Year ended 31 December 2016.

Original Obligor means an Original Borrower or an Original Guarantor.

Party means a party to this Agreement.

PBGC means the US Pension Benefit Guaranty Corporation or any entity succeeding to all or any of its functions under ERISA.

Permitted Acquisition means:

(a) the Lonmin Merger;

(b) Project Top Deck;

(c) any transaction in respect of which the disposing entity is a member of the Group if the disposal falls within paragraphs (d) or (e) of the definition of Permitted Disposal;

(d) an acquisition of product from another member of the Group which is to be subsequently disposed of by the acquiring company pursuant to a streaming transaction provided that such disposal is a Permitted Disposal;

(e) an acquisition by Sibanye Gold of shares in DRDGold, initially constituting approximately 38% of the issued share capital of DRDGold, with an option to increase Sibanye Gold's shareholding in DRDGold to 50.1% within two years; or

(f) any other acquisition which is not classified as a "Category 1 Transaction" of the Company in terms of the JSE Listings Requirements.

Permitted Disposal means any sale, lease, transfer or other disposal:
(a) by a Restricted Company of non-core assets;
(b) by a Restricted Company of any other assets which are obsolete, redundant or no longer required for the efficient operation of the business of such Restricted Company (including assets associated with discontinued operations (including the disposal by Sibanye Gold of its Cooke and Beatrix shaft assets));
(c) by a Restricted Company in the ordinary course of its day-to-day trading if that sale, lease, transfer or other disposal is not otherwise restricted by a term of any Finance Document;
(d) by an Obligor to another Obligor;
(e) by a Restricted Company (other than an Obligor) to any other Restricted Company (other than an Obligor);
(f) by any Non-Project Finance Group Member to any Project Finance Subsidiary on arm's length terms, provided that the aggregate value of such disposal (whether in a single transaction or a series of transactions) together with all other disposals from all Non-Project Finance Group Members to all Project Finance Subsidiaries, does not:
   (i) in respect of Burnstone, exceed ZAR1,800,000,000 over the term of the Facility; and
   (ii) in respect of other Project Finance Subsidiaries exceed 5% of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) at any time over the term of the Facility
(g) by a Restricted Company pursuant to streaming transactions (including a disposal of product by a Restricted Company to another member of the Group for the purpose of supplying product for a streaming transaction by the acquiring company) provided that the aggregate value of product delivered to non-Restricted Companies pursuant to such transactions does not, in aggregate, exceed US$100,000,000 (or its equivalent in any other currency or currencies) in any Financial Year and US$520,000,000 (or its equivalent in any other currency or currencies) over the term of the Facility;
(h) by a Restricted Company pursuant to receivables discounting arrangements or similar transactions provided that the value of disposals pursuant to such transactions does not, in aggregate, exceed US$300,000,000 (or its equivalent in any other currency or currencies) in any Financial Year;
(i) by a Restricted Company to a Non-Obligor on arm's length terms, provided that the aggregate value of such disposals (whether in a single transaction or a series of transactions) does not, in aggregate, exceed 15% (fifteen percent) of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) in any Financial Year and 25% (twenty five percent) of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) over the term of the Facility;
(j) of assets (other than shares or businesses) in exchange for other assets comparable or superior as to type, value and quality;
(k) of cash equivalent investments for cash or in exchange for other cash equivalent investments;
(l) arising as a result of any Permitted Encumbrance;
(m) by Sibanye Gold of its tailings retreatment business to K2017449061 (South Africa) Proprietary Limited in exchange for shares initially constituting approximately 38% of the issued share capital of DRDGold, with an option to increase Sibanye Gold's shareholding in DRDGold to 50.1% within two years;

(n) any disposal as part of a Permitted Inventory Transaction provided that the value of disposals pursuant to all such transactions does not, in aggregate, exceed US$300,000,000 (or its equivalent in any other currency or currencies) in any Financial Year; or

(o) for which the Agent (acting on the instructions of the Majority Lenders) has given its prior written consent.

**Permitted Encumbrance** means:

(a) any Encumbrance created prior to the Signature Date which:

(i) is disclosed in the Financial Statements of the Company delivered to the Agent prior to the Signature Date and

(ii) in all circumstances secures only indebtedness outstanding or a facility available at the Signature Date if the principal amount or original facility thereby secured is not increased after the Signature Date;

(b) any Encumbrance created prior to the Signature Date in favour of Opiconsivia Trading 305 (RF) Proprietary Limited;

(c) any netting or set-off arrangement entered into by any Restricted Company in the ordinary course of its banking arrangements (which shall include, for the avoidance of doubt, those pursuant to hedging arrangements (which constitute Permitted Financial Indebtedness) in relation to gold, silver, copper and other commodity prices, foreign exchange rates and interest rates where such arrangements are entered into for the purposes of providing protection against fluctuation in such rates or prices in the ordinary course of business and not for speculative purposes), for the purpose of netting debit and credit balances;

(d) any lien arising by operation of law and in the ordinary course of trading and not by reason of any default (whether in payments or otherwise) of any Restricted Company;

(e) any Encumbrance or Quasi-Encumbrance over or affecting any asset acquired by a member of the Group after the Signature Date if:

(i) the Encumbrance or Quasi-Encumbrance was not created in contemplation of the acquisition of that asset by a member of the Group;

(ii) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by a member of the Group; and

(iii) the Encumbrance or Quasi-Encumbrance is removed or discharged within six Months from the date of the acquisition of that asset, unless such Encumbrance is otherwise permitted to exist in terms of this definition;

(f) any Encumbrance or Quasi-Encumbrance over or affecting any asset of any company which becomes a member of the Group after the Signature Date, where the Encumbrance or Quasi-Encumbrance is created prior to the date on which that company becomes a member of the Group, if:
(i) the Encumbrance or Quasi-Encumbrance was not created in contemplation of the acquisition of that company;

(ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

(iii) the Encumbrance or Quasi-Encumbrance is removed or discharged within six Months from the date on which the relevant company became a member of the Group, unless such Encumbrance is otherwise permitted to exist in terms of this definition;

(g) any Encumbrance or Quasi-Encumbrance arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading;

(h) any Encumbrance or Quasi-Encumbrance granted in respect of Financial Indebtedness incurred by a Project Finance Subsidiary over assets of, or the shares in, or any debt or other obligations of, a Project Finance Subsidiary (or the shares in a Holding Company whose only assets are the shares in and claims against a Project Finance Subsidiary);

(i) any Encumbrances or Quasi-Encumbrance securing the indebtedness under the Franco-Nevada Loan Agreement pursuant to the agreements in the form delivered to the Agent prior to the Signature Date or in a form no more onerous to the Obligors than the form delivered to the Agent;

(j) any Encumbrance or Quasi-Encumbrance resulting from the rules and regulations of any clearing system or stock exchange over shares and/or other securities held in that clearing system or stock exchange;

(k) any Encumbrance or Quasi-Encumbrance arising as a result of a disposal which is a Permitted Disposal;

(l) any Encumbrance or Quasi-Encumbrance arising as a consequence of any finance or capital lease constituting Permitted Financial Indebtedness;

(m) in respect of Encumbrances or Quasi-Encumbrances over or affecting any asset of any member of the Group who is not a Restricted Company or a Project Finance Subsidiary;

(n) any Encumbrance or Quasi-Encumbrance securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Encumbrance or Quasi-Encumbrance other than any permitted under paragraphs (a) to (m) above and paragraphs (o) to (u) below) does not exceed 5% (five percent) of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements), as most recently measured before the creation of the Encumbrances or Quasi-Encumbrances, (or its equivalent in another currency) (but adjusted to include the net value of new assets acquired since the last date of the latest set of consolidated annual financial statements of the Group);

(o) any other Encumbrance or Quasi-Encumbrance as agreed by the Agent (acting on the instructions of the Majority Lenders) in writing;

(p) any Encumbrance arising pursuant to or permitted under the Finance Documents;

(q) any Encumbrance in respect of any environmental bond which any member of the Group is required to issue under any applicable environmental law;
(r) any Encumbrance contemplated in paragraph (h) of the definition of "Permitted Financial Indebtedness" provided that the value of the assets encumbered does not exceed US$50,000,000 (or its equivalent in any other currency or currencies) at any time;

(s) any Encumbrance contemplated in paragraph (i) of the definition of "Permitted Financial Indebtedness";

(t) the Encumbrance by way of cession of shareholder claims and pledge of shares held by Sibanye Gold in K2017009061 (South Africa) Proprietary Limited in exchange for shares initially constituting approximately 38% of the issued share capital of DRDGold, with an option to increase Sibanye Gold's shareholding in DRDGold to 50.1% within two years; or

(u) any Encumbrance or Quasi Encumbrance securing the obligations under or in connection with any Permitted Inventory Transaction, solely to the extent limited to the Permitted Inventory and Related Collateral.

**Permitted Financial Indebtedness** means any Financial Indebtedness:

(a) arising under the Finance Documents;

(b) arising under any environmental bond, rehabilitation bond or guarantee or any similar arrangement which any member of the Group is required to issue under any applicable environmental law;

(c) arising under any derivative transaction, in the ordinary course of business, which does not have the commercial effect of borrowing, entered into in connection with protection against or benefit from fluctuation in any rate or price but not for speculative purposes (other than any amount which constitutes the marked to market value realised on such derivative transaction that has not been discharged within two Business Days of the date on which such amount arose, and other than any amount due as a result of the termination, close-out, restructuring or refinancing of that derivative transaction that has not been discharged within two Business Days of the date on which such amount arose);

(d) of the Group existing and available (whether or not subject to the satisfaction of any conditions precedent) on the Signature Date (including of any person that becomes a member of the Group from time to time, provided that such Financial Indebtedness existed at the time that such person became a member of the Group and was not created in anticipation thereof);

(e) between Group companies to the extent incurred for the purpose of financing general corporate and working capital requirements (including the financing of future acquisitions);

(f) not falling within paragraphs (a) to (e) above and (g) to (j) below provided that the aggregate amount of all Financial Indebtedness (other than Financial Indebtedness of Obligors or Project Finance Subsidiaries) permitted under this paragraph (f) does not at the time of the incurrence thereof exceed 7.5% (seven point five percent) of the Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) (or its equivalent in another currency) as determined with reference to the most recent Financial Statements;

(g) created or incurred with the prior written consent of the Agent (acting on the instructions of the Majority Lenders);
arising under or in connection with a guarantee, bond or escrow arrangement required as a confirmation of certainty of funds available in connection with an offer made or to be made by a member of the Group to acquire shares in another person, provided that:

(i) such Permitted Financial Indebtedness is incurred by an Obligor; and

(ii) prior to incurring such indebtedness the Company delivers a Compliance Certificate to the Agent confirming that it will be in compliance with its obligations under Clause 22 (Financial Covenants) prior to and immediately post incurring such indebtedness;

(i) arising pursuant to a bank guarantee procured by a member of the Group in favour of Eskom required by Eskom as a prerequisite to its continued provision of electricity to such member of the Group; or

(j) incurred pursuant to a Permitted Inventory Transaction.

**Permitted Inventory and Related Collateral** means:

(a) any inventory (including raw material, in ground material, as-extracted material, in transit material, in process material, smelted material and refined material) or accounts receivables subject to any Permitted Inventory Transaction;

(b) products, proceeds or supporting obligations relating to the foregoing;

(c) cash margin relating to Permitted Inventory Transactions; and

(d) books and records and other ancillary or supporting property and assets relating to the foregoing.

**Permitted Inventory Transaction** means (and includes any Financial Indebtedness incurred pursuant to) any intermediation transaction, inventory finance transaction, commodities purchase and sale transaction, prepaid commodities transaction or other inventory or commodities transaction (including any such transaction with respect to related receivables).

**Plan** means an employee pension benefit plan which is subject to Title IV of ERISA, section 412 of the Code or section 302 of ERISA and with respect to which any Obligor or any ERISA Affiliate is (or, if such plan were terminated, would under section 4062 of ERISA be deemed to be) an "employer" as defined in section 3(5) of ERISA.

**Project Finance Subsidiaries** means:

(a) Burnstone;

(b) K2013164354 Proprietary Limited; and

(c) DRDGold (if it has become a Subsidiary of the Company and the Company notifies the Agent in writing that it wishes to designate DRDGold as a Project Finance Subsidiary) provided that:

(i) it has not, since the Signature Date, received distributions, loans, assets, guarantees from any member of the Group which in aggregate exceed ZAR1,500,000,000 (or its equivalent in any other currency or currencies); and

(ii) the business of DRDGold is a standalone business independent from the businesses operated by other members of the Group;
(d) to the extent that DRDGold owes Financial Indebtedness to persons who are not members of the Group, none of the creditors in respect of such Financial Indebtedness have recourse in respect of such Financial Indebtedness to any other member of the Group otherwise than by way of security over shares in or obligations owing by DRDGold to other members of the Group;

(e) any other company or other entity (excluding the Obligors):

(i) that since the Signature Date has not received Distributions, loans, assets or guarantees from any member of the Group which in aggregate together with Distributions, loans, assets and guarantees received by Project Finance Subsidiaries (other than DRDGold) from any other Restricted Company, exceeds 5% (five percent) of Consolidated Tangible Net Worth at any time;

(ii) whose sole business is, and remains, the ownership, development, construction, refurbishment, commissioning and/or operation of a project; and

(iii) which, to the extent that such company or entity owes Financial Indebtedness to persons who are not members of the Group, has no creditors in respect of such Financial Indebtedness which have recourse in respect of such Financial Indebtedness to any other member of the Group other than that company or entity other than by way of security over shares in or pursuant to obligations owing by such company or entity to other members of the Group.

**Project Top Deck** means the interposition of New TopCo as a new Holding Company of Sibanye Gold, between Sibanye Gold and its existing shareholders and the transfer of shares in Sibanye Platinum Proprietary Limited from Sibanye Gold to New TopCo.

**Qualifying Lender** has the meaning given to it in Clause 14 (Tax Gross Up and Indemnities).

**Quasi-Encumbrance** means an arrangement or transaction under which:

(a) an Obligor sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by that or any other Obligor;

(b) an Obligor sells, transfers or otherwise disposes of its receivables on recourse terms; or

(c) money or the benefit of a bank account of an Obligor may be applied, set-off or made subject to a combination of accounts to, against or with that of a person that is not an Obligor, or any other preferential agreement or arrangement to which an Obligor is a party having a similar effect to that described in paragraphs (a) to (c) above, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness.

**Quotation Day** means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period unless market practice differs in the Relevant Market in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

**Register** has the meaning given to it in Clause 25.12 (The Register).

**Related Fund** in relation to a fund (the first fund) means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different
investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

**Relevant Market** means the London interbank market.

**Repeating Representations** means each of the representations set out in Clause 20 (Representations), other than Clause 20.8 (No filing or stamp taxes), Clause 20.11 (No misleading information) and Clause 20.13 (No proceedings pending or threatened).

**Reportable Event** means:

(a) an event specified as such in section 4043(c) of ERISA, with respect to any Plan (other than a Multiemployer Plan), other than an event in relation to which the requirement to give 30 days' notice of that event is waived by any regulation;

(b) the filing of a notice of intent to terminate any Plan, pursuant to section 4041(c) of ERISA (including any such notice with respect to a plan amendment referred to in section 4041(c) of ERISA);

(c) the institution of proceedings under section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Plan;

(d) an Obligor or an ERISA Affiliate incurring any liability under Title IV of ERISA with respect to any Plan (other than premiums due and not delinquent under section 4007 of ERISA); or

(e) a failure of any Plan (other than a Multiemployer Plan) to meet the minimum funding standard under section 412 or 430 of the Code or section 302 of ERISA, whether or not waived, or to make a required contribution under section 412 or 430 of the Code to any Plan (other than a Multiemployer Plan) that would result in the imposition of an encumbrance.

**Representative** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

**Resignation Letter** means a letter substantially in the form set out in Schedule 8 (Form of Resignation Letter).

**Restricted Company** means:

(a) an Obligor; and

(b) a Material Company.

**Rollover Loan** means one or more Loans:

(a) made or to be made on the same day that a maturing Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the amount of the maturing Loan; and

(c) made or to be made to the same Borrower for the purpose of refinancing that maturing Loan.

**SA Obligor** means an Obligor that is incorporated in South Africa.

**SA Obligors' Agent** means the Company appointed to act on behalf of each SA Obligor in relation to the Finance Documents pursuant to Clause 2.4 (SA Obligors' Agent).
Screen Rate means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page LIBOR01 or LIBOR02 of the Thomson Reuters screen or any replacement Thomson Reuters page which displays that rate or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company and the Majority Lenders.

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Signature Date means the date of signature of this Agreement by the Party last signing it in time.

Specified Time means a day or time determined in accordance with Schedule 12 (Timetables).

Stillwater means Stillwater Mining Company (NYSE:SWC) incorporated in the state of Delaware, United States of America.

Stillwater Group means Stillwater and its Subsidiaries.

Subsidiary means a "subsidiary" as defined in the Companies Act and shall include any person who would, but for not being a "company" under the Companies Act, qualify as a "subsidiary" as defined in the Companies Act.

Substitute Affiliate Lender has the meaning given to it in Clause 25.11 (Lender Affiliates and Facility Office).

Substitute Affiliate Lender Designation Notice has the meaning given to it in paragraph (b) of Clause 25.11 (Lender Affiliates and Facility Office).

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Termination Date means, in relation to each Lender and subject to Clause 6.2 (Extension option), the third anniversary of the Signature Date.

Top Deck Completion Date means the date on which New TopCo becomes the Holding Company of Sibanye Gold.

Total Commitments means the aggregate of the Commitments, being US$600,000,000 at the Signature Date.

Transfer Certificate means a certificate substantially in the form set out in Schedule 4 (Form of Transfer Certificate) or any other form agreed between the Agent and the Company.

Transfer Date means, in relation to an assignment or a transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.
UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland.

Unpaid Sum means any sum due and payable but unpaid by an Obligor under the Finance Documents.

US or United States means the United States of America.

US Bankruptcy Law means the United States Bankruptcy Code of 1978 (Title 11 of the United States Code), as amended, or any other United States federal or state bankruptcy, insolvency or similar law.

US Borrower means a Borrower that is a US Person.

US Debtor means an Obligor that is incorporated or organised under the laws of the United States or any state of the United States (including the District of Columbia) or that has a place of business or property in the United States.

US GAAP means the generally accepted accounting principles in the United States.

US Guarantor means any Guarantor that is a US Debtor.

US Person has the meaning given to it in Clause 14.1 (Definitions).

US Qualifying Lender has the meaning given to it in Clause 14.1 (Definitions).

US Tax Obligor means:

(a) a Borrower which is resident for tax purposes in the US; or

(b) an Obligor some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

US Withholding Form means whichever of the following is relevant (including in each case any successor form):

(a) IRS Form W-8BEN or W-8BEN-E;

(b) IRS Form W-8IMY (with appropriate attachments);

(c) IRS Form W-8ECI;

(d) IRS Form W-8EXP;

(e) IRS Form W-9;

(f) in the case of a Lender relying on the so-called "portfolio interest exemption", an applicable IRS Form W-8 and a certificate to the effect that such Lender is not (i) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (ii) a "10 percent shareholder" of any relevant US Borrower (or any subsidiary of the Company that is a US Person) within the meaning of Section 881(c)(3)(B) of the Code, or (iii) a "controlled foreign corporation" with respect to any relevant US Borrower (or any subsidiary of the Company that is a US Person) described in Section 881(c)(3)(C) of the Code; or

(g) any other IRS form by which a person may claim complete exemption from, or reduction in the rate of, withholding (including backup withholding) of US federal income tax on interest and other payments to that person.
**Utilisation** means a utilisation of the Facility.

**Utilisation Date** means the date of a Utilisation, being the date on which a Loan is to be made.

**Utilisation Request** means a notice substantially in the form set out in Schedule 3 (Utilisation Request).

**VAT** means:

(a) any value added tax imposed in compliance with the Value added Tax Act, 1991;

(b) any general service tax; and

(c) any other tax of a similar nature.

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

(i) the Agent, any Arranger, any Finance Party, any Lender, any Obligor or any Party shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, all or any combination of its rights and obligations under the Finance Documents;

(ii) assets includes present and future properties, revenues and rights of every description;

(iii) a Finance Document or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(iv) fraudulent transfer law means any applicable United States bankruptcy and fraudulent transfer and conveyance statute of any state of the United States and any related case law;

(v) a group of Lenders includes all the Lenders;

(vi) indebtedness includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a person includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(viii) a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(ix) a provision of law is a reference to that provision as amended or re-enacted; and

(x) a time of day is a reference to London time.
(b) The determination of the extent to which a rate is **for a period equal in length** to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of any Finance Document.

(c) Section, Clause and Schedule headings are for ease of reference only.

(d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(e) A Default is **continuing** if it has not been remedied or waived.

(f) The term **including** shall be construed to mean "including but not limited to".

(g) Unless a contrary indication appears, any reference in any Finance Document to **Bank of America Merrill Lynch International Limited** is a reference to its successor in title Bank of America Merrill Lynch International Designated Activity Company (including, without limitation, its branches) pursuant to and with effect from the merger between Bank of America Merrill Lynch International Limited and Bank of America Merrill Lynch International Designated Activity Company that takes effect in accordance with Chapter II, Title II of Directive (EU) 2017/1132 (which repeals and codifies the Cross-Border Mergers Directive (2005/56/EC)), as implemented in the United Kingdom and Ireland. Notwithstanding anything to the contrary in any Finance Document, a transfer of rights and obligations from Bank of America Merrill Lynch International Limited to Bank of America Merrill Lynch International Designated Activity Company pursuant to such merger shall be permitted.

1.3 **Currency symbols and definitions**

(a) **S, US$ and dollars** denote the lawful currency of the United States.

(b) **ZAR** denotes the lawful currency of the Republic of South Africa.

1.4 **Third party rights**

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Agreement.

(b) Subject to Clause 36.3 (Other exceptions) but otherwise notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

2. **THE FACILITY**

2.1 **The Facility**

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a dollar revolving loan facility in an aggregate amount equal to the Total Commitments.

2.2 **Increase**

(a) The Company may, within 18 Months of the Signature Date, by giving prior written notice to the Agent, request the Commitments be increased in an aggregate amount of up to US$150,000,000 as follows:
the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an **Increase Lender**) selected by the Company (each of which shall not be a member of the Group) and each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;

(ii) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;

(iii) each Increase Lender shall become a Party as a "Lender" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;

(iv) the Commitments of the other Lenders shall continue in full force and effect; and

(v) any increase in the Commitments shall take effect on the date specified by the Company in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.

(b) An increase in the Commitments relating to the Facility will only be effective on:

(i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender;

(ii) the Company confirming in writing to the Agent that no Default is continuing or will occur as a result of the establishment or implementation of the increase in the Commitments; and

(iii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase, the Agent being satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender. The Agent shall promptly notify the Company and the Increase Lender upon being so satisfied.

(c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.

(d) Clause 25.5 (Limitation of responsibility of Existing Lenders) shall apply mutatis mutandis to this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:

(i) an Existing Lender were references to all the Lenders immediately prior to the relevant increase;

(ii) the New Lender were references to that Increase Lender; and
(iii) a re-transfer and re-assignment were references to respectively a transfer and assignment.

(e) If the Company has not delivered the notice contemplated in Clause 2.2(a) within 18 Months of the Signature Date, the Company shall no longer be entitled to increase the Commitment pursuant to this Clause 2.2 without the Agent's prior written consent.

2.3 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.4 SA Obligors' Agent

(a) Each SA Obligor (other than the Company) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower that is an SA Obligor, Utilisation Requests), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any SA Obligor notwithstanding that they may affect the SA Obligor, without further reference to or the consent of that SA Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to that SA Obligor pursuant to the Finance Documents to the Company,

and in each case the SA Obligor shall be bound as though the SA Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the SA Obligors' Agent or given to the SA Obligors' Agent under any Finance Document on behalf of another SA Obligor or in connection with any Finance Document (whether or not known to any other SA Obligor and
whether occurring before or after such other SA Obligor became an SA Obligor under any Finance Document) shall be binding for all purposes on that SA Obligor as if that SA Obligor had expressly made, given or concurred with it.

(c) The respective liabilities of each of the SA Obligors under the Finance Documents shall not be in any way affected by:
   (i) any actual or purported irregularity in any act done, or failure to act, by the SA Obligors' Agent;
   (ii) the SA Obligors' Agent acting (or purporting to act) in any respect outside any authority conferred upon it by any SA Obligor; or
   (iii) any actual or purported failure by, or inability of, the SA Obligors' Agent to inform any SA Obligor of receipt by it of any notification under the Finance Documents.

(d) In the event of any conflict between any notices or other communications of the SA Obligors' Agent and any other SA Obligor, those of the SA Obligors' Agent shall prevail.

3. PURPOSE

3.1 Purpose

Each Borrower shall apply all amounts borrowed by it under the Facility towards financing the Group's:

(a) ongoing capital expenditure;

(b) working capital; and

(c) general corporate expenditure requirements which may include the financing of future acquisition or business combinations (to the extent such transaction is permitted by the terms of this Agreement) and which, in respect of Sibanye Gold, includes refinancing its existing indebtedness.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

(a) No Borrower may deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part 1 of Schedule 2 (Conditions precedent) in form and substance satisfactory to the Agent. The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

(b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (Lenders' participation) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Loan, no Default is continuing or would result from the proposed Loan; and

(b) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Maximum number of Loans

A Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation 15 or more Loans would be outstanding.

5. UTILISATION

5.1 Delivery of a Utilisation Request

A Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day within an Availability Period;

(ii) the currency and amount of the Utilisation comply with Clause 5.3 (Currency and amount); and

(iii) the proposed Interest Period complies with Clause 11 (Interest Periods).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be dollars.

(b) The amount of the proposed Loan must be an amount which is not more than the Available Facility and which is a minimum of US$5,000,000 or, if less, the Available Facility.

5.4 Lenders’ participation

(a) If the conditions set out in this Agreement have been met and subject to Clause 6.1 (Repayment of Loans) each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office by no later than 2.30pm.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
The Agent shall notify each Lender of the amount of each Loan, the amount of its participation in that Loan and, if different, the amount of that participation to be made available in accordance with Clause 30.1 (Payments to the Agent), in each case by the Specified Time.

5.5 Cancellation of Commitment

The Commitment of each Lender which, at that time, is unutilised shall be immediately cancelled at the end of its Availability Period.

6. REPAYMENT AND EXTENTION OPTION

6.1 Repayment of Loans

(a) Each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.

(b) Without prejudice to each Borrower's obligation under paragraph (a) above, if:

(i) one or more Loans are to be made available to a Borrower:

(A) on the same day that a maturing Loan is due to be repaid by that Borrower; and

(B) in whole or in part for the purpose of refinancing the maturing Loan; and

(ii) the proportion borne by each Lender's participation in the maturing Loan to the amount of that maturing Loan is the same as the proportion borne by that Lender's participation in the new Loans to the aggregate amount of those new Loans,

the aggregate amount of the new Loans shall, unless the Company notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Loan so that:

(A) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:

I. the relevant Borrower will only be required to make a payment under Clause 30.1 (Payments to the Agent) in an amount in the relevant currency equal to that excess; and

II. each Lender's participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan and that Lender will not be required to make a payment under Clause 30.1 (Payments to the Agent) in respect of its participation in the new Loans; and

(B) if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:

I. the relevant Borrower will not be required to make a payment under Clause 30.1 (Payments to the Agent); and

II. each Lender will be required to make a payment under Clause 30.1 (Payments to the Agent) in respect of its participation in the new
Loans only to the extent that its participation in the new Loans exceeds that Lender's participation in the maturing Loan and the remainder of that Lender's participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan.

6.2 Extension option

(a) The Company may, by notice to the Agent (the Initial Extension Request) not more than 90 days and not less than 30 days before the first anniversary of the Signature Date (the First Anniversary), request that the Termination Date of each Lender be extended for a further period of one year.

(b) The Company may, by notice to the Agent (the Second Extension Request) not more than 90 days and not less than 30 days before the second anniversary of the Signature Date (the Second Anniversary), request that the Termination Date:

(i) with respect to Lenders who have agreed to the Initial Extension Request, be extended for a further period of one year; and/or

(ii) if no Initial Extension Request has been made, or with respect to Lenders who refused the Initial Extension Request, be extended for a period of one year or two years, as selected by the Company in the notice to the Agent.

(c) The Agent shall promptly notify the Lenders of any Initial Extension Request or Second Extension Request (an Extension Request).

(d) Each Lender may, in its sole discretion, accept or decline any Extension Request. Each Lender that wishes to accept an Extension Request shall deliver a duly completed Extension Confirmation to the Agent and the Company by the date falling 15 days before the relevant anniversary of the Signature Date confirming that it will extend its Commitment for a further period of one year or two years, as applicable, from its then current Termination Date and, subject to paragraph (g) below, the Termination Date with respect to the Commitment of that Lender will be extended accordingly.

(e) If any Lender fails to deliver an Extension Confirmation in respect of an Extension Request in accordance with paragraph (d) above on or before the date falling 15 days before the relevant anniversary of the Signature Date, it will be deemed to have refused that Extension Request and its Commitment will not be extended.

(f) Subject to paragraph (g) below, each Extension Request is irrevocable.

(g) The Company may, on the basis that one or more of the Lenders have not agreed to the Extension Request and no later than the date falling five days before the relevant anniversary of the Signature Date, withdraw the request by notice to the Agent which will promptly notify the Lenders.

7. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

7.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:
(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Company, the Available Commitment of that Lender will be immediately cancelled; and

(c) to the extent that the relevant Lender's participation has not been transferred in full pursuant to Clause 36.7 (Replacement of Lender), each Borrower shall repay that Lender's participation in the Loans made to that Borrower on the last day of the Interest Period for each Loan occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be cancelled in the amount of the participations repaid.

7.2 Voluntary cancellation

The Company may, if it gives the Agent not less than five Business Days' prior notice, cancel the whole or any part (being a minimum amount of US$5,000,000,000 and in integral multiples of US$1,000,000) of the Available Facility. Any cancellation under this Clause 7.2 shall reduce the Commitments of the Lenders rateably under the Facility.

7.3 Voluntary prepayment of Utilisations

A Borrower to which a Utilisation has been made may, if it or the Company gives the Agent not less than five Business Days' prior notice, prepay the whole or any part of a Utilisation (but if in part, being an amount that reduces the amount of the Utilisation by a minimum amount of US$5,000,000,000 and in integral multiples of US$1,000,000).

7.4 Right of cancellation and repayment in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 14.2 (Tax gross-up); or

(ii) any Lender claims indemnification from the Company or an Obligor under Clause 14.3 (Tax indemnity) or Clause 15.1 (Increased costs),

the Company may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment(s) of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations.

(b) On receipt of a notice referred to in Clause 7.4(a) above in relation to a Lender, the Commitment(s) of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Company has given notice under Clause 7.4(a) in relation to a Lender (or, if earlier, the date specified by the Company in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.
8. MANDATORY PREPAYMENT AND CANCELLATION

8.1 Change of control

(a) If any person (other than New TopCo pursuant to the implementation of Project Top Deck) or group of persons acting in concert gains direct or indirect control of the Company then the procedure referred to in Clause 8.4 (General procedure in respect of specified prepayment events) shall be followed.

(b) For the purpose of paragraph (a) above control means in relation to the Company:

(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(A) cast, or control the casting of, more than:

I. if the shares are not listed, 50% (fifty percent); or

II. for so long as the shares are listed, unless another person or group of persons acting in concert has the power to cast or control the power of casting a higher percentage of such votes, 35% (thirty-five percent),

of the maximum number of votes that might be cast at a general meeting of the Company; or

(B) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or

(ii) the holding beneficially and legally, directly or indirectly, of more than 50% (fifty percent) of the issued ordinary share capital of the Company; and;

(c) For the purpose of paragraph (a) above acting in concert means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Company by any of them, either directly or indirectly, to obtain or consolidate control of the Company.

8.2 Non-Obligor Restricted Companies

(a) Cross Default

If:

(i) any Financial Indebtedness of a Non-Obligor Restricted Company is not paid when due, or where there is an applicable grace period, within the originally applicable grace period;

(ii) any Financial Indebtedness of a Non-Obligor Restricted Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);

(iii) any commitment for any Financial Indebtedness of a Non-Obligor Restricted Company is cancelled or suspended by a creditor of such Non-Obligor Restricted Company as a result of an event of default (however described); or
(iv) any creditor of Non-Obligor Restricted Company becomes entitled to declare any Financial Indebtedness of that Non-Obligor Restricted Company due and payable prior to its specified maturity as a result of an event of default (however described),

and the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness arising pursuant to paragraphs (i) to (iv) above exceeds an amount of US$15,000,000 (or its equivalent in any other currency or currencies) then the Company shall comply with Clause 8.4 (General procedure in respect of specified prepayment events).

(b) Insolvency

If:

(i) any Non-Obligor Restricted Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

(ii) the board of directors of a Non-Obligor Restricted Company adopts a resolution declaring that relevant Non-Obligor Restricted Company to be Financially Distressed (as defined in the Companies Act) or the board of that Non-Obligor Restricted Company has not timeously delivered the written notice required in terms of section 129(7) of the Companies Act; or

(iii) a moratorium is declared or takes effect in respect of any indebtedness of any Non-Obligor Restricted Company,

then the Company shall comply with the provisions of Clause 8.4 (General procedure in respect of specified prepayment events).

(c) Insolvency Proceedings

If:

(i) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(A) the suspension of payments, the commencement of business rescue proceedings (whether by any Non-Obligor Restricted Company or by any other person under section 129 of the Companies Act or pursuant to an application by an “affected person” under section 131 of the Companies Act or by the court during any other proceedings in respect of any member of the Group), a moratorium of any Financial Indebtedness, liquidation, winding-up, dissolution, administration, judicial management, or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Non-Obligor Restricted Company;

(B) a composition, compromise, assignment or arrangement with any creditor of any Non-Obligor Restricted Company;

(C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, judicial manager, business rescue practitioner or other similar officer in respect of any Non-Obligor Restricted Company;
(D) enforcement of any Encumbrance over any assets of any Non-Obligor Restricted Company; or

(E) any analogous procedure or step is taken in any jurisdiction,

and in each case such procedure or proceedings are not contested in good faith nor discharged within 30 (thirty) days (or such shorter period provided for contesting such procedure or proceedings under the laws of the relevant jurisdiction); or

(ii) a resolution is passed by the board of directors of a Non-Obligor Restricted Company, application is made or an order is applied for or granted, to authorise the entry into or implementation of any business rescue proceedings (or any similar proceedings) in respect of any Non-Obligor Restricted Company or any analogous procedure or step is taken in any jurisdiction,

then the Company shall comply with the provisions of Clause 8.4 (General procedure in respect of specified prepayment events).

(d) Creditors' Process

If the operation of an attachment, sequestration, distress or execution that affects a material part of the assets or revenues of a Non-Obligor Restricted Company arises and is not discharged within 21 days of such event occurring, then the Company shall comply with the provisions of Clause 8.4 (General procedure in respect of specified prepayment events).

8.3 Guarantor Threshold Test

If:

(a) the Guarantor Threshold Test is not met on any date upon which it is tested in accordance with Clause 23.20 (Guarantors);

(b) at such time all EBITDA contributing wholly owned Subsidiaries of the Company are or have become Guarantors; and

(c) the Company has failed, after using all reasonable endeavours, to procure that such number of non-wholly owned Subsidiaries as is required to meet the Guarantor Threshold Test have acceded to this Agreement as Additional Guarantors in accordance with the procedure set out in Clause 26.4 (Additional Guarantors) within 30 days of the Compliance Certificate showing that the Guarantor Threshold Test has not been met,

then the Company shall comply with the provisions of Clause 8.4 (General procedure in respect of specified prepayment events).

8.4 General procedure in respect of specified prepayment events

If any of the events specified in Clause 8.1 (Change of control), Clause 8.2 (Non-Obligor Restricted Companies) or Clause 8.3 (Guarantor Threshold Test) occurs, then:

(a) the Company shall promptly notify the Agent upon becoming aware of that event;

(b) the Company shall enter into negotiations with the Lenders for a period of not more than 60 days from the date of the notice referred to in paragraph (a) above, with a view to agreeing
terms and conditions acceptable to the Company and all of the Lenders for the continuation of the Facility;

(c) during the negotiation period referred to in paragraph (b) above, a Lender shall not be obliged to fund a Utilisation (except for a Rollover Loan); and

(d) if an agreement is not reached during the negotiation period referred to in paragraph (b) above, and if a Lender so requires and notifies the Agent after the negotiation period referred to in paragraph (b) above has ended, the Agent shall, by not less than 30 days' notice to the Company, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents in respect of that Lender due and payable, in which case the Commitment of that Lender will be cancelled and that Lender's participation in all such outstanding Loans together with accrued interest and all other amounts accrued under the Finance Documents will become due and payable on the date set out in the relevant notice.

8.5 Sanctions

(a) If:

(i) an Event of Default pursuant to Clause 24.4 (Misrepresentation) occurs in respect of the representations contained in Clause 20.17 (Anti-corruption law and sanctions); or

(ii) a breach of the undertakings contained in Clause 23.6 (Anti-corruption law and sanctions) occurs,

each Obligor shall notify the Agent promptly upon becoming aware of that event (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) If any event contemplated by paragraph (a) occurs, the following shall apply:

(i) upon the Agent receiving a notice from an Obligor under paragraph (a) or a similar notice from any Finance Party, it shall notify the Lenders as soon as reasonably practicable;

(ii) a Lender shall not be obliged to fund any Utilisation; and

(iii) if a Lender so requires and notifies the Agent, the Agent shall, by not less than ten days' notice to the Company, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents in respect of that Lender due and payable, in which case the Commitment of that Lender will be cancelled and that Lender's participation in all such outstanding Loans together with accrued interest and all other amounts accrued under the Finance Documents will become due and payable on the date set out in the relevant notice.

9. RESTRICTIONS

9.1 Notices of cancellation or prepayment

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 7 (Illegality, Voluntary Prepayment and Cancellation) or Clause 8 (Mandatory Prepayment and Cancellation) shall (subject to the terms of those Clauses) be irrevocable and, unless a contrary
indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

9.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

9.3 Reborrowing of the Facility

Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement, other than in circumstances where the prepayment or repayment has been made pursuant to Clause 8 (Mandatory Prepayment and Cancellation), in which event the Commitments shall be reduced by the amount prepaid or repaid.

9.4 Prepayment in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

9.5 No reinstatement of Commitments

Subject to Clause 2.2 (Increase), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

9.6 Agent's receipt of notices

If the Agent receives a notice under Clause 7 (Illegality, Voluntary Prepayment and Cancellation) or Clause 8 (Mandatory Prepayment and Cancellation), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

9.7 Application of prepayments

Any prepayment of a Utilisation under Clause 7.3 (Voluntary prepayment of Utilisations) shall be applied pro rata to each Lender's participation in that Utilisation.

10. INTEREST

10.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin; and

(b) LIBOR.

10.2 Payment of interest

(a) The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six monthly intervals after the first day of the Interest Period).
(b) If the annual financial statements and related Compliance Certificate received by the Agent show that a higher Margin should have applied during a certain period, then the Company shall (or shall ensure the relevant Borrower shall) promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period.

10.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below is 2% per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2% per annum higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of rates of interest

(a) The Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

(b) The Agent shall promptly notify the relevant Borrower of each Funding Rate relating to a Loan.

11. INTEREST PERIODS

11.1 Selection of Interest Periods

(a) A Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan.

(b) Subject to this Clause 11, a Borrower (or the Company) may select an Interest Period of one, three or six Months or any other period agreed between the Company, the Agent and all the Lenders.

(c) An Interest Period for a Loan shall not extend beyond a Termination Date.

(d) Each Interest Period for a Loan shall start on the Utilisation Date.
A Loan has one Interest Period only.

11.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

12. CHANGES TO THE CALCULATION OF INTEREST

12.1 Unavailability of Screen Rate

(a) Interpolated Screen Rate

If no Screen Rate is available for LIBOR for the Interest Period of a Loan, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan.

(b) Shortened Interest Period

If no Screen Rate is available for LIBOR for:

(i) dollars; or

(ii) the Interest Period of a Loan and it is not possible to calculate the Interpolated Screen Rate,

the Interest Period of that Loan shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable LIBOR for that shortened Interest Period shall be determined pursuant to the definition of LIBOR.

(c) Shortened Interest Period and Historic Screen Rate

If the Interest Period of a Loan is, after giving effect to paragraph (b) above, either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no Screen Rate is available for LIBOR for:

(i) dollars; or

(ii) the Interest Period of that Loan and it is not possible to calculate the Interpolated Screen Rate,

the applicable LIBOR shall be the Historic Screen Rate for that Loan.

(d) Shortened Interest Period and Interpolated Historic Screen Rate

If paragraph (c) above applies but no Historic Screen Rate is available for the Interest Period of the Loan, the applicable LIBOR shall be the Interpolated Historic Screen Rate for a period equal in length to the Interest Period of that Loan.

(e) Cost of funds

If paragraph (d) above applies but it is not possible to calculate the Interpolated Historic Screen Rate, the Interest Period of that Loan shall, if it has been shortened pursuant to paragraph (b)
above, revert to its previous length and there shall be no LIBOR for that Loan and Clause 12.3 (Cost of funds) shall apply to that Loan for that Interest Period.

12.2 Market disruption

If before close of business in London on the Quotation Day for the relevant Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35% of that Loan) that the cost to it of funding its participation in that Loan from the wholesale market for dollars would be in excess of LIBOR then Clause 12.3 (Cost of funds) shall apply to that Loan for the relevant Interest Period.

12.3 Cost of funds

(a) If this Clause 12.3 applies, the rate of interest on each Lender's share of the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling two Business Days after the Quotation Day (or, if earlier, on the date falling five Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.

(b) If this Clause 12.3 applies and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

(c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

12.4 Break Costs

(a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

13. FEES

13.1 Commitment fee

(a) The Company shall pay, or shall procure that an Obligor shall pay to the Agent (for the account of each Lender) a fee computed at the rate per annum which is equal to 35% of, subject to paragraph (d) below, the applicable Margin on that Lender's Available Commitment for its Availability Period.

(b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during an Availability Period, on the last day of an Availability Period and,
if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day which that Lender is a Defaulting Lender.

(d) If the Margin is due to change following the receipt by the Agent of a Compliance Certificate, the commitment fee rate will change on the Business Day following the receipt by the Agent of the Compliance Certificate.

(e) If the annual financial statements and related Compliance Certificate received by the Agent show that a higher Margin should have applied during a certain period to determine the commitment fee under this Clause, then the Company shall (or shall procure that the relevant Obligor shall) promptly pay to the Agent any amounts necessary to put the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period.

### 13.2 Arrangement fee

The Company shall pay to the Agent (for the account of the Co-ordinators) an arrangement fee in the amount and at the times agreed in a Fee Letter.

### 13.3 Participation fee

The Company shall pay to the Agent (for the account of each Lender) a participation fee in the amount and at the times agreed in a Fee Letter.

### 13.4 Agency fee

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

### 13.5 Utilisation Fee

(a) Where the total outstanding Loans under the Facility fall within the range of the percentage of the Total Commitments set out in the left column below, the Company shall, or the Company shall procure that an Obligor shall pay to the Agent (for the account of each Lenders) a utilisation fee computed at a rate equal to the percentage per annum set out opposite such percentage range in the right column of the table below on the total outstanding Loans from time to time:

<table>
<thead>
<tr>
<th>% of the Total Commitments</th>
<th>Utilisation Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than or equal to 33⅓%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Greater than 33⅓% and less than or equal to 66⅔%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Greater than 66⅔%</td>
<td>0.50%</td>
</tr>
</tbody>
</table>
(b) The utilisation fee referred to in paragraph (a) above shall be calculated on a day-to-day basis and shall be payable on the last day of each successive period of three Months commencing on the date occurring three Months after the Signature Date and a Termination Date and thereafter shall be paid by the Agent to the Lenders pro rata to each Lender's participation in the outstanding Loans from time to time.

14. TAX GROSS UP AND INDEMNITIES

14.1 Definitions

(a) In this Agreement:


 Protected Party means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

Qualifying Lender means a Lender which is beneficially entitled to interest as defined in section 24J(1) of the Income Tax Act) payable to that Lender in respect of an advance under a Finance Document and is:

(i) a Lender which is tax resident in South Africa;

(ii) a Lender which is not tax resident in South Africa if:

(A) such advance in respect of which that interest is paid is effectively connected with or attributable to a permanent establishment of that Lender in South Africa;

(B) that Lender is registered as a taxpayer in terms of Chapter 3 of the Tax Administration Act, 2011 of South Africa; and

(C) that Lender has by the due date for payment of that interest submitted to the Borrower a declaration (a Tax Declaration) in such form as may be prescribed by the Commissioner for the South African Revenue Service pursuant to section 50E(2) of the Income Tax Act that that Lender is, in terms of section 50D(3) of the Income Tax Act, exempt from the withholding tax on interest in respect of that payment; or

(iii) a Treaty Lender.

Tax Credit means a credit against, relief or remission for, or repayment of any Tax.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

Tax Payment means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (Tax gross-up) or a payment under Clause 14.3 (Tax indemnity).

Treaty Lender means a Lender which:

(i) is treated as a resident of a Treaty State for the purposes of a Treaty;

(ii) does not carry on a business in South Africa through a permanent establishment with which that Lender's participation in the Loan is effectively connected; and
otherwise qualifies under the terms of a Treaty for full exemption from tax imposed by South Africa on interest.

**Treaty State** means a jurisdiction having a double taxation agreement (a **Treaty**) with South Africa which makes provision for full exemption from Tax imposed by South Africa on interest.

**US Person** means a "United States person" as defined in Section 7701(a)(30) of the Code and includes an entity that is disregarded as separate from a United States person (as defined in such section) for US federal income tax purposes.

**US Qualifying Lender** means a Lender which is:

(i) a US Person;

(ii) a US Treaty Lender; or

(iii) otherwise entitled to receive all payments under the Finance Documents without deduction or withholding of any US federal withholding Taxes (excluding any Taxes imposed under FATCA) if such payments were made by a US Tax Obligor.

**US Treaty Lender** means a Lender which:

(i) is treated as a resident (for purposes of the applicable Treaty) in a jurisdiction having a double taxation Treaty with the United States which makes provisions for full exemption from US federal withholding Taxes on payments under the Finance Documents;

(ii) does not carry on a business in the United States through a permanent establishment with which that Lender's participation in the Loan is effectively connected; and

(iii) fulfils any conditions which must be fulfilled under the treaty for residents of such jurisdiction to obtain full exemption from US federal withholding Taxes on payments to that Lender under a Finance Document if such payments were made by a US Tax Obligor.

(b) Unless a contrary indication appears, in this Clause 14 a reference to **determines** or **determined** means a determination made in the absolute discretion of the person making the determination.

14.2 **Tax gross-up**

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
(d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by South Africa, if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or

(ii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (ii) of the definition of Qualifying Lender and the relevant Lender has not given a Tax Declaration to the Borrower by the due date for the relevant interest payment; or

(iii) the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) below.

(e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(f) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(g) A Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.

(h) A payment shall not be increased under paragraph (c) above by reason of a Tax imposed by the United States if, on the date the payment falls due:

(i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a US Qualifying Lender, but on that date that Lender is not or has ceased to be a US Qualifying Lender other than as a result of any change after the date on which it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or treaty or any published practice or published concession of any relevant taxing authority binding on such Lender; or

(ii) that Lender has not complied with its obligations under paragraph (d) of Clause 14.5 (Lender status confirmation).

14.3 Tax indemnity

(a) The Company shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:
with respect to any Tax assessed on a Finance Party under the law of the jurisdiction in which

(A) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that
Finance Party is treated as resident for tax purposes; or

(B) that Finance Party's Facility Office is located in respect of amounts received or receivable in that
jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any
sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 14.2 (Tax gross-up);

(B) would have been compensated for by an increased payment under Clause 14.2 (Tax gross-up) but
was not so compensated solely because one of the exclusions in paragraph (d) of Clause 14.2 (Tax
gross-up) applied; or

(C) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Agent
of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 Tax Credit

(a) If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(i) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax
Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(ii) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that
payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made
by the Obligor.

(b) Each Finance Party and each of its Affiliates have sole and absolute discretion as to how they organise their respective
Tax affairs and none of them are under any obligation to utilise any amount of the Tax Payment as a Tax Credit.

(c) Each Finance Party and each of its Affiliates have no obligations to disclose any information whatsoever regarding
their tax affairs to any other Party.
14.5 Lender status confirmation

(a) Each Lender which becomes a Party to this Agreement after the Signature Date shall indicate, in the Transfer Certificate, Assignment Agreement or Substitute Affiliate Lender Designation Notice which it executes on becoming a Party, and for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

(i) not a Qualifying Lender;

(ii) a Qualifying Lender (other than a Treaty Lender); or

(iii) a Treaty Lender.

(b) If a New Lender, Replacement Lender or Substitute Affiliate Lender fails to indicate its status in accordance with this Clause 14.5 then such New Lender, Replacement Lender or Substitute Affiliate Lender (as the case may be) shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Company). For the avoidance of doubt, a Transfer Certificate, Assignment Agreement or Substitute Affiliate Lender Designation Notice shall not be invalidated by any failure of a Lender to comply with this Clause 14.5.

(c) Each Lender represents that it is a US Qualifying Lender and agrees that, in the event that it ceases to be a US Qualifying Lender, it shall promptly notify the Company and the Agent.

(d) Each Lender (or assignee or transferee) shall deliver to the Company and the Agent two copies of US Withholding Forms which are properly completed and duly executed by such Lender and claiming complete exemption from the US federal withholding Tax that would apply to payments of interest under this Agreement and any other Finance Document if such payments of interest were treated for US federal income Tax purposes as US source interest. Such forms shall be delivered by each Lender on or before the date it becomes a party to this Agreement. In addition, each Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Lender. Each Lender shall promptly notify the Company and the Agent at any time it determines that it is no longer legally able to provide any previously delivered form to the Company or the Agent (or any other form of certification adopted by the US taxing authorities for such purpose). Notwithstanding any other provision of this paragraph (d), a Lender shall not be required to deliver any form pursuant to this paragraph (d) that such Lender is not legally able to deliver.

14.6 Stamp taxes

The Company shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

14.7 VAT

(a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in
addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

(b) If VAT is or becomes chargeable on any supply made by any Finance Party (the Supplier) to any other Finance Party (the Recipient) under a Finance Document, and any Party other than the Recipient (the Relevant Party) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(d) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

14.8 FATCA Information

(a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

(e) If a Borrower is a US Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:

(i) where an Original Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the Signature Date;

(ii) where a Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender, the relevant Transfer Date;

(iii) the date a new US Tax Obligor accedes as a Borrower; or

(iv) where a Borrower is not a US Tax Obligor, the date of a request from the Agent,

supply to the Agent:

(A) a withholding certificate on the applicable US Withholding Tax Form; or

(B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.

(f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the relevant Borrower.

(g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated
withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the relevant Borrower.

(h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.

14.9 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

15. INCREASED COSTS

15.1 Increased costs

(a) Subject to Clause 15.3 (Exceptions) the Company shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the Signature Date or (iii) the implementation or application or compliance with Basel III or CRD IV or any other law or regulation which implements Basel III or CRD IV (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

(b) In this Agreement Increased Costs means:

(i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

15.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 15.1 (Increased costs) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

(c) Each Finance Party providing a certificate in terms of paragraph (b) above, is not required to disclose any information it deems to be confidential or commercially sensitive.

15.3 Exceptions

(a) Clause 15.1 (Increased costs) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) attributable to a FATCA Deduction required to be made by a Party;

(iii) compensated for by Clause 14.3 (Tax indemnity) (or would have been compensated for under Clause 14.3 (Tax indemnity) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (Tax indemnity) applied);

(iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(v) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the Signature Date (but excluding any Increased Costs arising out of Basel III or CRD IV or any other law or regulation which implements Basel III or CRD IV (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates)).

(b) In this Clause 15.3, a reference to:

(i) a Tax Deduction has the same meaning given to that term in Clause 14.1 (Definitions);

(ii) Basel III means:

(A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

(iii) CRD IV means:
16. OTHER INDEMNITIES

16.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a Sum), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the First Currency) in which that Sum is payable into another currency (the Second Currency) for the purpose of:

(i) making or filing a claim or proof against that Obligor;
(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

(a) The Company shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

(i) the occurrence of any Event of Default;
(ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 29 (Sharing Among the Finance Parties);
(iii) funding, or making arrangements to fund, its participation in a Loan requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
(iv) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

(b) The Company shall promptly indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate, against any cost, loss or
liability incurred by that Finance Party or its Affiliate (or officer or employee of that Finance Party or Affiliate) in connection with or arising out of the use of the proceeds of the Facility (or portion thereof) for funding an acquisition (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning an acquisition), unless such loss or liability is caused by the gross negligence or willful misconduct of that Finance Party or its Affiliate (or employee or officer of that Finance Party or Affiliate). Any Affiliate or any officer or employee of a Finance Party or its Affiliate may rely on this paragraph (b) of Clause 16.2 subject to Clause 1.4 (Third party rights) and the provisions of the Third Parties Act.

16.3 Indemnity to the Agent

The Company shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default;
(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
(c) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.

17. MITIGATION BY THE LENDERS

17.1 Mitigation

(a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in the Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (Illegality), Clause 14 (Tax Gross Up and Indemnities) or Clause 15 (Increased Costs) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

17.2 Limitation of liability

(a) The Company shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (Mitigation).

(b) A Finance Party is not obliged to take any steps under Clause 17.1 (Mitigation) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. COSTS AND EXPENSES

18.1 Transaction expenses

The Company shall promptly on demand pay any Finance Party the amount of all costs and expenses (including legal fees subject to any agreed cap) reasonably incurred by such Finance Party in connection with the negotiation, preparation, printing, execution and syndication of:
(a) this Agreement and any other documents referred to in this Agreement; and

(b) any other Finance Documents executed after the Signature Date.

18.2 Amendment costs

If:

(a) an Obligor requests an amendment, waiver or consent in respect of a Finance Document or any document referred to in this Agreement; or

(b) an amendment is required pursuant to Clause 30.10 (Change of currency),

the Company shall, within three Business Days of demand, reimburse the Agent for the amount of all costs and expenses (including legal fees, subject to any agreed cap) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 Enforcement costs

The Company shall, within three Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

19. GUARANTEE AND INDEMNITY

19.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 19 if the amount claimed had been recoverable on the basis of a guarantee.

19.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.
19.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 19 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.4 Waiver of defences

The obligations of each Guarantor under this Clause 19 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 19 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

19.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 19. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and
enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 19.

19.7 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 19:

(a) to be indemnified by an Obligor;

(b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 19.1 (Guarantee and indemnity);

(e) to exercise any right of set-off against any Obligor; and/or

(f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 30 (Payment Mechanics).

19.8 Release of Guarantors' right of contribution

If any Guarantor (a Retiring Guarantor) ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

(a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and

(b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.
19.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

19.10 US Guarantors

Terms used in this Clause 19.10 are to be construed in accordance with any applicable fraudulent transfer laws:

(a) Each US Guarantor acknowledges that it will receive valuable direct or indirect benefits as a result of the transactions financed by the Finance Documents.

(b) Each Finance Party agrees that each US Guarantor's liability under this Clause 19 is limited so that no obligation of, or transfer by, any US Guarantor under this Clause 19 is subject to avoidance and turnover under any fraudulent transfer law.

(c) Each US Guarantor represents and warrants to each Finance Party that:

(i) the aggregate amount of its debts (including its obligations under the Finance Documents) is less than the aggregate value (being the lesser of fair valuation and present fair saleable value) of its assets;

(ii) its capital is not unreasonably small to carry on its business as it is being conducted;

(iii) it has not incurred and does not intend to incur debts beyond its ability to pay as they mature; and

(iv) it has not made a transfer or incurred any obligation under any Finance Document with the intent to hinder, delay or defraud any of its present or future creditors.

(d) Each representation and warranty in this Clause 19.10:

(i) is made by each US Guarantor on the Effective Amendment Date.

(ii) is deemed to be repeated by:

(A) each Additional Guarantor on the date that Additional Guarantor becomes a US Guarantor; and

(B) each US Guarantor on the date of each Utilisation Request and the first day of each Interest Period; and

(iii) is, when repeated, applied to the circumstances existing at the time of repetition.

19.11 US guarantee limitations

Notwithstanding any other term or provision of this Agreement or any other Finance Document, with respect to an Obligor:

(a) no member of the Group that is (i) a "controlled foreign corporation" (as defined in Section 957(a) of the Code) (a CFC), (ii) an entity substantially all the assets of which consist of either (A) equity interests of one or more CFCs or (B) equity and debt interests of one or more CFCs (a FSHCO), (iii) a subsidiary of a CFC or FSHCO, or (iv) a disregarded entity, any assets of
which consist of voting stock of an indirect subsidiary that is a CFC (a DRE), will have any obligation or liability, directly or indirectly, as Guarantor or otherwise under this Agreement or any Finance Document with respect to any obligation or liability arising under any Finance Document of an Obligor (an Obligation);

(b) none of the assets or property of a CFC, FSHCO or subsidiary of a CFC or a FSHCO (including any CFC or FSHCO equity interests held directly or indirectly by a CFC or FSHCO) will be required to be used directly or indirectly as security for any Obligation; and

(c) not more than sixty-five per cent. (65%) of the stock or other equity interests (measured by the total combined voting power of the issued and outstanding voting stock or other equity interests) of a person that is a direct CFC, FSHCO or DRE will be required to be pledged directly or indirectly as security for any Obligation.

20. REPRESENTATIONS

Each Obligor makes the representations and warranties in respect of itself and, where expressly provided, each Restricted Company or Subsidiary (as the case may be), set out in this Clause 20 to each Finance Party on the Signature Date.

20.1 Status

(a) Each Restricted Company is a limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

(b) Each Restricted Company has the power to own its assets and carry on its business as it is being conducted.

20.2 Binding obligations

The obligations expressed to be assumed by each Obligor in each Finance Document to which it is a party are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

20.3 Non-conflict with other obligations

The entry into and performance by each Obligor of, and the transactions contemplated by, the Finance Documents to which it is a party do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any material agreement or instrument binding upon it or any of its assets.

20.4 Power and authority

Each Obligor has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

20.5 Validity and admissibility in evidence

All Authorisations required:
(a) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

(b) for the validity or enforceability of any Finance Document to which each Obligor is a party or to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect including, without limitation, any authorisation required from the South African Reserve Bank.

20.6 Governing law and enforcement

(a) Subject to the Legal Reservations, the choice of law specified as the governing law of the Finance Documents to which each Obligor is a party will be recognised and enforced in its jurisdiction of incorporation.

(b) Subject to the Legal Reservations, any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its jurisdiction of incorporation.

20.7 Insolvency

(a) No Restricted Company has taken any corporate action, nor have any legal proceedings or creditors' process been started or (to the best of its knowledge and belief) threatened in writing against it, for its winding-up, dissolution or business rescue, or for the appointment of a liquidator, business rescue practitioner or similar officer of it or of its assets.

(b) No Restricted Company is "financially distressed" (as defined in the Companies Act), to the extent that Applicable Inter-company Loans are excluded from the calculation of the fair value of such Restricted Company's liabilities.

20.8 No filing or stamp taxes

Except to the extent set out in any legal opinion provided pursuant to the Finance Documents, under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents to which it is a party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

20.9 No deduction of Tax

As at the Signature Date, it is not required to make any deduction for or on account of tax from any payment it may make under any Finance Document to which it is a party, other than the withholding tax on interest income required to be withheld from interest income payable by South African tax residents to non-Qualifying Lenders.

20.10 No Default

(a) As at the Signature Date and the first Utilisation Date, no Default is continuing or might reasonably be expected to result from the entry into of, or the performance of any transaction contemplated by, the Finance Documents nor from its making use of any Utilisation.
(b) As at any date falling after the first Utilisation Date, no Event of Default is continuing or might reasonably be expected to result from the entry into of, or the performance of any transaction contemplated by, the Finance Documents nor from it making use of any Utilisation.

(c) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which could reasonably be expected to have a Material Adverse Effect.

20.11 No misleading information

(a) Any information contained in the Information Package was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.

(b) Any financial projections contained in the Information Package have been prepared on the basis of recent historical information and is believed in good faith to be based on reasonable assumptions.

(c) The Information Package does not omit as at its date any information which, if disclosed, would reasonably be expected to materially and adversely affect the decision of the Lenders in considering whether or not to provide finance to the Borrowers under this Agreement.

(d) Nothing has occurred since the date of the Information Package which, if disclosed, would reasonably be expected to materially and adversely affect the decision of the Lenders in considering whether or not to provide finance to the Borrowers under this Agreement.

20.12 Financial statements

(a) In relation to the Company, its latest audited annual financial statements were prepared in accordance with IFRS and fairly represent the Group’s financial condition and operations during the relevant financial period (on a consolidated basis, where applicable).

(b) In relation to any Obligor other than the Company or, if applicable, any US Debtor, its latest audited annual financial statements were prepared in accordance with IFRS and fairly represent its financial condition and operations during the relevant financial period (on a consolidated basis, where applicable).

(c) In relation to any US Debtor, if applicable, its latest audited annual financial statements were prepared in accordance with US GAAP or IFRS and fairly represent its financial condition and operations during the relevant financial period (on a consolidated basis, where applicable).

20.13 No proceedings pending or threatened

Other than as disclosed in its Financial Statements most recently delivered to the Agent and other than as disclosed to the Finance Parties, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started or (to the best of its knowledge and belief, after due enquiry) threatened in writing against it which are reasonably expected to have a Material Adverse Effect.

20.14 No breach of laws

(a) No Restricted Company is, nor is it likely to be as a result of entering into and performing its obligations under the Finance Documents to which it is a party, in violation of any law or in breach of or in default under any agreement to which it is a party or which is binding on it or
any of its assets to an extent or in a manner which would be reasonably expected to have a Material Adverse Effect.

(b) No Restricted Company has breached any law or regulation (including environmental laws) which breach has or would be reasonably expected to have a Material Adverse Effect.

20.15 Environmental laws

(a) Each Restricted Company is in compliance with the undertakings given in Clause 23.3 (Environmental compliance) and Clause 23.5 (Environmental information and undertakings) regarding environmental compliance and claims, save to the extent that such non-compliance would not be reasonably expected to have a Material Adverse Effect and (to the best of its knowledge and belief) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or would be reasonably expected to have a Material Adverse Effect.

(b) Each Restricted Company has adopted and complies with an environmental policy which requires monitoring of and all applicable environmental laws and permits applicable to it from time to time unless non-compliance with such policy would not be reasonably expected to cause a Material Adverse Effect.

(c) No environmental claim has commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened in writing against any member of the Group where that claim has or would reasonably be expected if adversely determined to have a Material Adverse Effect.

20.16 Taxation

(a) Each Restricted Company has duly and punctually paid and discharged all taxes imposed upon it or its assets within the time period allowed without incurring penalties, except to the extent that:

(i) payment is being contested in good faith;

(ii) it has maintained adequate reserves for those taxes; and

(iii) payment can be lawfully withheld.

(b) The representation in paragraph (a) above shall not apply where the representation or statement relates to taxes, which do not in aggregate exceed US$15,000,000 (or its equivalent in any other currency or currencies) in any Financial Year.

(c) Each Obligor does not have a tax residence outside of its jurisdiction of incorporation and no Loan made under this Agreement will be used for a purpose which relates to a permanent establishment of such Obligor outside of its jurisdiction of incorporation.

20.17 Anti-corruption law and sanctions

(a) It and its Subsidiaries have conducted their businesses in compliance with applicable anti-corruption and anti-money laundering laws and regulations and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws and regulations.

(b) None of the Company or any of its Subsidiaries or any of their respective directors:
(i) is a Person that is, or is owned or controlled by Persons that are, the subject of any Sanctions; or
(ii) is located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria.

(c) For the purpose of this Clause 20.17 (Anti-corruption law and sanctions) and Clause 23.6 (Anti-corruption law and sanctions):

**Governmental Authority** means the government of any jurisdiction, or any political subdivision thereof, whether provincial, state or local, and any department, ministry, agency, instrumentality, authority, body, court, central bank or other entity lawfully exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

**OFAC** means the Office of Foreign Assets Control of the US Department of the Treasury.

**Person** means an individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership.

**Sanctions** means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any of the Sanctions Authorities.

**Sanctions Authorities** means:

(i) the United States government;
(ii) the United Nations;
(iii) the European Union;
(iv) the United Kingdom; or
(v) the respective Governmental Authorities of any of the foregoing, including without limitation, OFAC, the US Department of State and Her Majesty's Treasury of the United Kingdom.

### 20.18 Security and Financial Indebtedness

(a) No Encumbrance exists over all or any Restricted Company's assets except for Permitted Encumbrances.

(b) No member of the Group other than an Obligor or a Project Finance Subsidiary has any Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

### 20.19 Pari passu ranking

Each Obligor's payment obligations under the Finance Documents to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally in the jurisdiction of its incorporation.
20.20  **Good title to assets**

Each Restricted Company has good title to or valid leases or licences of, all of the assets necessary to carry on its business as presently conducted, the absence of which would reasonably be expected to have a Material Adverse Effect.

20.21  **Intellectual property**

No Restricted Company is aware of any adverse circumstances relating to any intellectual property required for use in its business which has or would be reasonably expected to have a Material Adverse Effect.

20.22  **Accounting reference date**

The accounting reference date of each member of the Group (except for a person that has become a member of the Group in the three Months preceding the date on which this representation is made or deemed to be made) is 31 December.

20.23  **No Material Adverse Effect**

There has been no material adverse change in the business, operations, properties or financial condition of the Group taken as a whole, in respect of the representations made on the Signature Date, since the date of the audited annual financial statements of the Company for the year ended 31 December 2016 and, in respect of each representation made after the Signature Date, since the date of the most recent audited annual financial of the Company.

20.24  **US Regulations**

It is not:

(a) a public utility (as such term is used in the United States Federal Power Act of 1920) or subject to regulation under the United States Federal Power Act of 1920;

(b) required to be registered as an investment company (as such term is used in the United States Investment Company Act of 1940) or subject to regulation under the United States Investment Company Act of 1940; or

(c) subject to regulation under any United States Federal or State law or regulation that limits its ability to incur or guarantee indebtedness.

20.25  **Repetition**

The Repeating Representations are deemed to be made by the Company and each Obligor in respect of itself, and where expressly stated, in respect of each Restricted Company, by reference to the facts and circumstances then existing on:

(a) the date of each Utilisation Request and the first day of each Interest Period; and

(b) in the case of an Additional Obligor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Obligor.
21. INFORMATION UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the Signature Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Financial Statements

The Company shall supply to the Agent in sufficient copies for all the Lenders:

(a) as soon as the same become available, but in any event within 120 days after the end of each of its Financial Years:
   (i) its audited consolidated financial statements for that Financial Year; and
   (ii) the audited financial statements of each Obligor for that Financial Year; and

(b) as soon as the same become available, but in any event within 60 days after the end of each of its Financial Half Years:
   (i) its unaudited condensed consolidated financial statements for that Financial Half Year;
   (ii) the unaudited management accounts of each Obligor for that Financial Half Year; and

(c) as soon as they become available, but in any event within 60 days of the end of each Financial Quarter ending on 31 March or 30 September:
   (i) its unaudited management accounts for that Financial Quarter; and
   (ii) the unaudited management accounts of each Obligor for that Financial Quarter.

21.2 Compliance Certificate

(a) The Company shall supply to the Agent, with each set of Financial Statements delivered pursuant to paragraph (a)(i), (b)(i) or (c)(i) of Clause 21.1 (Financial Statements), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22 (Financial Covenants) and specify each Material Company as at the date as at which those Financial Statements were drawn up.

(b) Each Compliance Certificate shall be signed by two directors of the Company.

21.3 Requirements as to Financial Statements

(a) Each set of Financial Statements delivered by the Company pursuant to Clause 21.1 (Financial Statements) shall be certified by a director of the relevant company as fairly representing its financial condition (or, if applicable, its consolidated financial condition) as at the date as at which those Financial Statements were drawn up.

(b) The Company shall procure that each set of Financial Statements delivered pursuant to Clause 21.1 (Financial Statements) is prepared using IFRS (or, if delivered in respect of a US Debtor, US GAAP or IFRS).

(c) The Company shall procure that each set of Financial Statements of an Obligor delivered pursuant to Clause 21.1 (Financial Statements) is prepared using IFRS (or, if delivered in respect of a US Debtor, US GAAP or IFRS), accounting practices and financial reference
periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of Financial Statements, it notifies the Agent that there has been a change in IFRS (or, if delivered in respect of a US Debtor, US GAAP or IFRS), the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Agent:

(i) a description of any change necessary for those Financial Statements to reflect the IFRS or US GAAP, as applicable, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 22 (Financial Covenants) has been complied with and make an accurate comparison between the financial position indicated in those Financial Statements and that Obligor's Original Financial Statements,

provided that no such notification shall be required to be provided by the Company to the Agent if the matters referred to in paragraphs (i) and (ii) above are adequately disclosed in those financial statements.

(d) Any reference in this Agreement to those Financial Statements shall be construed as a reference to those Financial Statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

(e) The accounting reference date referred to in Clause 20.22 (Accounting reference date), shall not be changed.

21.4 Information: miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) if requested by the Agent, a report issued by the Company's auditors confirming the arithmetic computations and the proper extraction of figures applied in determining which members of the Group are Material Companies and that the Guarantor Threshold Test has been met;

(b) all documents dispatched by the Company to its shareholders (or any class of them) or by the Company or any other Obligors to its creditors generally (or any class of them);

(c) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are reasonably likely to be adversely determined and, if so determined, would be reasonably likely to have a Material Adverse Effect; and

(d) promptly such further information regarding the financial condition, business and operations of the Group and/or any member of the Group as any Finance Party (through the Agent) may reasonably request.

21.5 Notification of Default

(a) The Company shall promptly notify the Agent of any Default (and the steps, if any, being taken to remedy it) upon becoming aware of its occurrence.

(b) Promptly upon request by the Agent, the Company shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is
continuing (or if a Default is continuing), specifying the Default and the steps, if any, being taken to remedy it.

21.6 Use of websites

(a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the Website Lenders) who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the Designated Website) if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Company and the Agent.

(b) If any Lender (a Paper Form Lender) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

(c) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.

(d) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

(e) If the Company notifies the Agent under paragraph (d)(i) or paragraph (d)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(f) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within ten Business Days.
21.7 "Know your customer" checks

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Signature Date;

(ii) any change in the status of or shareholders of an Obligor after the Signature Date; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(c) The Company shall, by not less than ten Business Days' prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 26 (Changes to the Obligors).

(d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Agent or any Lender to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Obligor.

22. FINANCIAL COVENANTS

22.1 Financial definitions

All accounting expressions which are not otherwise defined in this Agreement shall be construed in accordance with the Accounting Principles and, unless the context dictates otherwise, the accounting expressions set forth below shall bear the following meanings:
Consolidated EBITDA means, in respect of any Measurement Period, the consolidated net income of the Group (less the net income of any Project Finance Subsidiaries but including any dividends received in cash by any member of the Group (other than a Project Finance Subsidiary) from a Project Finance Subsidiary), before, without duplication and all as calculated in accordance with IFRS (but adjusted on a pro forma basis to reflect acquisitions and disposals):

(a) any provision on account of normal, deferred and royalty taxation;
(b) any interest, commission, discounts or other fees incurred or payable, received or receivable by any member of the Group in respect of indebtedness;
(c) any other interest received or receivable by any member of the Group on any deposit or bank account;
(d) any non-cash adjustments to the environment rehabilitation and/or reclamation expenses;
(e) any amount attributable to the amortisation of intangible assets and depreciation of tangible assets;
(f) any non-cash gains or losses relating to and resulting from the marked to market valuation of derivative and/or financial instruments;
(g) any losses from (or gains on the reversal of previously recognised) write-downs or impairments of assets and/or investments;
(h) any gains or losses recognised on the attributable share of results of associates after tax, but including any dividends received in cash by any member of the Group from such an associate;
(i) any share-based payments;
(j) any other extraordinary or exceptional items; and
(k) any other material non-cash gain or loss that needs to be accounted for under IFRS.

Consolidated Net Borrowings means at any time, the aggregate amount of all Indebtedness for Borrowed Money (which, for the purposes of this definition, shall include or exclude (as applicable) any hedging liabilities incurred in respect of such Indebtedness for Borrowed Money) of the members of the Group, other than Project Finance Subsidiaries (but including, for the avoidance of doubt, any Indebtedness for Borrowed Money of any member of the Group which is not a Project Finance Subsidiary in respect of the Indebtedness for Borrowed Money of a Project Finance Subsidiary), but excluding any Indebtedness for Borrowed Money owing to any member of the Group (other than a Project Finance Subsidiary), adjusted to take into account the aggregate amount of freely available cash and cash equivalents held by any member of the Group, other than Project Finance Subsidiaries, and so that no amount shall be included or excluded more than once.

Consolidated Net Finance Charges means, in respect of any Measurement Period, the aggregate amount of the interest (including the interest element of leasing and hire purchase payments and capitalised interest), commission, fees, discounts and other finance payments payable by any member of the Group, other than Project Finance Subsidiaries, (including any commission, fees, discounts and other finance payment payable by any member of the Group under any interest rate hedging arrangement but deducting any commission, fees, discounts and other finance payments receivable by any member of the Group (other than a Project Finance Subsidiary) under any interest rate hedging instrument) but deducting any other interest receivable by any member of the Group, other than Project Finance Subsidiaries, on any deposit or bank account.
**Consolidated Tangible Net Worth** means, at any time, the "Total Equity" as reported in the "Consolidated Statement of Changes in Equity" less goodwill and intangibles in the latest audited annual financial statements of the Original Borrower delivered to the Agent pursuant to Clause 21.1 (Financial Statements).

**EBITDA** means, in respect of any member of the Group, in respect of any Measurement Period, the net income of that member of the Group before, without duplication and all as calculated in accordance with the Accounting Principles (but adjusted on a pro forma basis to reflect acquisitions and disposals):

(a) any provision on account of normal, deferred and royalty taxation;
(b) any interest, commission, discounts or other fees incurred or payable, received or receivable by that member of the Group in respect of indebtedness;
(c) any other interest received or receivable by that member of the Group on any deposit or bank account;
(d) any non-cash adjustments to the environment rehabilitation and/or reclamation expenses;
(e) any amount attributable to the amortisation of intangible assets and depreciation of tangible assets;
(f) any non-cash gains or losses relating to and resulting from the marked to market valuation of derivative and/or financial instruments;
(g) any losses from (or gains on the reversal of previously recognised) write-downs or impairments of assets and/or investments;
(h) any gains or losses recognised on the attributable share of results of associates after tax, but including any dividends received in cash by any member of the Group from such an associate;
(i) any share-based payments;
(j) any other extraordinary or exceptional items; and
(k) any other material non-cash gain or loss that needs to be accounted for under IFRS.

**Financial Half Year** means the period commencing on the day after the end of a Financial Year and ending on the next Half Year Date.

**Financial Quarter** means the period of 3 (three) months ending on each of 31 March, 30 June, 30 September and 31 December of each calendar year.

**Financial Year** means the annual accounting period of the Obligors ending on 31 December in each year.

**Half Year Date** means 30 June of each calendar year.

**Measurement Date** means the last day of each of the Company's Financial Years, the last day of each of the Company's Financial Half Years and the last day of each Financial Quarter.

**Measurement Period** means each period of 12 months ending on each Measurement Date.
22.2 **General financial conditions**

The Obligors shall ensure that, for so long as any amount is outstanding under the Finance Documents or any Commitment is in force, on each Measurement Date:

(a) the ratio of Consolidated EBITDA to Consolidated Net Finance Charges in respect of the Measurement Period ending on the relevant Measurement Date shall be equal to or exceed 4:1; and

(b) the ratio of Consolidated Net Borrowings to Consolidated EBITDA in respect of the Measurement Period ending on the relevant Measurement Date does not exceed:

(i) if the Measurement Date falls during the period up to and including 31 December 2018, 3.50:1; or

(ii) if the Measurement Date falls after 31 December 2018, 2.50:1.

22.3 **General**

The financial covenants contained in Clause 22.2 (General financial conditions) and Clause 23.20 (Guarantors) shall be calculated and tested by reference to each set of the Financial Statements delivered pursuant to paragraphs (a) and (b) of Clause 21.1 (Financial Statements).

23. **GENERAL UNDERTAKINGS**

The undertakings in this Clause 23 are given by each Obligor in respect of itself and, where expressly provided, each Restricted Company or members of the Group or Subsidiary (as the case may be), and remain in force from the Signature Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23.1 **Authorisations**

Each Obligor shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) upon written request by the Agent, supply certified copies to the Agent of,

any Authorisation required under any applicable law to enable it to perform its obligations under the Finance Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document to which it is a party.

23.2 **Compliance with laws**

Each Obligor shall comply in all respects with all laws and regulations to which it may be subject (including, but not limited to, environmental law), if failure so to comply would materially impair the ability of the Obligors together to perform their obligations under the Finance Documents to which they are respectively a party.

23.3 **Environmental compliance**

(a) Notwithstanding paragraph (b) below, each Restricted Company shall comply with all environmental laws and obtain and maintain any environmental permits, take all reasonable
steps in anticipation of known or expected future changes to or obligations under the environmental law or environmental permits, and implement procedures to monitor compliance with and to prevent liability under any environmental laws, to the extent required by applicable law if, in each case, failure to do so has or would be reasonably expected to have a Material Adverse Effect.

(b) If a Restricted Company ceases to be in compliance with an environmental permit, and such non-compliance (the Environmental Non-compliance) is not capable of being remedied, that Restricted Party shall use all reasonable commercial endeavours to ensure that the relevant environmental permit is promptly and appropriately updated.

(c) The Company shall:

(i) promptly notify the Agent of the occurrence of any Environmental Non-compliance;

(ii) notify the Agent of the steps being taken (or proposed to be taken) by the relevant Restricted Company to remedy the Environmental Non-compliance;

(iii) if requested by the Agent, provide copies of all correspondence between the relevant Restricted Company and the relevant authority in respect of the Environmental Non-compliance; and

(iv) provide such other update on the steps referred to in sub-paragraph (ii) above and the correspondence referred to in sub-paragraph (iii) above as the Agent may request.

23.4 Environmental claims

Each Restricted Company shall, promptly upon becoming aware of the same, inform the Agent in writing of:

(a) any environmental claim (not of a frivolous or vexatious nature and other than the potential claims already disclosed to the Lenders) against it or any other member of the Group which is current, pending or (to the best of its knowledge and belief, after having made due enquiry) threatened in writing; and

(b) any facts or circumstances which are reasonably likely to result in any environmental claim (not of a frivolous or vexatious nature and other than the potential claims already disclosed to the Lenders) being commenced or threatened in writing against it,

where the claim, is reasonably likely to be adversely determined and, if so determined, has or would reasonably be expected to have a Material Adverse Effect.

23.5 Environmental information and undertakings

(a) The Company shall, promptly upon becoming aware of the same, inform the Agent in writing of any change to the environmental condition of:

(i) any mine that it owns, operates or holds a 50% or more beneficial or legal interest in from time to time; and

(ii) its contiguous properties,

which has or would reasonably be expected to have a Material Adverse Effect.
(b) The Company shall not change the use of the properties on which any mine that it owns, operates or holds a 50% or more beneficial or legal interest in such that the change would increase the risk of release of hazardous substances or cause environmental contamination that exceeds regulatory limitations to an extent which has or would be reasonably expected to have a Material Adverse Effect.

23.6 Anti-corruption law and sanctions

(a) It and its Subsidiaries will conduct their businesses in compliance with applicable anti-corruption and anti-money laundering laws and regulations and have instituted and will maintain and enforce policies and procedures designed to promote and achieve compliance with such laws and regulations.

(b) No Restricted Company will directly or indirectly, use all or any of the proceeds of the Facility or lend, contribute, or otherwise make available such proceeds in violation of the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-money laundering laws or regulations.

(c) None of the Company or any of its Subsidiaries or any of their directors:

(i) is a Person that is, or is owned or controlled by Persons that are, the subject of any Sanctions; or

(ii) is located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria.

(d) No Restricted Company will directly or indirectly use the proceeds of the Facility, or lend, contribute or otherwise make available all or any part of the proceeds of the Facility, to or for the benefit of, any Person:

(i) for the purpose of financing any activities or business of or other transactions with or investments in:

(A) any Person that is, or is owned or controlled by Persons that are, the subject of any Sanctions; or

(B) any Person that is located, organised or resident in any country or territory, that, at the time of such funding, is, or whose government is, the subject of any Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria; or

(ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor or otherwise).

(e) No Restricted Company will fund all or part of any payment in connection with a Finance Document out of proceeds derived from any action which is in breach of any Sanctions.

23.7 Taxation

Each Restricted Company will duly and punctually pay and discharge all taxes imposed upon it or its assets within the time period allowed without incurring penalties save where:
(a) payment is being contested in good faith;

(b) adequate reserves are being maintained for those taxes; and

(c) payment can be lawfully withheld.

23.8 Listing

(a) The entire issued share capital of the Company shall remain listed on the JSE, NYSE, Toronto Stock Exchange and/or London Stock Exchange.

(b) The Company shall comply in all material respects with the JSE Listing Requirements and/or any other listing requirements applicable to the listing of its shares.

23.9 Restrictions on disposals

No Restricted Company shall enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset except for a Permitted Disposal.

23.10 Restrictions on merger

No Obligor shall enter into any amalgamation, demerger, merger or corporate reconstruction (as defined in the Companies Act) except for:

(a) any solvent amalgamation, demerger, merger or corporate reconstruction of, or between, members of the Group and where such transaction involves an Obligor merging with another entity provided that:

(i) the Finance Documents are preserved as binding upon the surviving entity as a Borrower and/or Guarantor as applicable in place of the merged Obligor;

(ii) the surviving entity is a member of the Group;

(iii) the surviving entity is incorporated in the same jurisdiction as the merged Obligor; and

(iv) such transaction will not have a Material Adverse Effect;

(b) the implementation of Project Top Deck;

(c) the implementation of the Lonmin Merger; or

(d) any amalgamation, demerger, merger or corporate reconstruction concluded with the prior written consent of the Majority Lenders.

23.11 No change of business

Each Obligor shall ensure that no substantial change is made to the general nature of the business of the Group being that of a mining business.

23.12 Restriction on acquisitions

No member of the Group shall acquire any company or shares or securities or a business, assets or undertaking, other than:
(a) pursuant to a Permitted Acquisition; or
(b) with the prior written consent of the Majority Lenders.

23.13 Pari passu ranking

Each Obligor will ensure that at all times the claims of the Finance Parties against it under the Finance Documents to which it is a party rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application in its jurisdiction of incorporation.

23.14 Negative pledge

No Restricted Company shall create or permit to subsist any Encumbrance or Quasi-Encumbrance over any of its assets other than for a Permitted Encumbrance.

23.15 Arm's length basis dealings

(a) Except as permitted by paragraph (b) below, no Restricted Company shall enter into any transaction with any person except on arm's length terms and for full market value.

(b) The following transactions shall not be a breach of paragraph (a) above:

(i) intra-Group loans which constitute Permitted Financial Indebtedness;

(ii) any transactions required to be entered into by the Company to ensure a certain black economic empowerment rating necessary for its business where:

(A) it is not possible to enter into such transaction on an arm's length basis; and

(B) failure to enter in such transaction would result in a Material Adverse Effect; and

(iii) fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Agent or as otherwise agreed by the Agent.

23.16 Restriction on Financial Indebtedness

No member of the Group (other than an Obligor or a Project Finance Subsidiary) shall incur, create or permit to subsist or have outstanding any Financial Indebtedness other than Permitted Financial Indebtedness.

23.17 Insurance

Each Restricted Company will maintain insurances on and in relation to its business, properties and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

23.18 Access

If a Default is continuing or the Agent reasonably suspects a Default is continuing, each Restricted Company shall, and the Company shall ensure that each member of the Group will, permit the Agent and/or accountants or other professional advisers and contractors of the Agent free access at all
reasonable times and on reasonable notice at the risk and cost of the Restricted Company or the Company to:

(a) the premises, assets, books, accounts and records of each member of the Group; and

(b) meet and discuss matters with senior management.

23.19 Intellectual property

Each Restricted Company shall maintain its intellectual property where a failure to do so has or would reasonably be expected to have a Material Adverse Effect.

23.20 Guarantors

(a) Subject to paragraph (c) below, the Company shall ensure that on each Half-Yearly Measurement Date:

(i) the aggregate EBITDA of the Guarantors for the Measurement Period ending on that Half-Yearly Measurement Date; and

(ii) the aggregate gross assets of the Guarantors on that Half-Yearly Measurement Date; (in each case calculated on an unconsolidated basis and excluding all intra-Group items and investments in Subsidiaries of any member of the Group) represents not less than 85% of the Consolidated EBITDA and 80% of the consolidated gross assets (excluding goodwill) of the Group respectively (the Guarantor Threshold Test).

(b) For purposes of the Guarantor Threshold Test, the term “Group” shall exclude Project Finance Subsidiaries and the term “Half-Yearly Measurement Date” shall mean the last day of each Financial Year of the Company and the last day of each of its Financial Half Years.

(c) If on any Half-Yearly Measurement Date the Guarantor Threshold Test has not been met and at such time all EBITDA contributing wholly owned Subsidiaries of the Company are or have become Guarantors, then the Company shall use all reasonable endeavours to procure that such number of non-wholly owned Subsidiaries as is required to meet the Guarantor Threshold Test, within 30 days from date on which the Compliance Certificate showing that the Guarantor Threshold Test has not been met is delivered, accede as Additional Guarantors in accordance with the procedure set out in Clause 26.4 (Additional Guarantors) below. If having used such reasonable endeavours, the Company is unable to procure that such non-wholly owned Subsidiaries become Guarantors at the end of the 30 day period, failure to satisfy the Guarantor Threshold Test shall not constitute an Event of Default.

23.21 US regulations

(a) No Obligor shall:

(i) extend credit for the purpose, directly or indirectly, of buying or carrying Margin Stock; or

(ii) use any Loan, directly or indirectly, to buy or carry Margin Stock or for any other purpose in violation of the Margin Regulations.
(b) With respect to any Plan (other than a Multiemployer Plan), no Reportable Event has occurred or is reasonably expected to occur where such event, individually or in the aggregate, would have a Material Adverse Effect.

(c) Each Plan (other than a Multiemployer Plan) complies in form and operation with ERISA, the Code and all other applicable laws and regulations except where failure to do so would not reasonably be likely to have a Material Adverse Effect.

(d) Each Obligor shall promptly and in any event within 15 days upon becoming aware of it notify the Agent of any Reportable Event.

23.22 New TopCo accession

Sibanye Gold shall procure that New TopCo accedes to this Agreement as a Guarantor in accordance with Clause 26.4 (Additional Guarantors) as if New TopCo were a Subsidiary and as the Company within 14 days of the Top Deck Completion Date.

24. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 24 is an Event of Default (save for Clause 24.18 (Acceleration)).

24.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within five Business Days of its due date.

24.2 Financial covenants

Any requirement of Clause 22 (Financial Covenants) is not satisfied or there is a breach of the undertakings given in Clause 21 (Information Undertakings).

24.3 Other obligations

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.1 (Non-payment) and in Clause 24.2 (Financial covenants)).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within ten Business Days of the earlier of

(i) the Agent giving notice to the Company; and

(ii) the Obligor becoming aware of the failure to comply.
24.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in relation to the Finance Documents or any other document or statement delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, provided that:

(a) if it is capable of remedy, no Event of Default will occur if the same is remedied within ten Business Days from the earlier of:

(i) the Agent giving notice to the Company; and

(ii) any Obligor becoming aware of such incorrect or misleading representation or statement; or

(b) if the representation or statement relates to taxes and the amount of such taxes is equal to or less than an amount of US$15,000,000 (or its equivalent in any other currency or currencies), no Event of Default shall occur.

24.5 Cross Default

(a) Any Financial Indebtedness of an Obligor (other than a Project Finance Subsidiary) is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of an Obligor (other than a Project Finance Subsidiary) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of an Obligor is cancelled or suspended by a creditor of such Obligor as a result of an event of default (however described).

(d) Any creditor of an Obligor becomes entitled to declare any Financial Indebtedness of that Obligor and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this Clause 24.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US$15,000,000 (or its equivalent in any other currency or currencies).

24.6 Insolvency

(a) An Obligor:

(i) is unable or admits inability to pay its debts as they fall due;

(ii) suspends making payments on any of its debts; or

(iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(b) The board of directors of an Obligor adopts a resolution declaring the relevant Obligor to be financially distressed (as defined in the Companies Act) or the board of that Obligor has not timeously delivered the written notice required in terms of section 129(7) of the Companies Act.
(c) A moratorium is declared in respect of any indebtedness of any Obligor.

24.7 Insolvency proceedings

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, the commencement of business rescue proceedings (whether by any Obligor or by any other person under section 129 of the Companies Act or pursuant to an application by an "affected person" under section 131 of the Companies Act or by the court during any other proceedings in respect of any member of the Group), a moratorium of any Financial Indebtedness, liquidation, winding-up, dissolution, administration, judicial management or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor;

(ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, judicial manager, business rescue practitioner or other similar officer in respect of any Obligor;

(iv) enforcement of any Encumbrance over any assets of any Obligor; or

(v) any analogous procedure or step is taken in any jurisdiction,

and in each case such procedure or proceedings are not contested in good faith nor discharged within 30 days (or such shorter period provided for contesting such procedure or proceedings under the laws of the relevant jurisdiction).

(b) A resolution is passed by the board of directors of an Obligor, application is made or an order is applied for or granted, to authorise the entry into or implementation of any business rescue proceedings (or any similar proceedings) in respect of any Obligor or any analogous procedure or step is taken in any jurisdiction.

(c) Any of the following occurs in respect of a US Debtor:

(i) it commences a voluntary case or proceeding under any US Bankruptcy Law; or

(ii) an involuntary case under any US Bankruptcy Law is commenced against it and is not dismissed or stayed within 60 days after commencement of the case; or

(iii) an order for relief or other order approving any case or proceeding is entered under any US Bankruptcy Law.

24.8 Creditors' process

Any attachment, sequestration, distress or execution that affects a material part of the assets or revenues of an Obligor occurs and is not discharged within 21 days of such event occurring.

24.9 Unlawfulness and invalidity

(a) It is or becomes unlawful in any applicable jurisdiction for an Obligor to perform any of its obligations under the Finance Documents.
(b) Any Finance Document ceases to be in full force and effect.

(c) Any obligation or obligations of any Obligor under any Finance Documents are not or cease to be legal, valid, binding or enforceable obligations subject to Legal Reservations.

24.10 Failure to comply with final judgment

(a) Any Restricted Company fails within five Business Days of the due date to comply with or pay any sum due from it under any material final judgment or order (being a judgment or order which is not subject to any rescission or appeal and/or capable of being subject to any such rescission or appeal) made or given by any court of competent jurisdiction.

(b) For purposes of this Clause 24.10 (Failure to comply with final judgment) a "material final judgement or order" shall be any judgement or order for the payment of an amount of money in excess of US$15,000,000 (or its equivalent in any other currency or currencies).

24.11 Cessation of business

Any Restricted Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a part of its business constituting a material part of the Group's business as whole, provided that, in the case of a Restricted Company (other than an Obligor) such suspension or termination shall only be an Event of Default if such suspension or termination would reasonably be expected to have a Material Adverse Effect.

24.12 Audit qualification

The Company's auditors qualify the audited annual consolidated financial statements of the Company in any material respect.

24.13 Expropriation

(a) The management of any Restricted Company is wholly or partially replaced by any governmental authority; or

(b) All or a majority of the shares of any Restricted Company or a material part of the assets or revenues of any Restricted Company is seized, nationalised, expropriated or compulsorily acquired by any governmental authority, provided that the seizure, nationalisation, expropriation or compulsory acquisition of all or a majority of the shares of any Restricted Company (other than an Obligor) or a material part of the assets or revenues of any Restricted Company (other than an Obligor) shall only constitute an Event of Default if such seizure, nationalisation, expropriation or compulsory acquisition could be reasonably expected to have a Material Adverse Effect.

24.14 Repudiation and rescission of agreements

An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document to which it is a party or evidences an intention to rescind or repudiate a Finance Document to which it is a party.

24.15 Litigation

(a) Any litigation, arbitration, administrative or regulatory proceedings or disputes are commenced or threatened in writing in relation to the Finance Documents or the transactions contemplated in the Finance Documents or against any Restricted Company or its assets which is reasonably
likely to be adversely determined and, if so determined, could be expected to have a Material Adverse Effect.

(b) This will not apply in respect of any litigation, arbitration, administrative or regulatory proceedings that are disclosed in the Financial Statements of the Company delivered to the Agent as a condition precedent before the Signature Date.

24.16 Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

24.17 Loss of mining rights

Any loss of a mining right for any reason whatsoever that affects any material part of the assets or revenues of the Group as a whole is not reinstated within 30 days of such loss.

24.18 Acceleration

(a) On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

(i) cancel the Total Commitments whereupon they shall immediately be cancelled;

(ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

(b) If an Event of Default described in paragraph (c) of Clause 24.7 (Insolvency proceedings) occurs, a US Borrower's right to borrow under this Agreement shall be automatically cancelled and all amounts outstanding under the Finance Documents and owed by a US Borrower will be immediately and automatically due and payable, without the requirement of notice or any other formality.

25. CHANGES TO THE LENDERS

25.1 Assignments and transfers by the Lenders

(a) Subject to this Clause 25 (Changes to the Lenders), a Lender (the Existing Lender) may:

(i) assign any of its rights; and/or

(ii) transfer by novation any of its rights and obligations, under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is (A) regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets and (B) a US Qualifying Lender (the New Lender).

(b) No member of the Group is permitted to take:
(i) an assignment any of any Lender's rights; or
(ii) a transfer by novation of any Lender's rights and obligations, under the Finance Documents.

25.2 Company consent

(a) The consent of the Company is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is:

(i) to another Lender or an Affiliate of any Lender; or
(ii) made at a time when an Event of Default is continuing.

(b) At a time when an Event of Default is continuing a Lender may, without the consent of the Company, assign any of its rights or transfer by novation any of its rights and obligations to another bank or financial institution or to a trust, fund or other entity which is not a US Qualifying Lender.

(c) The consent of the Company to an assignment or transfer must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent five Business Days after the Existing Lender has requested it unless consent is expressly refused by the Company within that time.

25.3 Conditions of assignment or transfer

(a) An assignment will only be effective on:

(i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender;

(ii) performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender; and

(iii) upon entry of such assignment in the Register.

(b) A transfer will only be effective if the procedure set out in Clause 25.6 (Procedure for transfer) is complied with.

(c) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents, or changes its Facility Office, or appoints a Substitute Facility Office or a Substitute Affiliate Lender in terms of Clause 25.11 (Lender Affiliates and Facility Office); and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender, Lender or Substitute Affiliate Lender (as the case may be) acting through its new Facility Office
or Substitute Facility Office (as the case may be) under Clause 14 (Tax Gross Up and Indemnities) or Clause 15 (Increased Costs),

then the New Lender, Lender or Substitute Affiliate Lender (as the case may be) acting through its new Facility Office or Substitute Affiliate Office (as the case may be) is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

(d) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

25.4 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US$3,500.

25.5 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:
(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 25 (Changes to the Lenders); or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

25.6 Procedure for transfer

(a) Subject to the conditions set out in Clause 25.3 (Conditions of assignment or transfer) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender and the Agent makes a corresponding entry in the Register. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and record the transfer in the Register.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender and record the transfer in the Register once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) Subject to Clause 25.10 (Pro rata interest settlement), on the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the Discharged Rights and Obligations);

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Arrangers, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arrangers and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

25.7 Procedure for assignment

(a) Subject to the conditions set out in Clause 25.3 (Conditions of assignment or transfer) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender and records the assignment in the Register. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed
Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement and record the transfer in the Register.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) Subject to Clause 25.10 (Pro rata interest settlement), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the Relevant Obligations) and expressed to be the subject of the release in the Assignment Agreement; and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 25.7 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 25.6 (Procedure for transfer), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) provided that they comply with the conditions set out in Clause 25.3 (Conditions of assignment or transfer).

25.8 Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or Increase Confirmation, send to the Company a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

25.9 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 25.9, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

25.10 Pro rata interest settlement

(a) If the Agent has notified the Lenders that it is able to distribute interest payments on a "pro rata basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 25.6 (Procedure for transfer) or any assignment pursuant to Clause 25.7 (Procedure for assignment) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (Accrued Amounts) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and

(ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:

(A) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and

(B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 25.10, have been payable to it on that date, but after deduction of the Accrued Amounts.

(b) In this Clause 25.10 references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.

25.11 Lender Affiliates and Facility Office

(a) In respect of a Loan or Loans to a particular Borrower (Designated Loans) a Lender (a Designating Lender) may at any time and from time to time designate (by written notice to the Agent):

(i) a substitute Facility Office from which it will make Designated Loans (a Substitute Facility Office); or

(ii) nominate an Affiliate to act as the Lender of Designated Loans (a Substitute Affiliate Lender).

(b) (i) Subject to sub-paragraph (ii) below, a notice to nominate a Substitute Affiliate Lender must be in the form set out in Schedule 5 (Form of Substitute Affiliate Lender Designation Notice) and be countersigned by the relevant Substitute Affiliate Lender confirming it will be bound as a Lender under this Agreement in respect of the Designated Loans in respect of which it acts as Lender.

(ii) In the case of Bank of America Merrill Lynch International Limited, it nominates Bank of America, N.A. to act as the Lender in respect of Loans to a US Borrower and Bank
of America, N.A. confirms that it will be bound as a Lender under this Agreement in respect of Loans to a US Borrower.

(iii) The details of Bank of America, N.A. for the purposes of this Agreement are those provided by Bank or America, N.A. to the Agent from time to time. Bank of America, N.A. confirms, for the benefit of the Agent and without liability to any Obligor, that it is a Treaty Lender.

(c) The Designating Lender will act as the representative of any Substitute Affiliate Lender it nominates for all administrative purposes under this Agreement. The Obligors, the Agent, and the other Finance Parties will be entitled to deal only with the Designating Lender, except that payments will be made in respect of Designated Loans to the Facility Office of the Substitute Affiliate Lender. In particular the Commitments of the Designating Lender will not be treated as reduced by the introduction of the Substitute Affiliate Lender for voting purposes under this Agreement or the other Finance Documents.

(d) Save as mentioned in paragraph (c) above, a Substitute Affiliate Lender will be treated as a Lender for all purposes under the Finance Documents and having a Commitment equal to the principal amount of all Designated Loans in which it is participating if and for so long as it continues to be a Substitute Affiliate Lender under this Agreement.

(e) A Designating Lender may revoke its designation of an Affiliate as a Substitute Affiliate Lender by notice in writing to the Agent provided that such notice may only take effect when there are no Designated Loans outstanding to the Substitute Affiliate Lender. Upon such Substitute Affiliate Lender ceasing to be a Substitute Affiliate Lender the Designating Lender will automatically assume (and be deemed to assume without further action by any Party) all rights and obligations previously vested in the Substitute Affiliate Lender.

(f) If a Designating Lender designates a Substitute Facility Office or Substitute Affiliate Lender in accordance with this clause:

(i) any Substitute Affiliate Lender shall be treated for the purposes of Clause 14.5 (Lender status confirmation) as having become a Lender on the date of its designation as such in terms of this Clause 25.11 (Lender Affiliates and Facility Office); and

(ii) the provisions of paragraph (a) and (b) of Clause 25.3 (Conditions of assignment or transfer) shall not apply to or in respect of the transfer of rights and obligations of the Designating Lender to the or Substitute Affiliate Lender.

(g) Each Substitute Affiliate Lender, by countersigning the relevant Substitute Affiliate Lender Designation Notice, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Designating Lender in accordance with this Agreement on or prior to the date on which the designation becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Designating Lender would have been had it remained a Lender in respect of the Designated Loans.

(h) The Agent shall, as soon as reasonably practicable after it has received a Substitute Affiliate Lender Designation Notice, send the Company a copy of that Substitute Affiliate Lender Designation Notice.
25.12 The Register

(a) The Agent, acting for these purposes solely as a non-fiduciary agent of the Borrowers, will maintain (and make available upon reasonable prior notice at reasonable times for inspection by the Borrowers and, in respect of its own Commitment and participation in the Loans, if any, each Lender):

(i) a copy of each notice and written confirmation referred to in Clause 25.3 (Conditions of assignment or transfer), Clause 25.6 (Procedure for transfer) and Clause 25.7 (Procedure for assignment) delivered to and accepted by it; and

(ii) with respect to the Facility, a register for the recordation of, and will record, the names and addresses of the Lenders and the respective amounts of the Commitment and participation in the Loans of each Lender from time to time (the Register).

(b) Absent manifest error, the entries in the Register shall be conclusive and binding for all purposes and the Borrowers, the Agent and the Lenders shall treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register is intended to cause the extensions of credit to the Borrowers under this Agreement to be at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related US Treasury regulations (or any successor provisions of the Code or of such US Treasury regulations) and shall be interpreted and applied in a manner consistent with such intent.

26. CHANGES TO THE OBLIGORS

26.1 Assignments and transfer by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

26.2 Additional Borrowers

(a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 21.7 ("Know your customer" checks), the Company may request that any of its Subsidiaries becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:

(i) the Company has nominated the Subsidiary to become an Additional Borrower;

(ii) the Subsidiary is incorporated:

(A) in the same jurisdiction as an existing Borrower;

(B) in the United States; or

(C) in a jurisdiction (other than the jurisdictions referred to in (A) and (B) above), approved by all the Lenders;

(iii) the Company delivers to the Agent a duly completed and executed Accession Letter;

(iv) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower;
(v) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (Conditions precedent) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent; and

(vi) the Additional Borrower also becomes an Additional Guarantor in accordance with the procedure set out in Clause 26.4 (Additional Guarantors).

(b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (Conditions precedent).

(c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

26.3 Resignation of a Borrower

(a) The Company may request that a Borrower (other than Sibanye Gold) ceases to be a Borrower by delivering to the Agent a Resignation Letter.

(b) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:

(i) no Default or Event of Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case); and

(ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

26.4 Additional Guarantors

(a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 21.7 ("Know your customer" checks), the Company may request that any of its Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:

(i) the Company delivers to the Agent a duly completed and executed Accession Letter; and

(ii) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (Conditions precedent) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.

(b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (Conditions precedent).

(c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
26.5 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

26.6 **Resignation of a Guarantor**

(a) The Company may request that a Guarantor (other than the Company) ceases to be a Guarantor by delivering to the Agent a Resignation Letter.

(b) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case).

27. **ROLE OF THE AGENT AND THE ARRANGERS**

27.1 **Appointment of the Agent**

(a) Each of the Arrangers and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Arrangers and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

27.2 **Instructions**

(a) The Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:

(A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and

(B) in all other cases, the Majority Lenders; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.

(b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
(d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

(e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

(f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

27.3 Duties of the Agent

(a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(c) Without prejudice to Clause 25.8 (Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company) or Clause 25.11 (Lender Affiliates and Facility Office), paragraph (b) above shall not apply to any Transfer Certificate, any Assignment Agreement, any Increase Confirmation or any Substitute Affiliate Lender Designation Notice.

(d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arrangers) under this Agreement, it shall promptly notify the other Finance Parties.

(g) The Agent shall provide to the Company, within five Business Days of a request by the Company (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the transmission of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

(h) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).
27.4 Role of the Arrangers

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

27.5 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Agent or the Arrangers as a trustee or fiduciary of any other person.

(b) Neither the Agent nor the Arrangers shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

27.6 Business with the Group

The Agent and the Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

27.7 Rights and discretions

(a) The Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(iii) rely on a certificate from any person;

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing, as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 24.1 (Non-payment));

(ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and
(iii) any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.

(e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Agent may act in relation to the Finance Documents through its officers, employees and agents.

(g) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(h) Without prejudice to the generality of paragraph (g) above, the Agent:

(i) may disclose; and

(ii) on the written request of the Company or the Majority Lenders shall, as soon as reasonably practicable, disclose, the identity of a Defaulting Lender to the Company and to the other Finance Parties.

(i) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any of the Arrangers is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

27.8 Responsibility for documentation

Neither the Agent nor any of the Arrangers is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, any of the Arrangers, an Obligor or any other person in or in connection with any Finance Document or the Information Package or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or
(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or

(c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

27.9 No duty to monitor

The Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(c) whether any other event specified in any Finance Document has occurred.

27.10 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent will not be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation, for negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction, including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.4 (Third party rights) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or any of the Arrangers to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,

on behalf of any Lender and each Lender confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arrangers.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

27.11 Lenders' indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 30.11 (Disruption to payment systems, etc.), notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

27.12 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the Lenders and the Company.

(b) Alternatively the Agent may resign by giving 30 days' notice to the Lenders and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent.

(d) If the Agent wishes to resign because it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 27 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.

(e) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Company shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

(f) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 16.3 (Indemnity to the Agent) and this Clause 27 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three Months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 14.8 (FATCA Information) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 14.8 (FATCA Information) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.
27.13 Replacement of the Agent

(a) After consultation with the Company, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent.

(b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 16.3 (Indemnity to the Agent) and this Clause 27 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

27.14 Confidentiality

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any of the Arrangers is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

27.15 Relationship with the Lenders

(a) Subject to Clause 25.10 (Pro rata interest settlement), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day, unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under
the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 32.6 (Electronic communication) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 32.2 (Addresses) and paragraph (a)(ii) of Clause 32.6 (Electronic communication) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

27.16 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;
(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
(c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
(d) the adequacy, accuracy or completeness of the Information Package and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

27.17 Agent's management time

Any amount payable to the Agent under Clause 16.3 (Indemnity to the Agent), Clause 18 (Costs and Expenses) and Clause 27.11 (Lenders' indemnity to the Agent) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 13 (Fees).

27.18 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.
28. **CONDUCT OF BUSINESS BY THE FINANCE PARTIES**

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

29. **SHARING AMONG THE FINANCE PARTIES**

29.1 **Payments to Finance Parties**

If a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with Clause 30 (Payment Mechanics) (a **Recovered Amount**) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 30 (Payment Mechanics), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the **Sharing Payment**) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.6 (Partial payments).

29.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **Sharing Finance Parties**) in accordance with Clause 30.6 (Partial payments) towards the obligations of that Obligor to the Sharing Finance Parties.

29.3 **Recovering Finance Party's rights**

On a distribution by the Agent under Clause 29.2 (Redistribution of payments) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.
29.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the Redistributed Amount); and

(b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

29.5 Exceptions

(a) This Clause 29 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and

(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

30. PAYMENT MECHANICS

30.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency and with such bank as the Agent, in each case, specifies.

30.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (Distributions to an Obligor) and Clause 30.4 (Clawback and pre-funding) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days’ notice with a bank specified by that Party in the principal financial centre of the country of that currency.
30.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 31 (Set-Off)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

30.4 Clawback and pre-funding

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

(c) If the Agent is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:

(i) the Agent shall notify the Company of that Lender's identity and the Borrower to whom that sum was made available shall on demand refund it to the Agent; and

(ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

30.5 Impaired Agent

(a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 30.1 (Payments to the Agent) may instead either:

(i) pay that amount direct to the required recipient(s); or

(ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the Paying Party) and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the Recipient Party or Recipient Parties).

In each case such payments must be made on the due date for payment under the Finance Documents.
(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties pro rata to their respective entitlements.

(c) A Party which has made a payment in accordance with this Clause 30.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent in accordance with Clause 27.13 (Replacement of the Agent), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 30.2 (Distributions by the Agent).

(e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:

(i) that it has not given an instruction pursuant to paragraph (d) above; and

(ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

30.6 Partial payments

(a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

(i) first, in or towards payment pro rata of any unpaid amount owing to the Agent under the Finance Documents;

(ii) secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;

(iii) thirdly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and

(iv) fourthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

30.7 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
30.8 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.9 Currency of account

(a) Subject to paragraphs (b) and (c) below, dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(c) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

30.10 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

30.11 Disruption to payment systems, etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 36 (Amendments and Waivers);

(e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 30.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

31. SET-OFF

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32. NOTICES

32.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

32.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Company (for itself and as SA Obligors' Agent):

   Bridgeview House (Building 11)
   Constantia Office Park
   Cnr 14th Avenue and Hendrik Potgieter Road
   Weltevreden Park 1709
   South Africa
   Attention Mr Charl Keyter
   Fax No. (011) 278 9863
   Email: charl.keyter@sibanyestillwater.com

(b) in the case of Stillwater:

   26 West Dry Creek Circle, Suite 400
   Littleton, CO 80120
United States of America  
Attention Mr Tony Harris/Chris Bateman  
Fax No. (011) 278 9863/(+1) 720 502 7481  
Email: tony.harris@sibanyestillwater.com and chris.bateman@sibanyestillwater.com

(c) in the case of each Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(d) in the case of the Agent:

Bank of America Merrill Lynch International Limited  
26 Elmfield Road  
Bromley  
Kent BR1 1LR  
Attention: Loans Agency Operations  
Fax: +44 20 8313 2149  
Email: EMEA.7115LoansAgency@bankofamerica.com

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

32.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 32.2 (Addresses), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent.

(d) Any communication or document made or delivered to the Company in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

(e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5pm in the place of receipt shall be deemed only to become effective on the following day.

32.4 Notification of address and fax number

Promptly upon changing its address or fax number, the Agent shall notify the other Parties.
32.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

32.6 Electronic communication

(a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days’ notice.

(b) Any such electronic communication as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

(c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

(d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5pm in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 32.6.

32.7 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.
33. CALCULATIONS AND CERTIFICATES

33.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

33.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

33.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

34. PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

35. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

36. AMENDMENTS AND WAIVERS

36.1 Required consents

(a) Subject to Clause 36.2 (All Lender matters) and Clause 36.3 (Other exceptions), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 36.

36.2 All Lender matters

Subject to Clause 36.4 (Replacement of Screen Rate) an amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:

(a) the definition of "Majority Lenders" in Clause 1.1 (Definitions);
(b) an extension to the date of payment of any amount under the Finance Documents;

(c) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(d) an increase in any Commitment, an extension of the Availability Period (other than pursuant to Clause 6.2 (Extension option)) or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;

(e) a change to the Borrowers or Guarantors other than in accordance with Clause 26 (Changes to the Obligors);

(f) any provision which expressly requires the consent of all the Lenders;

(g) Clause 2.3 (Finance Parties' rights and obligations), Clause 7.1 (Illegality), Clause 8.1 (Change of control), Clause 8.4 (General procedure in respect of specified prepayment events), Clause 25 (Changes to the Lenders), Clause 29 (Sharing Among the Finance Parties), this Clause 36, Clause 40 (Governing Law) or Clause 41.1 (Jurisdiction); or

(h) the nature or scope of the guarantee and indemnity granted under Clause 19 (Guarantee and Indemnity),

shall not be made without the prior consent of all the Lenders.

36.3 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Agent or any of the Arrangers (each in their capacity as such) may not be effected without the consent of the Agent or that Arranger, as the case may be.

36.4 Replacement of Screen Rate

Subject to Clause 36.3 (Other exceptions), if the Screen Rate is not available for dollars, any amendment or waiver which relates to providing for another benchmark rate to apply in relation to dollars in place of that Screen Rate (or which relates to aligning any provision of a Finance Document to the use of that other benchmark rate) may be made with the consent of the Majority Lenders and the Obligors.

36.5 Disenfranchisement of Defaulting Lenders

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:

(i) the Majority Lenders; or

(ii) whether:

(A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments; or

(B) the agreement of any specified group of Lenders, has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents,
that Defaulting Lender's Commitment will be reduced by the amount of its Available Commitment and, to the extent that that reduction results in that Defaulting Lender's Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

(b) For the purposes of this Clause 36.5, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender;

(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred, unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

36.6 Excluded Commitments

If:

(a) any Defaulting Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any vote of Lenders under the terms of this Agreement within 15 Business Days of that request being made; or

(b) any Lender, which is not a Defaulting Lender, fails to respond to such a request or such a vote within 15 Business Days of that request being made,

unless, the Company and the Agent agree to a longer time period in relation to any request:

(i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and

(ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

36.7 Replacement of Lender

(a) If:

(i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below);

(ii) an Obligor becomes obliged to repay any amount in accordance with Clause 7.1 (Illegality) or to pay additional amounts pursuant to Clause 14.2 (Tax gross-up), Clause 14.3 (Tax indemnity) or Clause 15 (Increased Costs) to any Lender; or

(iii) any Lender ceases to be a US Qualifying Lender,

then the Company may, on ten Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (Changes to the Lenders) all (and not part
only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a **Replacement Lender**) selected by the Company, which is acceptable to the Agent and which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 25 (Changes to the Lenders) for a purchase price in cash payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 25.10 (Pro rata interest settlement), Break Costs and other amounts payable in relation thereto under the Finance Documents. Such transfer shall be deemed (subject to satisfaction of Clause 25.3(a)(ii) (Conditions of assignment or transfer)) to have been completed ten Business Days after the transferee concerned delivers a Transfer Certificate or Assignment Agreement executed by it to the Lender concerned and pays the relevant amount to the Agent.

(b) The replacement of a Lender pursuant to this Clause 36.7 shall be subject to the following conditions:

(i) the Company shall have no right to replace the Agent;
(ii) neither the Agent nor the Lender shall have any obligation to the Company to find a Replacement Lender;
(iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 30 days after the date on which that Lender is deemed a Non-Consenting Lender;
(iv) in no event shall the Lender replaced under this Clause 36.7 be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and
(v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.

(c) A Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

(d) In the event that:

(i) the Company or the Agent (at the request of the Company) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
(ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and
(iii) the Majority Lenders have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a **Non-Consenting Lender**.
36.8 Right of cancellation in relation to a Defaulting Lender

(a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent five Business Days' notice of cancellation of the Available Commitment of that Lender.

(b) On the notice referred to in paragraph (a) above becoming effective, the Available Commitment of the Defaulting Lender shall immediately be reduced to zero.

(c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

36.9 Replacement of a Defaulting Lender

(a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving ten Business Days' prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (Changes to the Lenders) all (and not part only) of its rights and obligations under this Agreement;

(ii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (Changes to the Lenders) all (and not part only) of the undrawn Commitment of the Lender; or

(iii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 25 (Changes to the Lenders) all (and not part only) of its rights and obligations in respect of the Facility, to a Replacement Lender selected by the Company, which is acceptable to the Agent and which confirms its willingness to assume and does assume all the obligations, or all the relevant obligations, of the transferring Lender in accordance with Clause 25 (Changes to the Lenders) for a purchase price in cash payable at the time of transfer which is either:

(A) in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 25.10 (Pro rata interest settlement), Break Costs and other amounts payable in relation thereto under the Finance Documents; or

(B) in an amount agreed between that Defaulting Lender, the Replacement Lender and the Company and which does not exceed the amount described in paragraph (A) above.

(b) Such transfer shall be deemed (subject to satisfaction of Clause 25.3(a)(ii) (Conditions of assignment or transfer) to have been completed ten Business Days after the transferee concerned delivers a Transfer Certificate or Assignment Agreement executed by it to the Lender concerned and pays the relevant amount to the Agent.

(c) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 36.9 shall be subject to the following conditions:

(i) the Company shall have no right to replace the Agent;
(ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;

(iii) the transfer must take place no later than ten Business Days after the notice referred to in paragraph (a) above;

(iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and

(v) the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.

(d) The Defaulting Lender shall perform the checks described in paragraph (c)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

37. CONFIDENTIAL INFORMATION

37.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 37.2 (Disclosure of Confidential Information) and Clause 37.3 (Disclosure to numbering service providers), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

37.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance
Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (b) of Clause 27.15 (Relationship with the Lenders));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 25.9 (Security over Lenders' rights);

(viii) who is a Party; or

(ix) with the consent of the Company;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information; and

(C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

(c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more
of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party; and

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

37.3 Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:

(i) names of Obligors;

(ii) country of domicile of Obligors;

(iii) place of incorporation of Obligors;

(iv) the Signature Date;

(v) Clause 40 (Governing Law);

(vi) the names of the Agent and the Arrangers;

(vii) date of each amendment and restatement of this Agreement;

(viii) amounts of, and names of, the Facility (and any tranches);

(ix) amount of Total Commitments;

(x) currency of the Facility;

(xi) type of the Facility;

(xii) ranking of the Facility;

(xiii) Termination Date;

(xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and

(xv) such other information agreed between such Finance Party and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) The Company represents that none of the information set out in paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Agent shall notify the Company and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

37.4 **Entire agreement**

This Clause 37 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

37.5 **Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

37.6 **Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 37.2 (Disclosure of Confidential Information) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 37.

37.7 **Continuing obligations**

The obligations in this Clause 37 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 Months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.
38. CONFIDENTIALITY OF FUNDING RATES

38.1 Confidentiality and disclosure

(a) The Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.

(b) The Agent may disclose:

(i) any Funding Rate to the relevant Borrower pursuant to Clause 10.4 (Notification of rates of interest); and

(ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender.

(c) The Agent may disclose any Funding Rate, and each Obligor may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender.
38.2 Related obligations

(a) The Agent and each Obligor acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.

(b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender:

(i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 38.1 (Confidentiality and disclosure) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 38.

38.3 No Event of Default

No Event of Default will occur under Clause 24.3 (Other obligations) by reason only of an Obligor's failure to comply with this Clause 38.

39. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

40. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

41. ENFORCEMENT

41.1 Jurisdiction

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a Dispute).

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 41.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

41.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor:
(a) irrevocably appoints The Law Debenture Corporation Plc as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

41.3 Waiver of trial by jury

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH ANY FINANCE DOCUMENT OR ANY TRANSACTION CONTEMPLATED BY ANY FINANCE DOCUMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.

41.4 USA Patriot Act

Each Finance Party that is subject to the requirements of the USA Patriot Act hereby notifies each Obligor that, pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Obligors, which information includes the name and address of the Obligors and other information that will allow that Finance Party to identify the Obligors in accordance with the USA Patriot Act. Each Obligor agrees that it will provide each Finance Party with such information as it may request in order for that Finance Party to satisfy the requirements of the USA Patriot Act.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.
SCHEDULE 1
THE PARTIES
PART 1
THE ORIGINAL BORROWERS

<table>
<thead>
<tr>
<th>Original Borrower</th>
<th>Registration number (or equivalent, if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sibanye Gold Limited</td>
<td>2002/031431/06</td>
</tr>
<tr>
<td>Stillwater Mining Company</td>
<td>2317621</td>
</tr>
<tr>
<td>Kroondal Operations Proprietary Limited</td>
<td>2000/000341/07</td>
</tr>
<tr>
<td>Sibanye Rustenburg Platinum Mines Proprietary Limited</td>
<td>2015/305479/07</td>
</tr>
</tbody>
</table>
PART 2

THE ORIGINAL GUARANTORS

<table>
<thead>
<tr>
<th>Original Guarantors</th>
<th>Registration number (or equivalent, if any)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Sibanye Rustenburg Platinum Mines Proprietary Limited</td>
<td>2015/305479/07</td>
</tr>
</tbody>
</table>
### PART 3

**THE ORIGINAL LENDERS**

<table>
<thead>
<tr>
<th>Name of Original Lender</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America Merrill Lynch International Limited</td>
<td>US$75,000,000</td>
</tr>
<tr>
<td>HSBC Bank plc – Johannesburg Branch</td>
<td>US$75,000,000</td>
</tr>
<tr>
<td>Absa Bank Limited (acting through its Corporate and Investment Banking division)</td>
<td>US$75,000,000</td>
</tr>
<tr>
<td>Citibank N.A., DIFC Branch</td>
<td>US$75,000,000</td>
</tr>
<tr>
<td>JPMorgan Chase Bank, N.A., London Branch US$75,000,000</td>
<td></td>
</tr>
<tr>
<td>Mizuho Bank Europe N.V.</td>
<td>US$75,000,000</td>
</tr>
<tr>
<td>Morgan Stanley Bank, N.A.</td>
<td>US$75,000,000</td>
</tr>
<tr>
<td>RBC Europe Limited</td>
<td>US$75,000,000</td>
</tr>
</tbody>
</table>

**Total**                                                                                   **US$600,000,000**
SCHEDULE 2

CONDITIONS PRECEDENT

PART 1

CONDITIONS PRECEDENT TO INITIAL UTILISATION

1. Original Obligors

(a) A copy of the constitutional documents of each Original Obligor.

(b) A copy of a resolution of the board of directors of each Original Obligor:

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(ii) in the case of each Original Guarantor incorporated in South Africa:

(A) complying with the requirements of section 45(3)(b) and section 45(4) of the Companies Act in connection with any financial assistance to be granted by that Original Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party; and

(B) complying with the requirements of section 46 of the Companies Act in connection with any "distribution" (as defined in the Companies Act) that may arise as a result of its entry into the Finance Documents to which it is a party;

(iii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iv) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

(d) To the extent required under applicable law, any other applicable law or the constitutional documents of an Original Obligor a copy of a resolution duly passed by the holders of the issued shares of that Original Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that Original Obligor is a party.

(e) A copy of a special resolution of the shareholders of each Original Guarantor incorporated in South Africa approving, in accordance with section 45(3)(a)(ii) of the Companies Act, any financial assistance to be granted by that Original Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party.

(f) A certificate of the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Original Obligor to be exceeded.
(g) A certificate of the Company (signed by a director) confirming as at the Signature Date that:

(i) no Default has occurred or is continuing or will result from the execution of the Finance Documents or, if a Default has occurred and is continuing describing that Default and the steps being taken to remedy it; and

(ii) the representations given by it under the Finance Documents are correct in all respects or, if any such representation is not correct in all respects, describing the relevant misrepresentation and the steps being taken to remedy it.

(h) A certificate of an authorised signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the Signature Date.

2. Finance Documents

A duly executed original of each of the following Finance Documents:

(a) this Agreement; and

(b) the Fee Letters.

3. Legal opinions

(a) A legal opinion of Allen & Overy LLP, legal advisers to the Arrangers and the Agent in England, substantially in the form distributed to the Agent prior to the Signature Date.

(b) A legal opinion of Allen & Overy (South Africa) LLP, legal advisers to the Arrangers and the Agent in South Africa, substantially in the form distributed to the Agent prior to the Signature Date.

(c) A legal opinion of Baker & McKenzie U.S., legal advisors to Stillwater in the United States, substantially in the form distributed to the Original Lenders prior to the Signature Date.

(d) A legal opinion of Baker & McKenzie South Africa, legal advisers to the Obligors in South Africa, substantially in the form distributed to the Original Lenders prior to the Signature Date.

4. Other documents and evidence

(a) Evidence that any process agent referred to in Clause 41.2 (Service of process), if not an Original Obligor, has accepted its appointment.

(b) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

(c) Evidence that all requisite South African regulatory approvals have been obtained in respect of the Finance Documents, including exchange control approval by the Financial Surveillance Department of the South African Reserve Bank.

(d) The Original Financial Statements of each Original Obligor.

(e) Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 13 (Fees) and Clause 18 (Costs and Expenses) have been paid or will be paid by the first Utilisation Date.
(f) The Group Structure Chart.

(g) A certificate of the Chief Financial Officer (or equivalent officer) of the Company, based on the most recent unaudited management accounts prepared by the Company, confirming the arithmetic computations and the proper extraction of figures applied in determining which members of the Group are Material Companies and that the Guarantor Threshold Test has been met.

(h) A copy of any other document, authorisation, opinion or assurance specified by the Agent.
PART 2

CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR

1. An Accession Letter, duly executed by the Additional Obligor and the Company.

2. A copy of the constitutional documents of the Additional Obligor.

3. A copy of a resolution of the board of directors of the Additional Obligor:
   (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;
   (b) in the case of an Additional Guarantor incorporated in South Africa and to the extent applicable:
      (i) complying with the requirements of section 45(3)(b) and section 45(4) of the Companies Act in connection with any financial assistance to be granted by that Additional Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party; and
      (ii) complying with the requirements of section 46 of the Companies Act in connection with any "distribution" (as defined in the Companies Act) that may arise as a result of its entry into the Finance Documents to which it is a party;
   (c) authorising a specified person or persons to execute the Accession Letter on its behalf; and
   (d) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents.

4. Each Guarantor incorporated in South Africa as at the date on which each Additional Obligor accedes to the Agreement in accordance with Clause 26 (Changes to the Obligors) is required to deliver the following documents to the Agent in a form and substance acceptable to the Agent:
   (a) to the extent applicable, a resolution of the board of directors of such Guarantor;
      (i) complying with the requirements of section 45(3)(b) and section 45(4) of the Companies Act in connection with any financial assistance to be granted by that Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party; and
      (ii) complying with the requirements of section 46 of the Companies Act in connection with any "distribution" (as defined in the Companies Act) that may arise as a result of its entry into the Finance Documents to which it is a party;
   (b) to the extent required by the Companies Act, any other applicable law or the constitutional documents of the Guarantor, a copy of a resolution duly passed by the holders of the issued shares of that Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that Guarantor is a party; and
(c) a copy of a special resolution of the shareholders of each Original Guarantor incorporated in South Africa approving, in accordance with section 45(3)(a)(ii) of the Companies Act, any financial assistance to be granted by that Original Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party.

5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.

6. To the extent required by the Companies Act, any other applicable law or the constitutional documents of an Additional Guarantor, a copy of a resolution duly passed by the holders of the issued shares of that Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that Additional Guarantor is a party.

7. If applicable, in the case of an Additional Guarantor incorporated in South Africa, a copy of a special resolution of the shareholders of the Additional Guarantor approving, in accordance with section 45(3)(a)(ii) of the Companies Act, any financial assistance to be granted by the Additional Guarantor pursuant to section 45(2) of the Companies Act under the Finance Documents to which it is a party.

8. A certificate of the Additional Obligor (signed by a director or an authorised signatory) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.

9. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part 2 of Schedule 2 in respect of that Additional Obligor is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

10. Such documentation and other evidence relating to the Additional Guarantor as is reasonably requested by the Agent (for itself or on behalf of any other Finance Party) in order for the Agent and each other Finance Party to carry out and be satisfied it has complied with all necessary "know your customer" or similar identification procedures under Applicable Laws and regulations (including the Financial Intelligence Centre Act, 2001) pursuant to the transactions contemplated in the Finance Documents.

11. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.

12. If available, the latest audited Financial Statements of the Additional Obligor.

13. The following legal opinions, each addressed to the Agent and the Lenders:

(a) a legal opinion of the legal advisers to the Agent in England;

(b) if the Additional Obligor is incorporated in South Africa, a legal opinion of the legal advisers to the Agent in South Africa and a legal opinion of the legal advisors to the Obligor in South Africa; and

(c) if the Additional Guarantor is incorporated in a jurisdiction other than England or South Africa:

(i) (if required by the Agent) a legal opinion of the legal advisers to the Agent in the jurisdiction of incorporation of the Additional Guarantor; and

(ii) a legal opinion of the legal advisers to the Obligors in the jurisdiction of incorporation of the Additional Guarantor.
14. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 41.2 (Service of process), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor.

15. If the proposed Additional Obligor is incorporated in or organised under a state of the United States of America or in the District of Columbia:

(a) a good standing certificate of that Additional Obligor from its jurisdiction of incorporation or organisation, dated not earlier than five Business Days prior to the date of the relevant Accession Letter; and

(b) a certificate of the chief financial officer, treasurer or assistant treasurer or, if there is no chief financial officer, treasurer or assistant treasurer, the president of that Additional Obligor certifying as to the solvency of the company after the consummation of the transactions contemplated by the Finance Documents.
SCHEDULE 3

UTILISATION REQUEST

From: [Borrower]
To: [Agent]
Dated:

Dear Sirs

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement dated [●] 2018 (the Agreement)

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

   Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)
   Currency of Loan: dollars
   Amount: [●] or, if less, the Available Facility
   Interest Period: [●]

3. We confirm that each condition specified in Clause 4.2 (Further conditions precedent) is satisfied on the date of this Utilisation Request.

4. The proceeds of this Loan should be credited to the following bank account (the Account):

   Account Name: [●]
   Bank: [●]
   Account Number: [●]
   Branch: [●]
   Branch Code: [●]

5. This Utilisation Request is irrevocable.

Yours faithfully

................................................................

[authorised signatory for [name of relevant Borrower]]
SCHEDULE 4
FORM OF TRANSFER CERTIFICATE

To: [●] as Agent

From: [The Existing Lender] (the Existing Lender) and [The New Lender] (the New Lender)

Dated:

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement
dated [●] 2018 (the Agreement)

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2. We refer to Clause 25.6 (Procedure for transfer):
   (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 25.6 (Procedure for transfer), all of the Existing Lender's rights and obligations under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment and participations in Loans under the Agreement as specified in the Schedule.
   (b) The proposed Transfer Date is [●].
   (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 32.2 (Addresses) are set out in the Schedule.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 25.5 (Limitation of responsibility of Existing Lenders).

4. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)][a Treaty Lender][not a Qualifying Lender].

5. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

6. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

7. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

1 Delete as applicable.
THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments.]

[Existing Lender] [New Lender]

By: By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [●]. [Agent]

By:
FORM OF SUBSTITUTE AFFILIATE LENDER DESIGNATION NOTICE

To:        Bank of America Merrill Lynch International Limited (as Agent) for itself and each of the other parties to the Facilities Agreement referred to below.

From:      [Designating Lender] (the Designating Lender)

Dated:

Dear Sirs

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement dated [●] 2018 (the Agreement)

1. We refer to the Agreement. Terms defined in the Agreement have the same meaning in this Substitute Affiliate Lender Designation Notice.

2. We hereby designate our Affiliate details of which are given below as a Substitute Affiliate Lender in respect of any Loans required to be advanced to [specify name of borrower or refer to all borrowers in a particular jurisdiction etc] (Designated Loans).

3. The details of the Substitute Affiliate Lender are as follows:

   Name:

   Facility Office:

   Fax Number:

   Attention:

   Jurisdiction of Incorporation:

4. By countersigning this notice below the Substitute Affiliate Lender agrees to become a Substitute Affiliate Lender in respect of Designated Loans as indicated above and agrees to be bound by the terms of the Agreement accordingly.

5. The Substitute Affiliate Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)][a Treaty Lender][not a Qualifying Lender].

6. This Substitute Affiliate Lender Designation Notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

For and on behalf of
[Designating Lender]

2 Delete as applicable.
We acknowledge and agree to the terms of the above.

................................................................
For and on behalf of
[Substitute Affiliate Lender]

We acknowledge the terms of the above.

................................................................
For and on behalf of

The Agent

Dated
SCHEDULE 6

FORM OF ASSIGNMENT AGREEMENT

To: [●] as Agent and [●] as Company, for and on behalf of each Obligor

From: [the Existing Lender] (the Existing Lender) and [the New Lender] (the New Lender)

Dated:

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement dated [●] 2018 (the Agreement)

1. We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.

2. We refer to Clause 25.7 (Procedure for assignment):

   (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment and participations in Loans under the Agreement as specified in the Schedule.

   (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment and participations in Loans under the Agreement specified in the Schedule.

   (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3. The proposed Transfer Date is [●].

4. On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.

5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 32.2 (Addresses) are set out in the Schedule.

6. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 25.5 (Limitation of responsibility of Existing Lenders).

7. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)][a Treaty Lender][not a Qualifying Lender].

8. This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 25.8 (Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company), to the Company (on behalf of each Obligor) of the assignment referred to in this Assignment Agreement.

9. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.

3 Delete if applicable.
10. This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

11. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.
THE SCHEDULE
Rights to be assigned and obligations to be released and undertaken

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Existing Lender] [New Lender]

By: By:

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [●].

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[Agent]
By:


FORM OF ACCESSION LETTER

To: [●] as Agent

From: [Subsidiary] and [insert name of the Company at the time]

Dated:

Dear Sirs

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement dated [●] 2018 (the Agreement)

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.

2. [Subsidiary] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Agreement as an Additional [Borrower]/[Guarantor] pursuant to Clause [26.2 (Additional Borrowers)]/[Clause 26.4 (Additional Guarantors)] of the Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].

3. [The Company confirms that no Default is continuing or would occur as a result of [Subsidiary] becoming an Additional Borrower.].

4. [Subsidiary's] administrative details are as follows:
   
   Address:
   
   Fax No:
   
   Attention:

5. This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

   [This Accession Letter is entered into by deed.]

   [insert name of the Company at the time] [Subsidiary]
SCHEDULE 8
FORM OF RESIGNATION LETTER

To: [•] as Agent

From: [resigning Obligor] and [insert name of the Company at the time]

Dated:

Dear Sirs

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement dated [•] 2018 (the Agreement)

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2. Pursuant to [Clause 26.3 (Resignation of a Borrower)]/[Clause 26.6 (Resignation of a Guarantor)], we request that [resigning Obligor] be released from its obligations as a [Borrower]/[Guarantor] under the Agreement.

3. [We confirm that:
   (a) no Default is continuing or would result from the acceptance of this request;
   (b) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents.] 4

4. [We confirm that no Default is continuing or would result from the acceptance of this request.] 5

5. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

   [insert name of the Company at the time] [Subsidiary]

   By: By:

---

4 For resigning Borrower.
5 For resigning Guarantor.
To: [●] as Agent

From: [Company]

Dated:

Dear Sirs

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement dated [●] 2018 (the Agreement)

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We confirm that: [Insert details of covenants to be certified]

3. We confirm that the following are Material Companies [●].

4. [We confirm that no Default is continuing.]6

Signed: ..................................... ........................................

Director of [insert name of the Company at the time]  Director of [insert name of the Company at the time]

[insert applicable certification language]

for and on behalf of [insert name of the Company at the time]

---

6 If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.
FORM OF INCREASE CONFIRMATION

To: [●] as Agent and [Company] as Company, for and on behalf of each Obligor

From: [the Increase Lender] (the Increase Lender)

Dated:

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement dated [●] 2018 (the Agreement)

1. We refer to the Agreement. This is an Increase Confirmation. Terms defined in the Agreement have the same meaning in this Increase Confirmation unless given a different meaning in this Increase Confirmation.

2. We refer to Clause 2.2 (Increase).

3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the Relevant Commitment) as if it was an Original Lender under the Agreement.

4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the Increase Date) is [●].

5. On the Increase Date, the Increase Lender becomes party to the Finance Documents as a Lender.

6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 32.2 (Addresses) are set out in the Schedule.

7. The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in paragraph (d) of Clause 2.2 (Increase).

8. The Increase Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is:

   (a) [a Qualifying Lender (other than a Treaty Lender);]

   (b) [a Treaty Lender;]

   (c) [not a Qualifying Lender].

9. This Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Increase Confirmation.

10. This Increase Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English law.

11. This Increase Confirmation has been entered into on the date stated at the beginning of this Increase Confirmation.
THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility office address, e-mail address, fax number and attention details for notices and account details for payments] [Increase Lender]

By:

This Increase Confirmation is accepted as an Increase Confirmation for the purposes of the Agreement by the Agent and the Increase Date is confirmed as [●].

Agent

By:
To:  

[Letterhead of Arranger]  

[insert name of Potential Lender]  

Re: The Facility

Dear Sirs

We understand that you are considering participating in the Facility. In consideration of us agreeing to make available to you certain information with the knowledge and approval of the Company, by your signature of a copy of this letter you agree as follows:

1. CONFIDENTIALITY

1.1 CONFIDENTIALITY UNDERTAKING

You undertake:

(a) to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by paragraph 1.2 below and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information;

(b) to keep confidential and not disclose to anyone except as provided for by paragraph 1.2 below the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facility;

(c) to use the Confidential Information only for the Permitted Purpose; and
(d) to use all reasonable endeavours to ensure that any person to whom you disclose any information in accordance with paragraph 1.2 below (unless disclosed under paragraph 1.2(b)) acknowledges and complies with the provisions of this letter as if that person were also party to it.

1.2 PERMITTED DISCLOSURE

We agree that you may disclose such Confidential Information and such of those matters referred to in paragraph 1.1(b) above as you shall consider appropriate:

(a) to your Affiliates and their officers, directors, employees, professional advisers and auditors if any person to whom the Confidential Information is to be given pursuant to this paragraph 1.2(a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation; and

(c) with the prior written consent of us and the Company.

1.3 NOTIFICATION OF DISCLOSURE

You agree (to the extent permitted by law and regulation) to inform us:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph 1.2(b) above except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this letter.

1.4 RETURN OF COPIES

If you do not participate in the Facility and we so request in writing, you shall return or destroy all Confidential Information supplied to you by us and destroy or permanently erase (to the extent technically practicable) all copies of Confidential Information made by you and use your reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 1.2(b) above.

1.5 CONTINUING OBLIGATIONS

The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in Part A of this letter shall cease on the earlier of (a) the date on which you become a
party to the Facility Agreement or (b) the date falling [12] Months after the date of your final receipt (in whatever manner) of any Confidential Information.

1.6 NO REPRESENTATION; CONSEQUENCES OF BREACH, ETC

You acknowledge and agree that:

(a) neither we nor any of our officers, employees or advisers (each a Relevant Person) (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any member of the Group or be otherwise liable to you or any other person in respect of the Confidential Information or any such information; and

(b) we or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person or member of the Group may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

1.7 ENTIRE AGREEMENT; NO WAIVER; AMENDMENTS, ETC

(a) This letter constitutes the entire agreement between us in relation to your obligations regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

(b) No failure to exercise, nor any delay in exercising any right or remedy under this letter will operate as a waiver of any such right or remedy or constitute an election to affirm this letter. No election to affirm this letter will be effective unless it is in writing. No single or partial exercise of any right or remedy will prevent any further or other exercise or the exercise of any other right or remedy under this letter.

(c) The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us.

1.8 INSIDE INFORMATION

You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and you undertake not to use any Confidential Information for any unlawful purpose.

1.9 NATURE OF UNDERTAKINGS

The undertakings given by you under Part A of this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of the Company and each other member of the Group.
2. **MISCELLANEOUS**

2.1 **THIRD PARTY RIGHTS**

(a) Subject to this paragraph 2.1 and to paragraphs 1.6 and 1.9, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 (the *Third Parties Act*) to enforce or to enjoy the benefit of any term of this letter.

(b) The Relevant Persons and each member of the Group may enjoy the benefit of the terms of paragraphs 1.6 and 1.9 subject to and in accordance with this paragraph 2.1 and the provisions of the Third Parties Act.

(c) Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person or any member of the Group to rescind or vary this letter at any time.

2.2 **GOVERNING LAW AND JURISDICTION**

(a) This letter and the agreement constituted by your acknowledgement of its terms (the *Letter*) and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of the transaction contemplated by this Letter) are governed by English law.

(b) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter (including a dispute relating to any non-contractual obligation arising out of or in connection with either this Letter or the negotiation of the transaction contemplated by this Letter).

2.3 **DEFINITIONS**

In this letter (including the acknowledgement set out below):

**Affiliate** means each of your holding companies and subsidiaries and each subsidiary of each of your holding companies (as each such term is defined in the Companies Act 71 of 2008)

**Confidential Information** means all information relating to the Company, any Obligor, the Group, the Finance Documents and/or the Facility which is provided to you in relation to the Finance Documents or Facility by us or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(a) is or becomes public information other than as a direct or indirect result of any breach by you of this letter; or

(b) is identified in writing at the time of delivery as non-confidential by us or our advisers; or

(c) is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you after that date, from a source which is, as far as you are aware, unconnected with the Group and which, in either case, as far as you are aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.
**Facility Agreement** means the facility agreement entered into or to be entered into in relation to the Facility.

**Facility Interest** means a legal, beneficial or economic interest acquired or to be acquired expressly and specifically in or in relation to the Facility, whether as initial lender or by way of assignment, transfer, novation, sub-participation (whether disclosed, undisclosed, risk or funded) or any other similar method.

**Finance Documents** means the documents defined in the Facility Agreement as Finance Documents.

**Group** means the Company and its subsidiaries for the time being (as such term is defined in the Companies Act 2006).

**Obligor** means a borrower or a guarantor under the Facility Agreement.

**Permitted Purpose** means considering and evaluating whether to enter into the Facility.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

......................................

For and on behalf of

[Arranger]
To: [Arranger]

The Company and each other member of the Group

We acknowledge and agree to the above:

......................................

For and on behalf of
[Potential Lender]
SCHEDULE 12
TIMETABLES

Delivery of a duly completed Utilisation Request (Clause 5.1 (Delivery of a Utilisation Request))

9.30am

Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (Lenders' participation)

Noon

LIBOR is fixed

Quotation Day 11am

"U" = the date of the proposed Utilisation.
To: [●] as Agent and [●] as Company

From: [insert name of Lender agreeing to Extension Request]

Dated:

Dear Sirs

Sibanye Gold Limited – US$600,000,000 Revolving Facility Agreement dated [●] 2018 (the Agreement)

1. We refer to the Agreement and the Extension Request from the Company dated [●]. This is an Extension Confirmation. Terms defined in the Agreement have the same meaning in this Extension Confirmation unless given a different meaning in this Extension Confirmation.

2. We confirm our approval of the Extension Request and accordingly the Termination Date with respect to our Commitment shall be extended to [●] unless the Company elects to withdraw the Extension Request in accordance with paragraph (g) of Clause 6.2 (Extension option).

3. This Extension Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English law.

[insert name of the Lender]

By:
SIGNATORIES

The Company

SIBANYE GOLD LIMITED

By: /s/ Charl Keyter

The Original Borrowers

SIBANYE GOLD LIMITED

By: /s/ Charl Keyter

STILLWATER MINING COMPANY

By: /s/ Charl Keyter

KROONDAL OPERATIONS PROPRIETARY LIMITED

By: /s/ Charl Keyter

SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED

By: /s/ Charl Keyter
The Original Guarantors

SIBANYE GOLD LIMITED
By: /s/ Charl Keyter

STILLWATER MINING COMPANY
By: /s/ Charl Keyter

KROONDAL OPERATIONS PROPRIETARY LIMITED
By: /s/ Charl Keyter

SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED
By: /s/ Charl Keyter
The Arrangers

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By: /s/ Jason Rapley

HSBC BANK PLC

By:
The Arrangers

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:

HSBC BANK PLC

By: /s/ Sandeep Bose-Mallick
The Original Lenders

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED
By: /s/ Jason Rapley

BANK OF AMERICA, N.A. (as Substitute Affiliate Lender)
By:

HSBC BANK PLC - JOHANNESBURG BRANCH
By:

ABSA BANK LIMITED (acting through its CORPORATE AND INVESTMENT BANKING division)
By:

CITIBANK N.A., DIFC BRANCH
By:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH
By:

MIZUHO BANK EUROPE N.V.
By:

MORGAN STANLEY BANK, N.A.
By:
The Original Lenders

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:

BANK OF AMERICA, N.A. (as Substitute Affiliate Lender)

By:/s/ Mary M Adeyemi
    MARY M ADEYEMI

HSBC BANK PLC - JOHANNESBURG BRANCH

By:

ABSA BANK LIMITED (acting through its CORPORATE AND INVESTMENT BANKING division)

By:

CITIBANK N.A., DIFC BRANCH

By:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH

By:

MIZUHO BANK EUROPE N.V.

By:

MORGAN STANLEY BANK, N.A.

By:
The Original Lenders

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:

BANK OF AMERICA, N.A. (as Substitute Affiliate Lender)

By:

HSBC BANK PLC - JOHANNESBURG BRANCH

By: /s/ Dean Radbourne

ABSA BANK LIMITED (acting through its CORPORATE AND INVESTMENT BANKING division)

By:

CITIBANK N.A., DIFC BRANCH

By:

JPMORGAN CHASE BANK, N.A, LONDON BRANCH

By:

MIZUHO BANK EUROPE N.V.

By:

MORGAN STANLEY BANK, N.A.

By:
The Original Lenders

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:

BANK OF AMERICA, N.A. (as Substitute Affiliate Lender)

By:

HSBC BANK PLC - JOHANNESBURG BRANCH

By:

ABSA BANK LIMITED (acting through its CORPORATE AND INVESTMENT BANKING division)

By:/s/ Anthony Sam /s/ Bev Vernon

ANTHONY SAM BEV VERNON

CITIBANK N.A., DIFC BRANCH

By:

JPMORGAN CHASE BANK, N.A, LONDON BRANCH

By:

MIZUHO BANK EUROPE N.V.

By:

MORGAN STANLEY BANK, N.A.

By:
The Original Lenders

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED
By:

BANK OF AMERICA, N.A. (as Substitute Affiliate Lender)
By:

HSBC BANK PLC - JOHANNESBURG BRANCH
By:

ABSA BANK LIMITED (acting through its CORPORATE AND INVESTMENT BANKING division)
By:

CITIBANK N.A., DIFC BRANCH
By:/s/ Deepak Rao
   Deepak Rao
   Asst. Vice President

JPMORGAN CHASE BANK, N.A. LONDON BRANCH
By:

MIZUHO BANK EUROPE N.V.
By:

MORGAN STANLEY BANK, N.A.
By:
The Original Lenders

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:

BANK OF AMERICA, N.A. (as Substitute Affiliate Lender)

By:

HSBC BANK PLC - JOHANNESBURG BRANCH

By:

ABSA BANK LIMITED (acting through its CORPORATE AND INVESTMENT BANKING division)

By:

CITIBANK N.A., DIFC BRANCH

By:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH

By:/s/ Viktoria Cosquer
   VIKTORIYA COSQUER
   Vice President

MIZUHO BANK EUROPE N.V.

By:

MORGAN STANLEY BANK, N.A.

By:
The Original Lenders

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED
By:

BANK OF AMERICA, N.A. (as Substitute Affiliate Lender)
By:

HSBC BANK PLC - JOHANNESBURG BRANCH
By:

ABSA BANK LIMITED (acting through its CORPORATE AND INVESTMENT BANKING division)
By:

CITIBANK N.A., DIFC BRANCH
By:

JPMORGAN CHASE BANK, N.A, LONDON BRANCH
By:

MIZUHO BANK EUROPE N.V.
By:/s/ Nobuhiro Kawase /s/ Stewart Wakeman
NOBUHIRO KAWASE STEWART WAKEMAN
MANAGING DIRECTOR MANAGING DIRECTOR

MORGAN STANLEY BANK, N.A.
By:
The Original Lenders

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:

BANK OF AMERICA, N.A. (as Substitute Affiliate Lender)

By:

HSBC BANK PLC - JOHANNESBURG BRANCH

By:

ABSA BANK LIMITED (acting through its CORPORATE AND INVESTMENT BANKING division)

By:

CITIBANK N.A., DIFC BRANCH

By:

JPMORGAN CHASE BANK, N.A, LONDON BRANCH

By:

MIZUHO BANK EUROPE N.V.

By:

MORGAN STANLEY BANK, N.A.

By:/s/ Michael King

MICHAEL KING
RBC EUROPE LIMITED

By:  /s/ Anthony Bosley
The Agent

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:/s/ Claire Godley
   Claire Godley
   Vice President
EXECUTION VERSION

SUPPLEMENTAL AGREEMENT

15 January 2019

between

SIBANYE GOLD LIMITED

STILLWATER MINING COMPANY

KROONDAL OPERATIONS PROPRIETARY LIMITED

SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED

and

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL DESIGNATED ACTIVITY COMPANY as successor in title to BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED acting as Agent

relating to a US$600,000,000 Revolving Credit Facility Agreement

dated 6 April 2018

ALLEN & OVERY

Allen & Overy LLP

0012186-0006346 JH:1881803.3
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Signatories                                      | 4    |
THIS AGREEMENT is dated 15 January 2019 and is made

BETWEEN:

(1) SIBANYE GOLD LIMITED;
(2) STILLWATER MINING COMPANY;
(3) KROONDAL OPERATIONS PROPRIETARY LIMITED;
(4) SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED; and
(5) BANK OF AMERICA MERRILL LYNCH INTERNATIONAL DESIGNATED ACTIVITY COMPANY as successor in title to BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED as agent of the other Finance Parties (the Agent).

BACKGROUND

(a) This Agreement is supplemental to and amends the US$600,000,000 revolving credit facility agreement dated 6 April 2018 between, among others, the Parties (the Credit Agreement).

(b) The Majority Lenders (as defined in the Credit Agreement) have consented to the amendments to the Credit Agreement contemplated by this Agreement. Accordingly the Agent is authorised to execute this Agreement on behalf of the Finance Parties.

IT IS AGREED as follows:

2. INTERPRETATION

2.1 Definitions

In this Agreement:

Amended Credit Agreement means the Credit Agreement as amended by this Agreement.

Effective Date means the date of this Agreement.

Party means a party to this Agreement.

2.2 Construction

(a) Capitalised terms defined in the Credit Agreement have, unless expressly defined in this Agreement, the same meaning in this Agreement.

(b) The provisions of clauses 1.2 (Construction), 1.4 (Third party rights) and 41 (Enforcement) of the Credit Agreement apply to this Agreement as though they were set out in full in this Agreement except that references to the Credit Agreement are to be construed as references to this Agreement.

3. AMENDMENT

The Credit Agreement will be amended from the Effective Date by replacing the existing clause 22.2 (General financial conditions) and replacing it with the following new clause 22.2 (General financial conditions):
22.2 **General financial conditions**

The Obligors shall ensure that, for so long as any amount is outstanding under the Finance Documents or any Commitment is in force, on each Measurement Date:

(a) the ratio of Consolidated EBITDA to Consolidated Net Finance Charges in respect of the Measurement Period ending on the relevant Measurement Date shall be equal to or exceed 4:1; and

(b) the ratio of Consolidated Net Borrowings to Consolidated EBITDA in respect of the Measurement Period ending on the relevant Measurement Date does not exceed:

(i) if the Measurement Date falls during the period up to and including 31 December 2019, 3.50:1; or

(ii) if the Measurement Date falls after 31 December 2019, 2.50:1.”

4. **REPRESENTATIONS**

4.1 **Representations**

The representations and warranties set out in this Clause are made by each Obligor to the Agent (on behalf of the Finance Parties). References in this Clause to it or its include, unless the context otherwise requires, each Obligor.

4.2 **Binding obligations**

The obligations expressed to be assumed by it in this Agreement are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

4.3 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any material agreement or instrument which is binding on it or any of its assets.

4.4 **Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement.

4.5 **Validity and admissibility in evidence**

All Authorisations required:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement; and
(b) for the validity or enforceability of this Agreement or to make this Agreement admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

4.6 **Credit Agreement**

Each Obligor confirms to the Agent that, on the Effective Date, the Repeating Representations:

(a) are true; and

(b) would also be true if references to the Credit Agreement are construed as references to the Amended Credit Agreement.

In each case, each Repeating Representation is applied to the facts and circumstances then existing.

5. **CONFIRMATION OF GUARANTEES**

Each Guarantor confirms that its guarantee, indemnity and undertaking continues in full force and effect on the terms of the guarantee, indemnity and undertaking contained in clause 19 (Guarantee and indemnity) of the Credit Agreement.

6. **MISCELLANEOUS**

(a) Each of this Agreement and the Amended Credit Agreement is a Finance Document.

(b) Subject to the terms of this Agreement, the Credit Agreement will remain in full force and effect and, from the Effective Date, the Credit Agreement and this Agreement will be read and construed as one document.

7. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

**THIS AGREEMENT** has been entered into on the date stated at the beginning of this Agreement.
SIGNATORIES

Obligors

SIBANYE GOLD LIMITED
By: /s/ Charl Keyter

STILLWATER MINING COMPANY
By: /s/ Charl Keyter

KROONDAL OPERATIONS PROPRIETARY LIMITED
By: /s/ Charl Keyter

SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED
By: /s/ Charl Keyter
The Agent

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL DESIGNATED ACTIVITY COMPANY as successor in title to BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By:  /s/ Kevin     Kevin Day
     Day             Vice President
SUPPLEMENTAL AGREEMENT

dated
25 February 2019
between

SIBANYE GOLD LIMITED

STILLWATER MINING COMPANY

KROONDAL OPERATIONS PROPRIETARY LIMITED

SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED

and

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL DESIGNATED ACTIVITY COMPANY
as Agent
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Supplemental Agreement

This Agreement is dated 25 February 2019 and is made

Between:

SIBANYE GOLD LIMITED; STILLWATER MINING COMPANY;

KROONDAL OPERATIONS PROPRIETARY LIMITED;

SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED; and

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL DESIGNATED ACTIVITY COMPANY, as agent of the other Finance Parties (Agent).

Recitals

A. This Agreement is supplemental to and amends the US$600,000,000 revolving credit facility agreement dated 6 April 2018 between, among others, the Parties as amended by a supplemental agreement dated 15 January 2019 (the Facility Agreement).

B. The Majority Lenders (as defined in the Facility Agreement) have consented to the amendments to the Facility Agreement contemplated by this Agreement. Accordingly the Agent is authorised to execute this Agreement on behalf of the Finance Parties.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

Amended Facility Agreement means the Facility Agreement as amended by this Agreement.

Effective Date means the date on which the Agent receives payment in full of the consent fee pursuant to Clause 3 (Consent fee).

Party means a party to this Agreement.

1.2 Construction

(a) Capitalised terms defined in the Facility Agreement have, unless expressly defined in this Agreement, the same meaning in this Agreement

(b) The provisions of clauses 1.2 (Construction), 1.4 (Third party rights) and 41 (Enforcement) of the Facility Agreement apply to this Agreement as though they were set out in full in this Agreement except that references to the Facility Agreement are to be construed as references to this Agreement.

2. AMENDMENT

Subject to receipt by the Agent of the consent fee pursuant to clause 3 (Consent fee), the Parties hereby agree to amend the Facility Agreement with effect from the Effective Date by:

(a) amending the definition of "Margin" to read:
Margin means

(a) 1.85% per cent. per annum; or

(b) if Consolidated Net Borrowings to Consolidated EBITDA in respect of the most recent Measurement Period exceeds 2.50:1, 2% per annum,

provided that if, in respect of the Measurement Period ending on 31 March 2019, Consolidated Net Borrowings to Consolidated EBITDA exceeds 3.5:1 or Consolidated EBITDA to Consolidated Net Finance Charges falls below 4.0:1, the Margin that would otherwise apply under (a) or (b) above shall be increased by 0.25% per annum until the receipt by the Agent of the Compliance Certificate for the following Measurement Period showing that the Obligors are in compliance with the financial covenants contained in clause 22.2 (General financial conditions) in respect of that Measurement Period.

However:

(i) for the purpose of determining the Margin, Consolidated Net Borrowings to Consolidated EBITDA, Consolidated EBITDA to Consolidated Net Finance Charges and Measurement Period shall be determined in accordance with Clause 22.1 (Financial definitions);

(ii) any increase or decrease in the Margin shall, subject to paragraph (iii) below, take effect and apply to each Loan borrowed after receipt by the Agent of the Compliance Certificate for the relevant Measurement Period pursuant to Clause 21.2 (Compliance Certificate);

(iii) if, whilst an Event of Default is continuing, the Margin would otherwise be 1.85% per annum, it shall be increased to 2% per annum.

(b) amending paragraph (a) of clause 21.2 (Compliance Certificate) to read:

The Company shall supply to the Agent, with each set of Financial Statements delivered pursuant to paragraph (a)(i), (b)(i) or (c)(i) of Clause 21.1 (Financial Statements), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22 (Financial Covenants) and any Margin adjustment (or, in the case of the Compliance Certificate supplied with the Financial Statements for the Financial Half-Year ended on 30 June 2019, computations as to any Margin adjustment in respect of the Measurement Period ending on 31 March 2019 only) and in each case specifying each Material Company as at the date as at which those Financial Statements were drawn up.

(c) amending clause 22.2 (General financial conditions) of the Facility Agreement to read:

22.2 General financial conditions

The Obligors shall ensure that, for so long as any amount is outstanding under the Finance Documents or any Commitment is in force, on each Measurement Date:

(a) the ratio of Consolidated EBITDA to Consolidated Net Finance Charges in respect of the Measurement Period ending on the relevant Measurement Date shall be equal to or exceed 4:1; and
(b) the ratio of Consolidated Net Borrowings to Consolidated EBITDA in respect of the Measurement Period ending on the relevant Measurement Date does not exceed:

(i) if the Measurement Date falls during the period up to and including 31 December 2019, 3.50:1; or

(ii) if the Measurement Date falls after 31 December 2019, 2.50:1,

except that, in respect of the Measurement Period ending on 31 March 2019, the Obligors shall not be obliged to comply with the financial covenants in (a) and (b) above.

3. CONSENT FEE

By no later than 2 Business Days from the date of this Agreement, the Borrower shall pay to the Agent (for the account of each Lender) a consent fee in an amount of 0.05% of that Lender's Commitment.

4. REPRESENTATIONS

4.1 Representations

The representations and warranties set out in this Clause are made by each Obligor to the Agent (on behalf of the Finance Parties). References in this Clause to it or its include, unless the context otherwise requires, each Obligor.

4.2 Binding obligations

The obligations expressed to be assumed by it in this Agreement are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

4.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any material agreement or instrument which is binding on it or any of its assets.

4.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement.

4.5 Validity and admissibility in evidence

All Authorisations required:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement; and

(b) for the validity or enforceability of this Agreement or to make this Agreement admissible in evidence in its jurisdiction of incorporation,
have been obtained or effected and are in full force and effect.

4.6 Facility Agreement

Each Obligor confirms to the Agent that, on the Effective Date, the Repeating Representations:

(a) are true; and

(b) would also be true if references to the Facility Agreement are construed as references to the Amended Facility Agreement.

In each case, each Repeating Representation is applied to the facts and circumstances then existing.

5. CONFIRMATION OF GUARANTEES

Each Guarantor confirms that its guarantee, indemnity and undertaking continues in full force and effect on the terms of the guarantee, indemnity and undertaking contained in clause 19 (Guarantee and indemnity) of the Facility Agreement.

6. MISCELLANEOUS

(a) Each of this Agreement and the Amended Facility Agreement is a Finance Document.

(b) Subject to the terms of this Agreement, the Facility Agreement will remain in full force and effect and, from the Effective Date, the Facility Agreement and this Agreement will be read and construed as one document.

(c) Except to the extent expressly stated in this Agreement, no waiver is given by this Agreement, and the Finance Parties expressly reserve all their rights and remedies in respect of any breach of, or other Default under, a Finance Document.

7. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

[Remainder of this page intentionally blank. Signature pages follow thereafter.]
Sibanye Gold Limited

By: /s/ Charl Keyte

Name: Charl Keyter

Title: CFO

Date: 25 February 2019
Stillwater Mining Company

By: /s/ Charl Keyter

Name: Charl Keyter

Title: CFO

Date: 25 February 2019
Sibanye Rustenburg Platinum Mines Proprietary Limited

By: /s/ Charl Keyte

Name: Charl Keyte

Title: CFO

Date: 25 February 2019
By: /s/ Kevin Day

Name: Kevin Day

Title: Vice President

Date: 25 February 2019
EXECUTION VERSION

PRECIOUS METALS PURCHASE AGREEMENT

- between -

WHEATON PRECIOUS METALS INTERNATIONAL LTD.

- and -

SIBANYE GOLD LIMITED

July 16, 2018
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THIS PRECIOUS METALS PURCHASE AGREEMENT dated as of July 16, 2018

BETWEEN:

WHEATON PRECIOUS METALS INTERNATIONAL LTD., a company existing under the laws of the Cayman Islands

("Wheaton")

- and -

SIBANYE GOLD LIMITED, a company existing under the laws of South Africa

("Supplier")

WITNESSES THAT:

WHEREAS the Current Owner is the holder of the Mining Properties and currently owns and operates the Mine;

AND WHEREAS the Current Owner is a wholly-owned direct subsidiary of SWC Holdco;

AND WHEREAS SWC Holdco is a wholly-owned indirect subsidiary of Supplier;

AND WHEREAS Supplier has agreed to sell to Wheaton, and Wheaton has agreed to purchase from Supplier from time to time, an amount of Refined Gold and Refined Palladium equal to the Payable Gold and Payable Palladium, respectively, subject to and in accordance with the terms and conditions of this Agreement;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the Parties mutually agree as follows:
ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:


“Acquiror” has the meaning set out in the definition of “Change of Control”.

“Advance Payment” has the meaning set out in Section 3.1.

“Advance Payment Reduction Date” means the date on which the Advance Payment is reduced to nil in accordance with the provisions of Section 2.4.

“Adverse Impact” means any effect, event, occurrence or other change that, when taken together with all other effects, events, occurrences or other changes, is or would reasonably be expected to:

(a) have a material adverse impact on any Supplier PMPA Entity or the Mine;

(b) significantly decrease or delay the expected gold or palladium production from the Mining Properties or otherwise significantly decrease or delay the expected Payable Gold or Payable Palladium, in each case based on the LOM Plan in effect provided by Supplier to Wheaton provided that such LOM Plan does not take into account any such effects, events, occurrences or other changes;

(c) cause Completion not to be achieved by the Outside Completion Date;

(d) limit, restrict or impair the ability of Supplier to perform its obligations under this Agreement in any material respect;

(e) materially limit, restrict or impair the ability of the Project Owner to operate the Mine; or

(f) result in a Supplier Event of Default.

“Affiliate Guarantees” means: (i) the Initial Affiliate Guarantees; and (ii) any guarantees required to be delivered by certain Supplier Group Entities pursuant to Section 7.13 and any other guarantees subsequently required to be delivered by certain other persons pursuant to this Agreement, which guarantees shall be in favour of Wheaton, shall be substantially in the form of the Initial Affiliate Guarantees and otherwise in form and substance satisfactory to Wheaton, acting reasonably, and shall guarantee the payment and (where the Supplier Group Entity or other
person delivering such guarantee is the Project Owner or directly or indirectly controls the Project Owner) the performance, when due, of all of the PMPA Obligations.

“Agreement” means this Precious Metals Purchase Agreement and all attached schedules, in each case as the same may be supplemented, amended, restated, modified or superseded from time to time in accordance with the terms hereof.

“Applicable Law” means any law, regulation, decision, ordinance, code, order, rule, policy or other requirement of any Governmental Authority (including any stock exchange), including any judicial or administrative interpretation thereof, common law or other requirement or rule of law, applicable to a person or any of its properties, assets, businesses or operations.

“Approvals” means all authorizations, licences, permits, rights (including surface and access rights), privileges, concessions, franchises, clearances, consents, orders and other approvals required to be obtained from any person, including any Governmental Authority.

“Approved Standard” means SEC Industry Guide 7, the SAMREC Code, the JORC Code or the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Mineral Reserves, in each case as in effect from time to time, or any other classification system for mineral reserves and mineral resources agreed to by Supplier and Wheaton, or any successor instrument, rule or policy to any of the foregoing.

“Auditor’s Report” means a written report prepared by a national accounting firm in Canada, the United States, South Africa or the Cayman Islands that is independent of Supplier and Wheaton, is mutually agreeable to the Parties and has experience and expertise in determining the quantity of gold and palladium mined, produced, extracted or otherwise recovered from mining projects, which report determines at a minimum the number of ounces of Payable Gold and Payable Palladium that Wheaton was entitled to have received pursuant to this Agreement in respect of any period in dispute.

“Blitz Development Plan” means the plan for the construction, development and production of the Blitz Project as set out in the 2017 Competent Person’s Report, as such plan may be amended from time to time.

“Blitz Project” means the proposed expansion within and to the east of the Stillwater Mine underway as of the date of this Agreement, including the Blitz Underground Development, the Blitz Surface Development and the Stillwater Concentrator Upgrade.

“Blitz Properties” means, collectively, the Mining Properties corresponding to the region to the east of the “Stillwater/Blitz” demarcation line shown on the cross-section of the Stillwater Mine attached hereto as Part B of Schedule B, a higher resolution but unannotated version of which cross-section was posted as Document No. 1.13.0.1 entitled “2018 LRP - 10 year Long Section v1-Blitz_Stillwater Boundary.pdf” in the Data Room.

“Blitz Surface Development” means the construction and implementation of the following surface development in respect of the Blitz Project, in all material respects in accordance with the Blitz Development Plan: (i) the provision of firm power of between [***] and [***]; and (ii) the water treatment plant with a processing capacity of [***] per minute.

“Blitz Underground Development” means the construction and implementation of the following underground development in respect of the Blitz Project, in all material respects in accordance with the Blitz Development Plan: (i) the [***]; (ii) the [***]; (iii) [***]; and (iv) the connection of the [***].
“Board of Directors” means:

(a) with respect to a corporation, the Board of Directors of the corporation or (other than for purposes of determining Change of Control) the executive committee of the Board of Directors;

(b) with respect to a partnership, the Board of Directors of the general partner of the partnership; and

(c) with respect to any other person, the board or committee of such person serving a similar function.

“Books and Records” means books, records, data, documentation, invoices, weight, moisture and assay certificates, scientific and technical data, samples and other information relating to operations and activities with respect to the Mine, the Mining Properties, the Mineral Processing Facilities, Completion, and the mining, treatment, processing, milling, marketing, concentrating and transportation of Minerals.

“Business Day” means any day other than a Saturday or Sunday or a day that is a statutory or bank holiday under the laws of the Province of British Columbia, South Africa, the Cayman Islands, or the State of Montana.

“Capital Stock” of any person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such person, including any Preferred Stock and limited liability or partnership interests (whether general or limited), but excluding any debt securities convertible or exchangeable into such equity.

“Capitalized Lease Obligations” means an obligation that would have been required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS as in effect on the date of this Agreement. The amount of Financial Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with IFRS as in effect on the date of this Agreement, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“Change of Control” of a person means the consummation of any transaction, including any consolidation, arrangement, amalgamation or merger or any issue, Transfer or acquisition of voting shares, the result of which is that:

(a) any other person or group of other persons acting jointly or in concert for purposes of such transaction (any such person or group of persons being referred to as the “Acquiror”):

   (i) becomes the beneficial owner, directly or indirectly, of 50% or more of the voting shares of such person, measured by voting power rather than number of shares; or

   (ii) acquires control of such person; or
(b) the entity that is not controlled by any other person that controls such person, otherwise ceases to be the beneficial owner, directly or indirectly, of 50% or more of the voting shares of such person, measured by voting power rather than number of shares.

“Closing Date” means the date on which Wheaton pays the Advance Payment to Supplier in accordance with Section 3.1, which shall be not later than the fifth Business Day following the satisfaction and fulfillment (or waiver by the applicable Party) of all of the conditions precedent set out in Sections 3.2(a) and 3.3(a), other than those conditions precedent which by their terms can only be satisfied and fulfilled on the Closing Date.

“Commingling Plan” has the meaning set out in Section 7.2(b).

“Compensation” has the meaning set out in Section 10.7(d).

“Completion” means the achievement (or deemed achievement) of each of Completion Target No. 1, Completion Target No. 2 and Completion Target No. 3.

“Completion Certificate” has the meaning set out in Section 4.2(b).

“Completion Period” has the meaning set out in Section 4.3(a).

“Completion Target” means any of Completion Target No. 1, Completion Target No. 2 or Completion Target No. 3, as the case may be.

“Completion Target No. 1” has the meaning set out in Section 4.2(a)(i).

“Completion Target No. 2” has the meaning set out in Section 4.2(a)(ii).

“Completion Target No. 3” has the meaning set out in Section 4.2(a)(iii).

“Compliance Certificate” means a certificate substantially in the form set out in Schedule K.

“Confidential Information” has the meaning set out in Section 6.5(a).

“Consolidated EBITDA” means, in respect of any Measurement Period, the consolidated net income of the Supplier Group Entities (less the net income of any Project Finance Subsidiaries but including any dividends received in cash by any Supplier Group Entity (other than a Project Finance Subsidiary) from a Project Finance Subsidiary), before, without duplication and all as calculated in accordance with IFRS (but adjusted on a pro forma basis to reflect acquisitions and disposals):

(a) any provision on account of normal, deferred and royalty taxation;

(b) any interest, commission, discounts or other fees incurred or payable, received or receivable by any member of the Supplier Group in respect of indebtedness;

(c) any other interest received or receivable by any member of the Supplier Group on any deposit or bank account;

(d) any non-cash adjustments to the environment rehabilitation and/or reclamation expenses;

(e) any amount attributable to the amortisation of intangible assets and depreciation of tangible assets;
(f) any amount attributable to the amortisation of the Advance Payment, including by way of reduction in costs or recognition of revenue;

(g) any non-cash gains or losses relating to and resulting from the marked to market valuation of derivative and/or financial instruments;

(h) any losses from (or gains on the reversal of previously recognised) write-downs or impairments of assets and/or investments;

(i) any gains or losses recognised on the attributable share of results of associates (as such term is used under IFRS) after tax, but including any dividends received in cash by any member of the Supplier Group from such an associate;

(j) any share-based payments;

(k) any other extraordinary or exceptional items; and

(l) any other material non-cash gain or loss that needs to be accounted for under IFRS.

“Consolidated Net Borrowings” means at any time, the aggregate amount of all Indebtedness for Borrowed Money (which, for the purposes of this definition, shall include or exclude (as applicable) any hedging liabilities incurred in respect of such Indebtedness for Borrowed Money) of the members of the Supplier Group, other than Project Finance Subsidiaries (but including, for the avoidance of doubt, any Indebtedness for Borrowed Money of any member of the Supplier Group which is not a Project Finance Subsidiary in respect of the Indebtedness for Borrowed Money of a Project Finance Subsidiary), but excluding any Indebtedness for Borrowed Money owing to any member of the Supplier Group (other than a Project Finance Subsidiary), adjusted to take into account the aggregate amount of freely available cash and cash equivalents held by any member of the Supplier Group, other than Project Finance Subsidiaries, and so that no amount shall be included or excluded more than once.

“Consolidated Tangible Net Worth” means, at any time, the “Total Equity” as reported in the “Consolidated Statement of Changes in Equity” less goodwill and intangibles in the latest audited annual financial statements of the Supplier Group on a consolidated basis.

“control” means the right, directly or indirectly (including through one or more subsidiaries), to direct or cause the direction of the management of the business or affairs of a person, whether by ownership of securities, by contract or otherwise (including by way of entitlement to nominate a majority of the directors of such person), and “controls”, “controlling”, “controlled by” and “under common control with” have corresponding meanings.

“Core Collateral” means the assets and properties held directly by the Project Owner and SWC Holdco (including the Project Assets, but excluding securities and equity in entities that do not hold, directly or indirectly, any Project Assets), and the securities and equity of each of the Project Owner and SWC Holdco.

“Current Owner” means Stillwater Mining Company, a company incorporated under the laws of the State of Delaware.

“Data Room” means the Incelink data site maintained by Supplier as at 5:00 p.m. (Johannesburg time) on the day before the date of this Agreement.

“Default Event” has the meaning set out in Section 10.6.
“Disclosing Party” has the meaning set out in Section 6.5(a).

“Dispute” means any question, claim, controversy or dispute arising out of or relating to the validity, construction, interpretation, meaning, performance, effect or breach any one or more of this Agreement, the Affiliate Guarantees, or the rights and liabilities of the parties thereto arising thereunder.

“Dispute Notice” has the meaning set out in Section 10.8(a).

“Distribution” means any payment, directly or indirectly, by SWC Holdco or Project Owner to any Supplier Group Entity, including any payment of any:

(a) dividend in cash or other property or assets or return of any capital to any of its shareholders;

(b) management fee or similar amount paid to any Affiliate of SWC Holdco or Project Owner, or to any person or entity not dealing at arm’s length with SWC Holdco or Project Owner or any Affiliate thereof, but excluding compensation paid in the ordinary course and consistent with past practice to directors, officers, employees, advisers and consultants of any Supplier Group Entity;

(c) indebtedness owing by SWC Holdco or Project Owner to an obligee that is an Affiliate by way of intercompany debt or otherwise; or

(d) amount which thereby becomes indebtedness owing by the recipient to SWC Holdco or Project Owner.

“East Boulder Mine” means the platinum group metal mine located in Sweet Grass County, Montana in the United States of America.

“EBITDA” means, in respect of any Guarantor, in respect of any Measurement Period, the net income of that Guarantor before, without duplication and all as calculated in accordance with IFRS (but adjusted on a pro forma basis to reflect acquisitions, disposals or where the Guarantor has become a Guarantor other than on a Measurement Date):

(a) any provision on account of normal, deferred and royalty taxation;

(b) any interest, commission, discounts or other fees incurred or payable, received or receivable by that Guarantor in respect of indebtedness;

(c) any other interest received or receivable by that Guarantor on any deposit or bank account;

(d) any non-cash adjustments to the environment rehabilitation and/or reclamation expenses;

(e) any amount attributable to the amortisation of intangible assets and depreciation of tangible assets;

(f) any non-cash gains or losses relating to and resulting from the marked to market valuation of derivative and/or financial instruments;

(g) any amount attributable to the amortisation of the Advance Payment, including by way of reduction in costs or recognition of revenue;
any losses from (or gains on the reversal of previously recognised) write-downs or impairments of assets and/or investments;

any gains or losses recognised on the attributable share of results of associates (as such term is used for IFRS) after tax, but including any dividends received in cash by any member of the Supplier Group from such an associate;

any share-based payments;

any other extraordinary or exceptional items; and

any other material non-cash gain or loss that needs to be accounted for under IFRS.

“EDGAR” means the Electronic Data Gathering, Analysis and Retrieval system maintained by the United States Securities and Exchange Commission.

“Effective Date” means July 1, 2018.

“Encumbrances” means all Financial Encumbrances and all other liens, restrictions, patent or other reservations in respect of minerals, royalty claims, and other encumbrances and adverse claims of every nature and kind.

“Enforcement Event” means any one or more of the following events or circumstances:

(a) a demand is made, or other enforcement step taken, by a person for the payment in full of any Financial Indebtedness owing to such person in excess of US$15,000,000 in the aggregate in respect of any of the Supplier PMPA Entities, or the acceleration by a person of the time for payment of any such Financial Indebtedness to a time prior to its stated maturity, and such demand shall not have been paid prior to the earlier of the expiry of any applicable grace period, or where no applicable grace period exists, 10 Business Days following such demand; or

(b) any action is taken by a person to enforce any Encumbrance in, over or against any of the Project Assets which if successful would result in a material disruption to the operations of the Mine or adversely affect Wheaton’s interest in this Agreement, including any security interest contemplated hereby, if any.

“entity” means a person which is not an individual.

“Event of Default” means a Supplier Event of Default or a Wheaton Event of Default, as applicable.

“Excluded Taxes” means:

(a) all income, franchise, profits, net profits, capital gains, capital, branch profits or similar Taxes of Wheaton, including any such Taxes to the extent resulting from Wheaton:

(i) being incorporated or continued or resident in, or establishing a fixed place of business or office in or carrying on business in the jurisdiction imposing such Tax; or

(ii) otherwise taking any action in the jurisdiction imposing such Tax,

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in each case determined pursuant to the Applicable Law of such jurisdiction;

(b) Taxes of Wheaton arising as a result of the metals account to which deliveries of Refined Gold and Refined Palladium are being made being in a jurisdiction other than the United Kingdom, or such other location(s) determined pursuant to Section 2.2(d);

c) Taxes of a Party (including any transferee thereof) arising as a result of a Transfer by such Party of all or part of its rights or obligations under this Agreement to any other person; and

d) Taxes arising as a result of any Encumbrance described in Section 7.12(b), including as a result of the granting or subsequent Transfer of such Encumbrance;

provided that despite the foregoing, any Taxes (other than pursuant to or as a result of item (c) or (d) of this definition) imposed on Wheaton or to which Wheaton is otherwise subject under Sections 897 or 1445 of the United States Internal Revenue Code shall not be considered Excluded Taxes.

“Existing Financial Indebtedness” means all Financial Indebtedness of the Supplier PMPA Entities existing, committed to or available (whether or not incurred or drawn) as of the date of this Agreement pursuant to any of:

(a) the ZAR6,000,000,000 revolving credit facility agreement between, among others, Sibanye Gold Limited, Nedbank Limited (acting through its Corporate and Investment Banking Division), FirstRand Bank Limited (acting through its Rand Merchant Bank Division), ABSA Bank Limited (acting through its Corporate and Investment Bank Division), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and Bank of China Limited Johannesburg Branch dated November 14, 2016;

(b) the $600,000,000 revolving credit facility agreement between, among others, Sibanye Gold Limited, Bank of America Merrill Lynch International Limited and HSBC Bank plc dated April 6, 2018;

(c) the indenture with respect to $500,000,000 of 6.125% senior notes due 2022 and $550,000,000 of 7.125% senior notes due 2025 between the Current Owner, as issuer, Sibanye Gold Limited, as guarantor, the other guarantors party thereto, and The Bank of New York Mellon, London Branch, as trustee, dated June 27, 2017; and

(d) the trust deed constituting $450,000,000 of 1.875% guaranteed convertible bonds due 2023 between Sibanye Gold Limited, as issuer, the Current Owner and Kroondal Operations Proprietary Limited, as guarantors, and BNY Mellon Corporate Trustee Services Limited, as trustee, dated September 26, 2017 and the supplemental trust deed relating thereto between such parties dated March 28, 2018;

but excluding any extensions, renewals or replacement financings therefor.

“Expropriation Event” means an expropriatory act or series of expropriatory acts by a Governmental Authority (or at the direction of a Governmental Authority) as a result of which all or substantially all of the rights, privileges and benefits pertaining to or associated with all or a portion of the Mine, for any period of time, cease being, directly or indirectly, for the benefit or
entitlement of Supplier or its Affiliates, whether as a result of ceasing to own all or such portion of the Mine, ceasing to control the Project Owner, or otherwise.

“Financial Encumbrance” means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, deed of trust, deemed trust, charge, security interest, assignment conferring security, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under Applicable Law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction and, for the avoidance of doubt, “Financial Encumbrance” includes any Encumbrance that creates a priority or preference of any kind in and to any asset or the proceeds thereof; provided that in no event shall an operating lease be deemed to constitute a Financial Encumbrance.

“Financial Half Year” means the period commencing on the day after the end of a Financial Year and ending on the next Half Year Date.

“Financial Indebtedness” means (without double counting) any indebtedness for or in respect of:

(a) moneys borrowed or credit granted;
(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
(c) any bill of exchange or any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
(e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
(f) any amount of liability in respect of any purchase price for assets or services the payment of which is deferred where the deferral of such price is either:
   (i) used primarily as a method of raising credit; or
   (ii) not made in the ordinary course of business;
(g) any agreement or option to re-acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance;
(h) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
(i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of
the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter
of credit or any other instrument issued by a bank or financial institution;

(k) the amount raised by the issue of redeemable shares to the extent such shares are redeemable prior to the
date this Agreement is terminated; and

(l) the amount of any liability in respect of any guarantee, indemnity or similar assumption of any
responsibility or obligations in respect of any other person for any of the items referred to in paragraphs (a)
to (k) above

and irrespective of whether the debt or liability (i) is present or owing in the future, (ii) is owed or incurred alone
or severally or jointly or both with another person or (iii) is a combination of any of the above.

“Financial Quarter” means the period of 3 (three) months ending on each of 31 March, 30 June, 30 September
and 31 December of each calendar year.

“Financial Statements” means:

(a) in the case of (i) Supplier, or (ii) if another entity controls the Project Owner and Supplier and has provided
an Affiliate Guarantee in accordance with Section 7.7(e)(i) or Section 7.8(a), such other entity:

(i) in respect of a Financial Year, the audited consolidated financial statements for that Financial Year;

(ii) in respect of a Financial Half Year, the unaudited condensed consolidated financial statements for
that Financial Half Year; and

(iii) in respect of a Financial Quarter, the unaudited management accounts for that Financial Quarter;
or

(b) in the case of any other entity which has provided an Affiliate Guarantee in accordance with Section
7.13(d)(i):

(i) in respect of a Financial Year, the audited financial statements for that Financial Year;

(ii) in respect of a Financial Half Year, the unaudited management accounts for that Financial Half Year; and

(iii) in respect of a Financial Quarter, the unaudited management accounts for that Financial Quarter.

“Financial Year” means the annual accounting period of the Supplier ending on 31 December in each year.

“FWL” has the meaning set out in the definition of “Blitz Underground Development”.

“Gold Market Price”, as of any day, means the simple average of the daily per ounce LBMA Gold Price (PM) in United States dollars as administered by ICE Benchmark Administration (IBA) and quoted by the LBMA for Refined Gold for the five trading days prior to such day (or the immediately preceding trading day if such day is not a trading day), provided that if for any reason, the LBMA is no longer in operation or the price of gold is not confirmed, acknowledged by or quoted by the LBMA, the Gold Market Price shall be determined by reference to the price of gold on another commercial exchange mutually acceptable to the Parties, acting reasonably.

“Gold Production Payment” means:

(a) on or prior to the Advance Payment Reduction Date:

   (i) at all times while (A) the Investment Grade Rating Condition is satisfied by a Rated Entity, or (B) the Leverage Ratio is not greater than 3.50:1.00, 18%;

   (ii) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***] but not greater than [***], [***];

   (iii) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***] but not greater than [***], [***]; or

   (iv) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***], [***]; and

(b) after the Advance Payment Reduction Date:

   (i) at all times while (A) the Investment Grade Rating Condition is satisfied by a Rated Entity, or (B) the Leverage Ratio is not greater than 3.50:1.00, 22%;

   (ii) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***] but not greater than [***], [***];

   (iii) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***] but not greater than [***], [***]; or

   (iv) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***], [***];

of the Gold Market Price as of the day immediately prior to the applicable Time of Delivery. Any change in the Gold Production Payment resulting from a change in the Leverage Ratio shall become effective as of and from the first day of the calendar month immediately following the calendar month in which the Compliance Certificate evidencing such change in the Leverage Ratio was delivered pursuant to Section 6.1(d).

“Gold Purchase Price” has the meaning set out in Section 2.4(a).

“Governmental Authority” means any international, federal, state, provincial, national, territorial, municipal or local government, agency, department, ministry, authority, board,
tribunal, commission, official, court, arbitrator (public or private), stock exchange or securities commission.

“Guarantor” means any person that has executed and delivered an Affiliate Guarantee pursuant to this Agreement.

“Half Year Date” means 30 June of each calendar year.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board as in effect from time to time.

“including”, “include” or “includes” means including without limitation, include without limitation or includes without limitation, respectively.

“incur” means issue, create, assume, guarantee, incur or otherwise become liable for; provided, however, that any Financial Indebtedness or Capital Stock of a person existing at the time such person becomes a subsidiary of a Supplier PMPA Entity (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be incurred by such subsidiary at the time it becomes a subsidiary of a Supplier PMPA Entity; and the terms “incurred” and “incurrence” have meanings correlative to the foregoing.

“Indebtedness Currency” has the meaning set out in Section 11.6.

“Indebtedness for Borrowed Money” means Financial Indebtedness save for any indebtedness for or in respect of paragraphs (i) and (j) of the definition of “Financial Indebtedness”, or in respect of any guarantee or indemnity of such indebtedness if and to the extent only (i) and (j) are not closed-out and/or called and consequently constitute Financial Indebtedness.

“Independent Expert” has the meaning set out in paragraph (c) of Schedule G.

“Initial Affiliate Guarantees” has the meaning set out in Section 8.1.

“Initial LOM Plan” has the meaning set out in paragraph 15(b) of Schedule D.

“Insolvency Event” means, in relation to any person, any one or more of the following events or circumstances:

(a) proceedings are commenced for the winding-up, liquidation or dissolution of it, unless it in good faith actively and diligently contests such proceedings resulting in a dismissal or stay thereof within 60 days of the commencement of such proceedings;

(b) a decree or order of a Governmental Authority is entered (i) adjudging it to be bankrupt or insolvent, or (ii) approving a petition seeking reorganization, arrangement or adjustment of or in respect of it under Applicable Law relating to bankruptcy, insolvency or relief of debtors;

(c) (i) it makes an assignment for the benefit of its creditors, or petitions or applies to any Governmental Authority for the appointment of a receiver or trustee for itself or any substantial part of its property; or (ii) it commences for itself or acquiesces in or approves the filing or commencement against it by a creditor or other third party of any proceeding under any Applicable Law relating to bankruptcy, insolvency, reorganization, arrangement or readjustment of debt or any proceeding for the appointment of a receiver or trustee for itself or any substantial part of its assets or property, or has a liquidator,
administrator, receiver, trustee, conservator or similar person appointed with respect to it or any substantial portion of its property or assets;

(d) a resolution is passed for the receivership, winding-up or liquidation of it; or

(e) anything analogous or having a similar effect to an event listed in paragraphs (a) to (d) of this definition occurs in respect of that person, including, without limitation, in respect of Supplier, anything related to the ‘financial distress’, ‘business rescue’ or the adoption of a ‘business rescue plan’ (all as defined in the South African Companies Act No 71 of 2008).

“Investment Grade Rating Condition” means, with respect to any person, that such person has two or more of any of the following (each a “long-term credit rating”): (i) a rating of [***] by Standard and Poor’s Financial Services LLC (or its equivalent under any successor rating categories of Standard and Poor’s Financial Services LLC), (ii) a rating of [***] by Moody’s Investor Services, Inc. (or its equivalent under any successor rating categories of Moody’s Investor Services, Inc.), or (iii) a rating of [***] by Fitch Ratings, Inc. / Fitch Ratings, Ltd. (or its equivalent under any successor rating categories of Fitch Ratings, Inc. / Fitch Ratings, Ltd.).

“Judgment Currency” has the meaning set out in Section 11.6.

“LBMA” means the London Bullion Market Association.

“Leverage Ratio” has the meaning set out in Section 7.13(c).

“LOM Plan” (i) as of the date of this Agreement, means the Initial LOM Plan, and (ii) as of any subsequent date, the most recent life of mine plan delivered to Wheaton as contemplated by Section 6.1(b).

“Losses” of a Party means all claims, demands, proceedings, fines, losses, damages, liabilities, obligations, deficiencies, costs and expenses (including all legal and other professional fees and disbursements, interest, penalties, judgment and amounts paid in settlement of any demand, action, suit, proceeding, assessment, judgment or settlement or compromise), including any Taxes payable in respect thereof, including the value or change in value of past, current or future required or expected deliveries of gold and palladium hereunder (including any decline in value of any gold and palladium that is not delivered when due), in connection with or in respect of any breach or default by the other Party. In determining the Losses suffered or incurred by Wheaton in connection with or relating to any future period in connection with (a) any claim in a proceeding in connection with an Insolvency Event where this Agreement is terminated, disclaimed or vested out, or (b) the termination of this Agreement pursuant to Section 10.2(b), such Losses shall include the Stream NPV, and the Parties hereby acknowledge and agree that such determination of Losses is intended to represent fair compensation for the Losses that may reasonably be anticipated in connection with or relating to any such future period.

“LPPM” means the London Platinum and Palladium Market.

“Material Adverse Event” means either of the following:

(a) a failure by Supplier to comply in all material respects with its obligation to sell and deliver Refined Gold or Refined Palladium to Wheaton on the terms and conditions set forth in Sections 2.1(a) and 2.2(a) which is continuing for a period of six (6) consecutive months; or
(b) the completion of any Transfer or Change of Control in breach of Sections 7.3, 7.5 or 12.13(b), other than where such breach is limited to a breach of any of Sections 7.6(a), 7.6(h), 7.7(a), 7.7(g), 7.8(c), 12.13(b)(i) or 12.13(b)(vi).

“Material Contract” means any contract or agreement in effect as of the date of this Agreement that has been entered into by a Supplier Group Entity (including any lease in respect of the patented and unpatented leasehold interests listed in Parts C and D of Schedule A) and that is material to the operation or ownership of the Mine or that would reasonably be expected to have an Adverse Impact if it was terminated or suspended or if any party thereto failed to perform its material obligations thereunder.

“Measurement Period” means each period of 12 months ending on each Measurement Date.

“Measurement Date” means the last day of each of the Supplier’s Financial Years, the last day of each of the Supplier’s Financial Half Years and the last day of each Financial Quarter.

“Metallurgical Complex” means any refinery or smelter owned or operated or both by any Supplier Group Entity and at which Minerals are processed, including the smelter and refinery located in Columbus, Montana as of the date of this Agreement.

“Mine” means the mining project commonly referred to as the Montana Mines (including the East Boulder Mine and the Stillwater Mine) and any other mine located on the Mining Properties, and the Project Assets, Mineral Processing Facilities and all associated assets and facilities operated on or near the Mining Properties in Montana, United States.

“Mine Data” has the meaning set out in paragraph 15 of Schedule D.

“Mineral Processing Facilities” means any mills, ore concentrators, refineries, smelters or other processing facilities situated on or in the vicinity of the Mining Properties, owned or operated or both by any Supplier Group Entity and at which Minerals are processed, including the facilities commonly referred to as the Stillwater Mill and the East Boulder Mill, and the Metallurgical Complex.

“Minerals” means any and all ore and metal bearing material or product in whatever form or state (including Produced Gold and Produced Palladium) that is mined, produced, extracted or otherwise recovered or derived from the Mining Properties, including any such material or product derived from any processing or reprocessing of any tailings, stockpiles, waste rock or other waste products originally derived from the Mining Properties, and including ore and any other products requiring further milling, processing, smelting, refining or other beneficiation of Minerals, including concentrates or doré bars.

“Mining Properties” means:

(a) the real property, mining rights, tenements, concessions and other similar interests listed in Schedule A and/or shown on the map attached hereto as Part A of Schedule B, a higher resolution version of which map was posted as Document No. 1.13.0.2 entitled “Stillwater Complex with Claims and Topo-NAD83-03192018-CLAIM 4000 SCALE.pdf” in the Data Room;

(b) whether created privately or through the actions of any Governmental Authority, any right, title or interest in any real property, mining right, tenement, concession or other similar interest held by a Supplier Group Entity in, to, under or over all or any portion of the area covered by paragraph (a) of this definition; and
(c) any extension, renewal, replacement, conversion or substitution of any of the foregoing, but in each case without extending the area covered by the Mining Properties beyond the exterior boundaries of the area covered by the real property, mining rights, tenements, concessions and other similar interests listed in Schedule A as of the date hereof;

whether any of the foregoing is existing at, or acquired or obtained after, the date of this Agreement and including all plants, buildings, structures, improvements, appurtenances and fixtures located thereon or thereunder.

“Monthly Report” means a written report in relation to any calendar month detailing:

(a) the tonnages and grades of ore mined, tonnages of reef waste mined and tonnages and grades of ore mined and stockpiled, from the Mining Properties (broken down between the East Boulder Mine, the Stillwater Mine (exclusive of the Blitz Project) and the Blitz Project) during such calendar month;

(b) by Mineral Processing Facility, the tonnages and grades of ore, reef waste, slag and brick processed from the Mining Properties during such calendar month;

(c) with respect to any Mineral Processing Facilities, the types of product produced (including concentrates, doré bars and filter cake), tonnages and grades during such calendar month and the resulting recoveries, including the metallurgical plant balances;

(d) the number of ounces of gold and palladium contained in concentrate produced during such calendar month;

(e) the tons and gold and palladium grade of concentrate delivered or shipped to the Metallurgical Complex or an Offtaker during such calendar month;

(f) the tons of concentrate from the Mining Properties and tons of Secondary Material processed at the Metallurgical Complex during such calendar month, and recoveries of gold and palladium therefrom;

(g) the tons and contained ounces of gold and palladium from the Mining Properties and Secondary Material contained in the top-blown rotary converter (TBRC) matte sent to the base metal refinery (BMR) within the Metallurgical Complex during such calendar month;

(h) the pounds and gold and palladium grade of any product (including doré bars and filter cake) from the Mining Properties and Secondary Material contained in any Offtaker Delivery during such calendar month;

(i) the number of ounces of gold and palladium from the Mining Properties and Secondary Material contained in each Offtaker Delivery in respect of which an Offtaker Payment was received during such calendar month, prior to any Offtaker Charges or payable rates;

(j) the number of ounces of Payable Gold and Payable Palladium for such calendar month from the Mining Properties and Secondary Material, by Offtaker Delivery;

(k) a reconciliation between paragraphs (i) and (j) of this definition, including details regarding payable rates and provisional percentages;
(l) the tons and contained ounces of gold and palladium in all Secondary Material purchased during such calendar month;

(m) details of stockpiles of product (tonnage, moisture content, grade and month of production) not yet subject to an Offtaker Delivery as of the end of such calendar month;

(n) inventory of product in process (e.g. in tanks and thickeners) to the extent used in determining the metallurgical plant balances in paragraph (c) of this definition;

(o) inventory for Minerals which have been delivered to an Offtaker, but for which an Offtaker Payment has not yet been made (or if made, no Refined Gold or Refined Palladium in respect thereof have yet been delivered to Wheaton);

(p) a statement listing all invoices relating to Offtaker Payments, indicating whether provisional or final, and including (i) invoice number; (ii) lot designation; (iii) weights; (iv) gold and palladium grades of any product; (v) payable rates for gold and palladium; and (vi) Payable Gold and Payable Palladium, received during such calendar month;

(q) the number of ounces of Payable Gold and Payable Palladium forecasted to be delivered in the following calendar month;

(r) the most recent updates to any of (i) the annual production forecast for gold, platinum and palladium from the Mining Properties provided to Wheaton pursuant to Section 6.1(b)(i), (ii) the forecast amounts of Payable Gold and Payable Palladium provided to Wheaton pursuant to Section 6.1(b)(ii), or (iii) the list of related assumptions provided to Wheaton pursuant to Section 6.1(b)(iii), in each case to the extent that either such forecast or such list of assumptions has been updated by Supplier from the forecast or list of assumptions most recently provided to Wheaton; and

(s) such other information in respect of gold and palladium as may be reasonably requested by Wheaton.


“Offtaker Agreement” means any agreement, contract or other arrangement entered into by a Supplier Group Entity with an Offtaker pursuant to which there is (i) a sale of Minerals, (ii) a transfer of title to Minerals, (iii) a delivery of the entitlement to or the benefit of Minerals, or (iv) the smelting, refining or other beneficiation of Minerals by such Offtaker for the benefit of a Supplier Group Entity, in each case as the same may be supplemented, amended, restated or superseded from time to time.

“Offtaker Requirement” means any requirement under Applicable Law, Tax or other requirement (other than an Offtaker Agreement) pursuant to which there is (i) a sale of Minerals, (ii) a transfer of title to Minerals, (iii) a delivery of the entitlement to or the benefit of Minerals, or (iv) the smelting, refining or other beneficiation of Minerals by an Offtaker, in each case as the same may be supplemented, amended, restated or superseded from time to time.

“Offtaker” means any person that is not a Supplier Group Entity: (i) that purchases Minerals from a Supplier Group Entity; (ii) that is the recipient or transferee of title to Minerals or of the entitlement to or benefit of Minerals from a Supplier Group Entity (including where a Governmental Authority levies a Tax payable by way of delivery of Minerals or otherwise
obtains Minerals from a Supplier Group Entity); or (iii) that takes delivery of Minerals for the purpose of smelting, refining or other beneficiation of such Minerals for the benefit of a Supplier Group Entity.

“Offtaker Charges” means any refining charges, treatment charges, penalties, insurance charges, transportation charges, franchise fees, settlement charges, financing charges or price participation charges, or other charges, penalties or deductions that may be charged or levied by an Offtaker, regardless of whether such charges, penalties or deductions are expressed as a specific metal deduction, a percentage or otherwise.

“Offtaker Delivery” means the delivery or Transfer of Produced Gold or Produced Palladium or title to or benefit of Produced Gold or Produced Palladium, in each case to an Offtaker that occurs either: (i) prior to the Effective Date where an Offtaker Payment is made in respect of such delivery or Transfer on or after the Effective Date, whether such Offtaker Payment relates to all or any portion of the Produced Gold or Produced Palladium contained in such Offtaker Delivery; or (ii) on or after the Effective Date.

“Offtaker Payment” means the receipt by a Supplier Group Entity of payment or other consideration (including any metal credits) from an Offtaker in respect of any Minerals in an Offtaker Delivery, or, if no such consideration is applicable, the delivery or Transfer of Minerals (or title to Minerals or the entitlement to or benefit of Minerals) to an Offtaker in an Offtaker Delivery; provided that with respect to Minerals in an Offtaker Delivery which are refined, smelted or otherwise beneficiated by an Offtaker on behalf of a Supplier Group Entity, “Offtaker Payment” includes the receipt by a Supplier Group Entity of any Refined Gold or Refined Palladium from an Offtaker.

“Other Minerals” means any ores, minerals or other products or materials (including recycled materials and including Secondary Material) containing any minerals mined, produced, extracted or otherwise recovered from properties or sources that are not, or do not constitute part of, the Mining Properties.

“Outside Completion Date” means December 31, 2024.

“Overdue Gold Ounces” means the balance from time to time, if any, of the number of ounces of Refined Gold that have not been delivered to Wheaton when due in accordance with this Agreement.

“Overdue Palladium Ounces” means the balance from time to time, if any, of the number of ounces of Refined Palladium that have not been delivered to Wheaton when due in accordance with this Agreement.

“Palladium Advance Payment” means a notional amount equal to $253 million of the Advance Payment, which amount relates to the value attributable to the Refined Palladium to be produced and delivered under this Agreement, and which will be notionally reduced from time to time by the same amount that the Advance Payment is reduced by under Section 2.4(b)(i) (or would have been reduced by under Section 2.4(b)(i) if not for the fact that the Advance Payment Reduction Date has occurred).

“Palladium Advance Payment Reduction Date” means the date on which the Palladium Advance Payment is notionally reduced to nil in the manner set out in the definition of “Palladium Advance Payment”.

“Palladium Entitlement Percentage” means:
(a) 4.5% from the Effective Date until the date which is the later of (A) the Palladium Advance Payment Reduction Date, and (B) the date that Wheaton has received 375,000 ounces of Refined Palladium under this Agreement;

(b) 2.25% from the later date determined in paragraph (a) of this definition until the Trigger Date; and

(c) 1.0% after the Trigger Date.

“Palladium Market Price”, as of any day, means the simple average of the daily per ounce LBMA Palladium Price (PM) in United States dollars as administered by the London Metal Exchange and quoted by the LBMA for Refined Palladium for the five trading days prior to such day (or the immediately preceding trading day if such day is not a trading day), provided that if for any reason, the LBMA is no longer in operation or the price of palladium is not confirmed, acknowledged by or quoted by the LBMA, the Palladium Market Price shall be determined by reference to the price of palladium on another commercial exchange mutually acceptable to the Parties, acting reasonably.

“Palladium Production Payment” means:

(a) on or prior to the Advance Payment Reduction Date:

   (i) at all times while (A) the Investment Grade Rating Condition is satisfied by a Rated Entity, or (B) the Leverage Ratio is not greater than 3.50:1.00, 18%;

   (ii) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***] but not greater than [***], [***];

   (iii) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***] but not greater than [***], [***]; or

   (iv) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***], [***]; and

(b) after the Advance Payment Reduction Date:

   (i) at all times while (A) the Investment Grade Rating Condition is satisfied by a Rated Entity, or (B) the Leverage Ratio is not greater than 3.50:1.00, 22%;

   (ii) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***] but not greater than [***], [***];

   (iii) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***] but not greater than [***], [***]; or

   (iv) at all times while the Investment Grade Rating Condition is not satisfied by a Rated Entity and the Leverage Ratio is greater than [***], [***];
of the Palladium Market Price as of the day immediately prior to the applicable Time of Delivery. Any change in the Palladium Production Payment resulting from a change in the Leverage Ratio shall become effective as of and from the first day of the calendar month immediately following the calendar month in which the Compliance Certificate evidencing such change in the Leverage Ratio was delivered pursuant to Section 6.1(d).

“Palladium Purchase Price” has the meaning set out in Section 2.4(b).

“Parties” means the parties to this Agreement.

“Payable Gold” means 100% of the Produced Gold (prior to any Offtaker Charges) contained in any Offtaker Delivery multiplied by the payable percentage set out in Schedule I applicable to the form of Produced Gold comprising such Offtaker Delivery.

“Payable Palladium” means 100% of the Produced Palladium (prior to any Offtaker Charges) contained in any Offtaker Delivery multiplied by the payable percentage set out in Schedule I applicable to the form of Produced Palladium comprising such Offtaker Delivery, and further multiplied by the applicable Palladium Entitlement Percentage.

“Payment Default Notice” has the meaning set out in Section 10.3(a).

“Permitted Encumbrances” means, with respect to any Supplier Group Entity with respect to the Core Collateral:

(a) pledges or deposits of cash or securities by such person under workers’ compensation laws, unemployment insurance laws, pension laws or similar legislation, or good faith deposits of cash or securities in connection with bids, tenders, contracts (other than for the payment of Financial Indebtedness) or deposits of cash or securities to secure public or statutory obligations, in each case incurred in the ordinary course of business;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s and repairmen’s Encumbrances and other similar Encumbrances imposed by Applicable Law, in each case, incurred in the ordinary course of business;

(c) Encumbrances for taxes, assessments or other governmental charges not yet due or delinquent or that are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to IFRS have been made in respect thereof;

(d) Encumbrances over cash collateral in favor of issuers of surety or performance bonds or letters of credit or similar instruments issued to secure performance obligations in the ordinary course of business;

(e) Encumbrances resulting from the rules and regulations of any clearing system or stock exchange over shares and/or other securities held in that clearing system or stock exchange;

(f) easements or other similar encumbrances on real property or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, minor defects, survey exceptions or irregularities in title and similar encumbrances) as to the use of real properties incurred in the ordinary course of business that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of any Supplier Group Entity;
(g) judgment Encumbrances so long as such judgment is being contested in good faith by appropriate proceedings and as to which appropriate reserves required pursuant to IFRS have been made in respect thereof and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(h) Encumbrances for the purpose of securing the payment of all or a part of Capitalized Lease Obligations or purchase money obligations provided that:

(i) such Encumbrances relate solely to the assets acquired and any proceeds thereof; and

(ii) the aggregate principal amount of Financial Indebtedness secured by such Encumbrances does not exceed the aggregate amount of $75,000,000;

(i) Encumbrances arising solely by virtue of any statutory or common law provisions relating to rights of set off or combination of accounts as to deposit accounts or other funds maintained with a depository institution; provided that:

(i) such deposit account is not intended by any Supplier Group Entity to provide collateral to the depository institution; and

(ii) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by Supplier in excess of those set forth by regulations promulgated by the United States Federal Reserve Board;

(j) any netting or set-off arrangement entered into by any Supplier Group Entity (i) in the ordinary course of its banking arrangements pursuant to the standard terms and conditions of the applicable banking institution’s customary account documentation (but, for certainty, excluding term and/or revolving credit facilities with any financial institution) and (ii) pursuant to hedging arrangements in relation to gold, silver, copper and other commodity prices, foreign exchange rates and interest rates where such arrangements are entered into for the purposes of providing protection against fluctuation in such rates or prices in the ordinary course of business and not for speculative purposes, in each case, for the purpose of netting debit and credit balances;

(k) Encumbrances arising from Uniform Commercial Code (or similar statutes in other jurisdictions) financing statement filings solely regarding operating leases entered into in the ordinary course of business;

(l) Encumbrances set forth in Schedule J;

(m) any ROFR Interest purchased by a third party in compliance with Section 7.11;

(n) Encumbrances under industrial revenue, municipal or similar bonds in favour of public utilities or any municipalities or Governmental Authorities when required by the utility, municipality or Governmental Authority in connection with the supply of services or utilities to the Supplier Group Entities;
(o) Encumbrances in favour of a Governmental Authority in respect of any environmental bonds which any Supplier Group Entity is required to issue under any applicable environmental law;

(p) the interest of a vendor or lessor under any conditional sale, hire purchase, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(q) Encumbrances on specific items of equipment or other goods and including any proceeds thereof where such equipment or goods are being acquired by any person securing such person’s obligations in respect of bankers’ acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such equipment or other goods;

(r) Encumbrances on the Permitted Inventory and Related Collateral, supporting Financial Indebtedness not exceeding $150,000,000;

(s) Encumbrances securing Financial Indebtedness in an aggregate principal amount not to exceed $5,000,000 at any time outstanding;

(t) a five percent (5%) net smelter return royalty in favour of Franco-Nevada Mining Corporation, Inc. over certain of the Mining Properties pursuant to: (i) a conveyance of royalty interest and agreement between the Current Owner, as grantor, and Schuller International, Inc., as grantee, dated October 1, 1993, as assigned pursuant to a conveyance of royalty interest and agreement between Schuller International, Inc. and Manville Mining Company dated November 1, 1993; (ii) a conveyance of royalty interest and agreement between the Current Owner, as grantor, and Manville Mining Company, as grantee, dated April 14, 1998; (iii) a deed of assignment of royalty interest between Manville Mining Company and Franco-Nevada Mining Corporation, Inc. dated April 14, 1998; (iv) an amendment to royalty conveyances between the Current Owner and Franco-Nevada Mining Corporation, Inc. dated April 1, 1999; and (v) a second amendment to royalty conveyances between the Current Owner and Franco-Nevada Mining Corporation, Inc. dated August 10, 2001;

(u) a thirty-five one-hundredths of one percent (0.35%) net returns royalty in favour of certain members of the Mouat family, among others, over certain of the Mining Properties pursuant to: (i) a mining and processing agreement between certain members of the Mouat family, among others, as lessors, and Atlantic Richfield Company (acting through its division, Anaconda Minerals Company), as lessee, dated March 16, 1984; and (ii) a compromise of issues relating to mining and processing agreement between Stillwater Mining Company, a partnership, Chevron U.S.A. Inc. and Manville Mining Company, as partners of Stillwater Mining Company and in their own respective capacities, Schuller International, Inc. and certain members of the Mouat family, among others, dated October 9, 1992; and

(v) any other Encumbrance as agreed by Wheaton in writing, including any Encumbrance granted in accordance with Section 7.12.

“Permitted Inventory and Related Collateral” means:
(a) any inventory (including raw material), as-extracted material, in transit material, in process material, smelted material and refined material); and

(b) products, proceeds or accounts receivable relating to the foregoing

that, in each case, relates solely to Secondary Material.

“Permitted Refinancing Indebtedness” means any revolving credit facility that replaces, renews, repays or extends any revolving credit facility that is Existing Financial Indebtedness or that is incurred in compliance with this Agreement; provided that the relevant Supplier PMPA Entities shall only be able to draw down on such Permitted Refinancing Indebtedness where the Leverage Ratio threshold set forth in Section 7.13 is satisfied as of the time of any proposed drawdown.

“person” means and includes the Parties, individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, Governmental Authorities or any other type of organization, whether or not a legal entity.

“PMPA Obligations” means all present and future debts, liabilities and obligations of Supplier, the Project Owner or both of them to Wheaton under or in connection with this Agreement.

“Preferred Stock” means as applied to the Capital Stock of any corporation, Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends upon liquidation, dissolution or winding up.

“Prime” means the greater of: (i) the variable annual reference rate of interest from time to time established by The Bank of Nova Scotia as its “US Base Rate” of interest for commercial loans in Canada denominated in United States dollars (provided that, if, for any reason, The Bank of Nova Scotia is no longer in operation then one of the three largest chartered Canadian banks (based on assets), at the sole discretion of Wheaton, shall be substituted therefor and this definition shall apply mutatis mutandis to such substitute bank); and (ii) 4% per annum.

“Produced Gold” means any and all gold in whatever form or state that is mined, produced, extracted or otherwise recovered or derived from the Mining Properties, including any gold derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Mining Properties, and including gold contained in any ore or other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates, doré bars, filter cake and any other metal-bearing material.

“Produced Palladium” means any and all palladium in whatever form or state that is mined, produced, extracted or otherwise recovered or derived from the Mining Properties, including any palladium derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Mining Properties, and including palladium contained in any ore or other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates, doré bars, filter cake and any other metal-bearing material.

“Produced Platinum” means any and all platinum in whatever form or state that is mined, produced, extracted or otherwise recovered or derived from the Mining Properties, including any platinum derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Mining Properties, and including platinum contained in any ore or other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates, doré bars, filter cake and any other metal-bearing material.
“Project Assets” means the Mining Properties, the Mineral Processing Facilities and all other present and after-acquired real or personal property, used or acquired for use, by any Supplier Group Entity in connection with the Mine and includes, for the avoidance of doubt, the shares of the Project Owner.

“Project Finance Subsidiaries” means:

(a) Sibanye Gold Eastern Operations Proprietary Limited (previously known as Southgold Exploration Proprietary Limited);

(b) DRDGold Limited (if it has become a subsidiary of the Supplier and the Supplier notifies Wheaton in writing that it wishes to designate DRDGold Limited as a Project Finance Subsidiary); and

(c) any other company or other entity (other than a Supplier PMPA Entity):

(i) that since the date of this Agreement has not received distributions, loans, assets or guarantees from any member of the Supplier Group which in aggregate together with distributions, loans, assets and guarantees received by Project Finance Subsidiaries (other than DRDGold Limited) from any other member of the Supplier Group, exceeds five percent (5%) of Consolidated Tangible Net Worth at any time;

(ii) whose sole business is, and remains, the ownership, development, construction, refurbishment, commissioning and/or operation of a project; and

(iii) which, to the extent that such company or entity owes Financial Indebtedness to persons who are not members of the Supplier Group, has no creditors in respect of such Financial Indebtedness which have recourse in respect of such Financial Indebtedness to any other member of the Supplier Group other than that company or entity other than by way of security over shares in or pursuant to obligations owing by such company or entity to other members of the Supplier Group.

“Project Owner” means the Current Owner and any transferee of any of the Project Assets pursuant to Section 7.6, and their respective successors and permitted assigns and for greater certainty if there is more than one Project Owner, any reference to “Project Owner” in this Agreement shall include all such Project Owners.

“Public Entity” means any entity, a majority of the issued and outstanding voting securities of which are listed and posted for trading on a recognized stock exchange.

“Public Entity Supplier” means Supplier at a time when it is a Public Entity immediately prior to a Change of Control of Supplier as contemplated in Section 7.8.

“Rate of Exchange” has the meaning set out in Section 11.6.

“Rated Entity” has the meaning set out in Section 7.12.

“Receiving Party” has the meaning set out in Section 6.5(a).

“Refined Gold” means marketable metal-bearing material in the form of gold that is refined to standards meeting or exceeding prevailing industry standards for the sale of refined gold,
including the LBMA Good Delivery Rules, which as of the date hereof require a minimum acceptable fineness of 995 parts per 1,000 fine gold.

“Refined Palladium” means marketable metal-bearing material in the form of palladium refined to standards meeting or exceeding prevailing industry standards for the sale of refined palladium, including the LPPM Good Delivery Rules, which as of the date hereof requires a minimum acceptable fineness of 999.5 parts per 1,000 fine palladium.

“Reserves” means proven and probable mineral reserves (or their equivalent) as defined under any Approved Standard.

“Resources” means measured, indicated and inferred mineral resources (or their equivalent) as defined under any Approved Standard.

“Restricted Person” means any person that:

(a) is named, identified, described in or on or included in or on any of:

(i) the lists issued under Canadian economic sanctions and terrorism financing legislation, including the Special Economic Measures Act, the Criminal Code (Canada), the United Nations Act (Canada), the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law) (Canada), and the Freezing Assets of Corrupt Foreign Officials Act (Canada), and any regulations promulgated under the foregoing;

(ii) the Denied Persons List, the Entity List or the Unverified List, compiled by the Bureau of Industry and Security, U.S. Department of Commerce;

(iii) the List of Statutorily Debarred Parties compiled by the U.S. Department of State;

(iv) the Specially Designated Nationals Blocked Persons List compiled by the U.S. Office of Foreign Assets Control;

(v) the annex to, or is otherwise subject to the provisions of, U.S. Executive Order No. 13324; or

(vi) any publicly available lists maintained under the Applicable Laws of Canada or the United States relating to anti-terrorism or anti-money laundering matters;

(b) is subject to trade restrictions under any Applicable Laws of Canada or the United States, including:

(i) the Special Economic Measures Act, the Criminal Code (Canada), the United Nations Act (Canada), the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law) (Canada) and the Freezing Assets of Corrupt Foreign Officials Act (Canada);

(ii) the International Emergency Economic Powers Act, 50 U.S.C.; or

(iii) the Trading with the Enemy Act, 50 U.S.C. App. 1 et seq.; or any other enabling legislation or executive order relating thereto, including the Uniting and
Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56;

(c) is known, after reasonable inquiry, to be an Affiliate of a person referred to in paragraph (a) or (b) of this definition.

“ROFR Interest” means:

(a) an entitlement to payment of any consideration measured, quantified or calculated based on, in whole or in part, any Produced Palladium or Produced Platinum which has been mined, extracted or otherwise recovered from the Mining Properties; or

(b) an entitlement to purchase any Produced Palladium or Produced Platinum which has been mined, extracted or otherwise recovered from the Mining Properties;

in either case pursuant to an agreement with respect to or with reference to one or more of the matters referred to in (a) or (b) above, which agreement:

(c) provides for a transaction structure that is similar in nature to this Agreement having a term of more than two years; or

(d) does not provide for a transaction structure that is similar in nature to this Agreement, but has an economic impact that is similar to this Agreement (which includes a royalty interest payable on any Produced Palladium or Produced Platinum).

“ROFR Offer” has the meaning set out in Section 7.11(a).

“Secondary Material” means catalyst material containing platinum, palladium or other metals, originating from outside of the Mining Properties, treated at the Metallurgical Complex.

“SEDAR” means the System for Electronic Data Analysis and Retrieval maintained by the Canadian Securities Administrators.

“South Africa” means the Republic of South Africa.

“Stillwater Concentrator Upgrade” means the expansion and modification of the concentrator at the Stillwater Mill to achieve a design processing capacity of [***] tons of Minerals from the Stillwater Mine per annum.

“Stillwater Mine” means the platinum group metal mine located in Stillwater and Sweet Grass Counties, Montana in the United States of America, including the Blitz Project.

“Stream NPV” means, in connection with the determination of Losses suffered or incurred by Wheaton relating to any future period, the estimated net present value of the Payable Gold and Payable Palladium that would have reasonably been expected to have become due to be delivered by Supplier to Wheaton from time to time hereunder and all other amounts that would have reasonably been expected to have become payable to Wheaton hereunder but for the event giving rise to the need to determine such Losses, less the cash payments (including the Advance Payment (to the extent not already paid by Wheaton) and all Gold Production Payments and Palladium Production Payments) that would have reasonably been expected to have become payable to Supplier by Wheaton from time to time with respect to such Payable Gold and Payable Palladium, all determined in accordance with Schedule G. The Stream NPV shall be based on the principles, assumptions and procedures set forth in Schedule G.
“Subordination and Postponement of Claims” means a written subordination and postponement of claims delivered by a Supplier Group Entity (other than any Supplier PMPA Entity) in favour of and in form and substance satisfactory to Wheaton, acting reasonably, that from and after a Trigger Event, and until such Trigger Event is remedied, subordinates and postpones the payment of all such debts, liabilities and obligations owing by any Supplier PMPA Entity to such Supplier Group Entity to the payment in full of all debts, liabilities and obligations to Wheaton pursuant to this Agreement or any other agreement or instrument contemplated hereby.

“subsidiary” of a person means:

(a) any other person in which such person is the beneficial owner, directly or indirectly, of 50% or more of the voting shares of such other person, measured by voting power rather than number of shares; and

(b) any other person controlled by such person.

“Supplier Event of Default” has the meaning set out in Section 10.1.

“Supplier Group Entity” means the Supplier PMPA Entities and each of their respective Affiliates, and “Supplier Group” means all of such entities collectively.

“Supplier PMPA Entity” means each of Supplier, SWC Holdco and the Project Owner.

“SWC Holdco” means Thor US Holdco Inc., a company existing under the laws of the State of Delaware and any transferee of any of the Capital Stock of the Project Owner or any other Project Assets held by SWC Holdco pursuant to Section 7.6, and their respective successors and permitted assigns.

“Tax” or “Taxes” means all taxes, assessments and other charges, duties, and impositions, including any interest, penalties, tax instalment payments or other additions that may become payable in respect thereof, imposed by any Governmental Authority, which taxes shall include all income or profits taxes (including federal, provincial, and state income taxes), taxes imposed under Section 897 and 1445 of the United States Internal Revenue Code, minimum tax, non-resident withholding taxes, sales and use taxes, branch profit taxes, value added, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business licence taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, land transfer taxes, asset or capital taxes, extraordinary income taxes, surface area taxes, property taxes, asset transfer taxes, and other charges and obligations of the same or of a similar nature to any of the foregoing.

“Third Party Agreement” has the meaning set out in Section 7.11(c).

“Third Party Offer” has the meaning set out in Section 7.11(a).

“Time of Delivery” has the meaning set out in Section 2.2(d).

“tons” means short tons with one ton being equal to 2,000 pounds.

“Transfer”, when used as a verb, means to sell, transfer, assign, convey, dispose or otherwise grant a right, title or interest (including expropriation or other Transfer required or imposed by Applicable Law or any Governmental Authority, whether voluntary or involuntary), or to abandon, surrender or otherwise relinquish a right, title or interest, and when used as a noun has a corresponding meaning.
“Trigger Date” means the date which is the later of: (A) the Advance Payment Reduction Date; and (B) the date that Wheaton has received 550,000 ounces of Refined Palladium under this Agreement.

“Trigger Event” means any Supplier Event of Default or any event or circumstance which, with notice, the passage of time or both, would constitute a Supplier Event of Default.

“Valuation Certificate” has the meaning set out in paragraph (f) of Schedule G.

“Value Adjustment” has the meaning set out in Section 4.3(a).

“Vendor” has the meaning set out in Section 7.11(a).

“Wheaton Approved Transferee”, in respect of a Transfer or Change of Control, means an entity:

(a) which is (i) incorporated in the United States or in another jurisdiction that is satisfactory to Wheaton, acting reasonably, for purposes of Section 7.6; or (ii) incorporated in the United States, South Africa, Canada, Australia, the United Kingdom and member countries of the European Union, or in another jurisdiction that is satisfactory to Wheaton, acting reasonably, for purposes of Section 7.7;

(b) which has, or will have upon the completion of the relevant transaction, sufficient technical capabilities and financial resources to operate the Mine and comply with its obligations hereunder;

(c) (i) which has (or an Affiliate of which that controls such entity has) a rating that satisfies two or more of the following: (A) rated BB by Standard and Poor’s Financial Services LLC, (B) rated Ba2 by Moody’s Investor Services, Inc., and (C) rated BB by Fitch Ratings, Inc. / Fitch Ratings, Ltd.; and in respect of which Transfer or Change of Control an Affiliate of such entity satisfying the condition set out in paragraph (c)(i) of this definition provides an Affiliate Guarantee in accordance with the terms of this Agreement; or (ii) which Wheaton agrees in its reasonable discretion has equivalent financial strength to an entity referred to in paragraph (c)(i) of this definition; and

(d) which is not a Restricted Person.

“Wheaton Event of Default” has the meaning set out in Section 10.3.

“WPM” means Wheaton Precious Metals Corp., a company existing under the laws of the Province of Ontario, Canada.

“ZAR” means South African rand.

1.2 Interpretation

Where a Party covenants to: (i) ensure an action, event or circumstance occurs or exists, or does not occur or exist or (ii) cause an action, event or circumstance to occur, exist, not occur or not exist; such covenant shall not be reduced or limited in any manner even if such Party cannot control such action, event or circumstance, or cannot control a person who is able to control such action, event or circumstance.
1.3 Statutory References

Any reference in this Agreement to a statute refers to such statute and all regulations or rules promulgated thereunder from time to time, and any reference to a statute, regulation, rule or any provision contained therein shall be a reference to the statute, regulation, rule or provision as it may be amended, restated, re-enacted or replaced from time to time.

1.4 Cross-References, Headings, Etc.

References in this Agreement to any “Article”, “Section”, “paragraph”, “Schedule” or “definition” are to articles, sections and paragraphs of, schedules attached to, and definitions set out in, this Agreement, respectively. Headings of Articles and Sections of, and Schedules to, this Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions when used in this Agreement refer to the whole of this Agreement and not to any particular Article, Section, paragraph, Schedule, definition or other portion hereof.

1.5 Construction

The Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party shall not be applicable in the interpretation of this Agreement.

1.6 Plural, Gender

Unless the context otherwise requires, in this Agreement, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.7 Days

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Pacific Standard Time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 5:00 p.m. (Pacific Standard Time) on the next Business Day.

1.8 Dollar Amounts

Unless specified otherwise in this Agreement, all statements or references to dollar amounts in this Agreement are to United States dollars.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale

(a) Subject to the terms and conditions of this Agreement, with effect from and after the Effective Date, Supplier hereby agrees to sell to Wheaton, and Wheaton hereby agrees to purchase from Supplier from time to time: (i) an amount of Refined Gold equal to the Payable Gold, and (ii) an amount of Refined Palladium equal to the Payable Palladium, in each case free and clear of all Encumbrances. For greater certainty, Payable Gold and Payable Palladium shall not be reduced for, and Wheaton shall not be responsible for, any Offtaker Charges, all of which shall be for the account of Supplier.
(b) All deliveries to Wheaton of Refined Gold and Refined Palladium hereunder shall be in the form of metal credits. Supplier shall, and shall be obligated in terms of this Agreement to, acquire the amounts of Refined Gold and Refined Palladium to be sold and delivered by it to Wheaton hereunder: (i) to the extent reasonably practicable, from a Supplier Group Entity in the form of metal credits, and (ii) thereafter, to the extent that it is not reasonably practicable to acquire such amounts of metal credits from a Supplier Group Entity, from a bullion bank or other third party in the form of metal credits, provided that Supplier shall not sell and deliver to Wheaton any Refined Gold or Refined Palladium that has been directly or indirectly purchased on a commodities exchange. Supplier’s obligation to sell and deliver Refined Gold and Refined Palladium hereunder shall be solely to sell and deliver Refined Gold and Refined Palladium in a manner and in an amount determined in accordance with the terms of this Agreement.

(c) Supplier shall, and shall be obligated in terms of this Agreement to, conclude one or more separate agreements or other arrangements to acquire Refined Gold and Refined Palladium in the form of metal credits from a Supplier Group Entity or any third party, which agreement shall be entered into in performance of its obligations set out in this Agreement to deliver Refined Gold and Refined Palladium in the form of metal credits to Wheaton.

2.2 Delivery Obligations

(a) Within five Business Days following the end of each calendar month in which an Offtaker Payment is made, Supplier shall sell and deliver to Wheaton:

   (i) Refined Gold in an amount equal to the Payable Gold in the Offtaker Delivery to which such Offtaker Payment relates; and

   (ii) Refined Palladium in an amount equal to the Payable Palladium in the Offtaker Delivery to which such Offtaker Payment relates,

whether such Offtaker Payment relates to all or any portion of the Produced Gold and Produced Palladium contained in such Offtaker Delivery; provided that if in any calendar month, an Offtaker Payment consists of a provisional payment that may be adjusted upon final settlement of an Offtaker Delivery, then:

(iii) within five Business Days following the end of the calendar month in which the provisional Offtaker Payment is made, Supplier shall sell and deliver to Wheaton Refined Gold and Refined Palladium in an amount equal to (1) the percentage paid on a provisional basis, such percentage being equal to the total value of the payment or other consideration received by any Supplier Group Entity in respect of the Minerals contained in such Offtaker Delivery divided by the total value of the Minerals determined on a provisional basis (determined in accordance with the applicable Offtake Agreement or Offtake Requirement and after any Offtaker Charges other than deductions on account of the Offtaker Payment being made on a provisional basis) contained in such Offtaker Delivery, multiplied by (2) the Payable Gold and Payable Palladium, as applicable, contained in such Offtaker Delivery, all as supported by the documentation provided pursuant to Section 2.3 and in the applicable Monthly Report; and
(iv) within five Business Days following the end of the calendar month in which the final settlement of the Offtaker Delivery is made with the Offtaker, Supplier shall sell and deliver to Wheaton Refined Gold and Refined Palladium in an amount, if positive, equal to the total Payable Gold and Payable Palladium in respect of such Offtaker Delivery determined pursuant to the final settlement, less the number of ounces of Refined Gold and Refined Palladium previously delivered to Wheaton in respect of such Offtaker Delivery pursuant to Section 2.2(a)(iii), as supported by the documentation provided pursuant to Section 2.3 and the applicable Monthly Report. If such difference is negative, then Supplier shall be entitled to set off and deduct such excess amount of Refined Gold or Refined Palladium from the next required deliveries of Refined Gold or Refined Palladium by Supplier to Wheaton under this Agreement, or if no such further deliveries are made during any of the three calendar months following the month in which such final settlement is made:

(A) Wheaton shall, within five Business Days following the end of such third month, pay in cash the applicable Gold Market Price or Palladium Market Price in respect of such excess ounces delivered, calculated as of the day immediately prior to the Time of Delivery of such excess ounces, to the extent not already paid in cash pursuant to Section 2.4(a) or 2.4(b), as applicable; and

(B) there shall be added to the uncredited balance of the Advance Payment any amount that was credited against the Advance Payment in partial payment of the Gold Purchase Price or Palladium Purchase Price in respect of such excess ounces delivered pursuant to Section 2.4(a)(i) or 2.4(b)(i), as applicable.

(b) If Payable Gold or Payable Palladium required to be sold and delivered to Wheaton by Supplier pursuant to 2.2(a) contains a fraction of an ounce to be sold and delivered then such fraction of an ounce of Payable Gold or Payable Palladium, as applicable, shall be added to the next required delivery of Payable Gold or Payable Palladium, as applicable.

(c) The obligations of the Parties set out in Sections 2.1(a) and 2.2(a) are conditional upon the satisfaction and fulfilment of the conditions set forth in Section 3.2(a) (or the waiver thereof by Wheaton) and Section 3.3(a) (or the waiver thereof by Supplier) on or before the Closing Date, as applicable. Any Refined Gold and Refined Palladium that would have been sold and delivered by Supplier to Wheaton under Sections 2.1(a) and 2.2(a) in respect of Offtaker Deliveries made between the Effective Date and the Closing Date had such conditions been satisfied as of the Effective Date, shall be sold and delivered to Wheaton within five Business Days after the Closing Date.

(d) Supplier shall sell and deliver to Wheaton all Refined Gold and Refined Palladium to be sold and delivered under this Agreement by way of credit to the unallocated metal account of Wheaton located in the United Kingdom or such other location(s) in North America or Europe as may be designated by Wheaton from time to time and acceptable to Supplier, acting reasonably. Delivery of Refined Gold and Refined Palladium to Wheaton shall be deemed to have been made at the time such Refined Gold or Refined Palladium is credited to the designated unallocated metal account of Wheaton (the “Time of Delivery”). Title to, and risk of loss of, such Refined Gold and Refined Palladium shall pass from Supplier to Wheaton at the Time of Delivery. All costs and expenses
pertaining to each delivery of Refined Gold and Refined Palladium shall be borne by Supplier.

(e) Supplier represents, warrants and covenants that, as of each Time of Delivery:

(i) it is the legal and beneficial owner of the Refined Gold and Refined Palladium delivered and credited to the designated metal account of Wheaton pursuant to this Agreement;

(ii) it has good, valid and marketable title to such Refined Gold and Refined Palladium; and

(iii) such Refined Gold and Refined Palladium, is free and clear of all Encumbrances.

(f) In the event Supplier is required to sell and deliver to Wheaton Refined Gold or Refined Palladium pursuant to Section 2.1 and Section 2.2 at a time when the final determination of Payable Gold or Payable Palladium to which an Offtaker Payment relates has not yet been made (including as a result of a Commingling Plan determination or calculation that is not yet final), Supplier shall deliver such Refined Gold and/or Refined Palladium based on its best estimate of the Payable Gold and/or Payable Palladium to which such Offtaker Payment relates and the Parties shall subsequently true up such amount in the next required deliveries of Refined Gold and/or Refined Palladium by Supplier to Wheaton under this Agreement, by means of an additional delivery or set off of Refined Gold and/or Refined Palladium, as the case may be, once such final determination has been made.

2.3 Invoicing

(a) Supplier shall notify Wheaton in writing at least five Business Days before any delivery and credit to the designated metal account of Wheaton of:

(i) the number of ounces of Refined Gold and Refined Palladium to be delivered and credited; and

(ii) the estimated date and time of delivery and credit.

(b) At the Time of Delivery, Supplier shall deliver to Wheaton an invoice setting out:

(i) the number of ounces of Refined Gold and Refined Palladium so credited,

(ii) the Gold Purchase Price or Palladium Purchase Price for such Refined Gold or Refined Palladium;

(iii) prior to the Advance Payment Reduction Date, the calculation of the amount credited against the Advance Payment in respect of such Refined Gold and Refined Palladium; and

(iv) the month in which the Produced Gold and Produced Palladium in respect of which the Offtaker Payment giving rise to the obligation to deliver such Refined Gold and Refined Palladium, was processed through the Mineral Processing Facilities.
2.4 Purchase Price

(a) Wheaton shall pay to Supplier a purchase price for each ounce of Refined Gold sold and delivered by Supplier to Wheaton under this Agreement (the “Gold Purchase Price”) equal to:

(i) on or prior to the Advance Payment Reduction Date, the Gold Market Price calculated as of the day immediately prior to the Time of Delivery; provided that an amount equal to the Gold Production Payment will be payable in cash and the difference between such Gold Market Price and the Gold Production Payment shall be payable by crediting such amount against the Advance Payment in order to reduce the uncredited balance of the Advance Payment until the uncredited balance of the Advance Payment has been credited and reduced to nil; and

(ii) following the Advance Payment Reduction Date, the Gold Production Payment calculated as of the day immediately prior to the Time of Delivery, payable in cash.

(b) Wheaton shall pay to Supplier a purchase price for each ounce of Refined Palladium sold and delivered by Supplier to Wheaton under this Agreement (the “Palladium Purchase Price”) equal to:

(i) on or prior to the Advance Payment Reduction Date, the Palladium Market Price calculated as of the day immediately prior to the Time of Delivery; provided that an amount equal to the Palladium Production Payment will be payable in cash and the difference between such Palladium Market Price and the Palladium Production Payment shall be payable by crediting such amount against the Advance Payment in order to reduce the uncredited balance of the Advance Payment until the uncredited balance of the Advance Payment has been credited and reduced to nil; and

(ii) following the Advance Payment Reduction Date, the Palladium Production Payment calculated as of the day immediately prior to the Time of Delivery, payable in cash.

2.5 Payment

Payment by Wheaton of the Gold Production Payment and the Palladium Production Payment for each delivery of Refined Gold and Refined Palladium shall be made promptly and in any event not later than five Business Days after the Time of Delivery and receipt of the documents set forth in Section 2.3(b).

2.6 Loss of Offtaker Delivery and Application of Insurance Proceeds

In the event of any total or partial loss of any Produced Gold or Produced Palladium including by way of loss, accident, theft or otherwise prior to the transfer of risk of loss of any such Produced Gold or Produced Palladium to an Offtaker that gives rise to a payment of insurance proceeds, (i) such payment, shall be allocated between such Supplier Group Entity and Wheaton in proportion to their respective interests therein, and (ii) the portion of such payment allocated to Wheaton shall be used to purchase Refined Gold and/or Refined Palladium for sale and delivery by Supplier to Wheaton, in the following manner:
(a) the payment in respect of insurance proceeds shall be allocated between Produced Gold, Produced Palladium and other metals or minerals in proportion to the relative values ascribed to the Produced Gold, Produced Palladium and other metals and minerals in such shipment by the insurance payor;

(b) the amount of Refined Gold deliverable by Supplier to Wheaton shall be determined by dividing the portion of such proceeds allocated to Produced Gold in accordance with Section 2.6(a) by the Gold Market Price as of the date that such proceeds were received by a Supplier Group Entity;

(c) the amount of Refined Palladium deliverable by Supplier to Wheaton shall be determined by multiplying the portion of such proceeds allocated to Produced Palladium in accordance with Section 2.6(a) by the applicable Palladium Entitlement Percentage and dividing the product by the Palladium Market Price as of the date that such proceeds were received by a Supplier Group Entity; and

(d) the amounts of Refined Gold and/or Refined Palladium determined in accordance with Sections 2.6(b) and 2.6(c) shall be delivered for sale by Supplier to Wheaton within five Business Days following the end of the calendar month in which such payment of insurance proceeds was received by a Supplier Group Entity and the provisions of this Article 2 shall apply to such sale and delivery, mutatis mutandis.

ARTICLE 3
ADVANCE PAYMENT

3.1 Advance Payment

In consideration for the sale and delivery of Refined Gold and Refined Palladium under and pursuant to the terms of this Agreement, Wheaton hereby agrees to pay to Supplier on the Closing Date an advance payment in cash against the Gold Purchase Price and Palladium Purchase Price of US$500,000,000 (the “Advance Payment”) in accordance with the wire transfer instructions and bank account information provided by Supplier to Wheaton at least ten Business Days prior to the Closing Date. Notwithstanding any other provision of this Agreement, under no circumstances will Supplier be required to return or refund any portion of the Advance Payment to Wheaton. For greater certainty, if at the end of the term of this Agreement any amount of the Advance Payment remains outstanding and unapplied, such residual amount of the Advance Payment shall be applied at the end of the term of this Agreement as additional purchase price for the Refined Gold or Refined Palladium already delivered by Supplier to Wheaton under this Agreement and shall under no circumstances be required to be repaid by Supplier.

3.2 Conditions Precedent to Payment of Advance Payment

(a) The obligation of Wheaton to pay Supplier the Advance Payment shall be subject to the satisfaction and fulfillment of all of the following conditions on or prior to the Closing Date:

(i) each Supplier PMPA Entity shall have delivered to Wheaton a current certificate of corporate status, good standing or compliance (or equivalent) for such Supplier PMPA Entity each issued by the relevant Governmental Authority;

(ii) each Supplier PMPA Entity shall have executed and delivered to Wheaton a certificate of a director or senior officer of such entity, in form and substance
satisfactory to Wheaton, acting reasonably, certifying copies of the constating documents of such Supplier PMPA Entity, the resolutions of the Board of Directors or other comparable authority of such Supplier PMPA Entity authorizing the execution, delivery and performance of this Agreement and the Initial Affiliate Guarantees, as applicable, and the transactions contemplated hereby and thereby, the names, positions and true signatures of the persons authorized to sign this Agreement and the Initial Affiliate Guarantees, as applicable, and such other matters pertaining to the transactions contemplated hereby as Wheaton may reasonably require;

(iii) SWC Holdco and the Project Owner shall have executed and delivered the Initial Affiliate Guarantees;

(iv) Wheaton shall have received favourable opinions dated as of the Closing Date, in form and substance satisfactory to Wheaton, acting reasonably, from external legal counsel to the Supplier PMPA Entities as to, among other things: (1) the legal status of the Supplier PMPA Entities; (2) the authority of the Supplier PMPA Entities to execute and deliver this Agreement and the Initial Affiliate Guarantees, as applicable, and the enforceability thereof against the Supplier PMPA Entities; and (3) the execution and delivery of this Agreement and the Initial Affiliate Guarantees, as applicable, by the Supplier PMPA Entities party thereto;

(v) Supplier shall have executed and delivered to Wheaton a certificate of a director or senior officer of Supplier, in form and substance satisfactory to Wheaton, acting reasonably, certifying that, on and as of the Closing Date:

(A) all of the representations and warranties made by each Supplier PMPA Entity pursuant to this Agreement and the Initial Affiliate Guarantees, as applicable, are true and correct in all material respects as of such date; and

(B) none of the Supplier PMPA Entities are in breach or default of this Agreement or the Initial Affiliate Guarantees, as applicable, and no Trigger Event has occurred; and

(C) all of the conditions in this Section 3.2(a) have been satisfied and fulfilled.

(b) Each of the conditions set forth in Section 3.2(a) is for the exclusive benefit of Wheaton and may only be waived by Wheaton in its sole discretion. If the conditions set forth in Section 3.2(a) have not been satisfied on or before January 1, 2020, then Wheaton shall have the right to terminate this Agreement at any time thereafter upon written notice to Supplier without any liability; provided that each Party shall continue to be liable for any breach of this Agreement that occurred prior to such termination.

3.3 Conditions Precedent in Favour of Supplier

(a) The obligation of Supplier to perform its obligations under Article 2 and Article 5 shall be subject to the satisfaction and fulfillment of all of the following conditions on or prior to the Closing Date:
(i) following the satisfaction or waiver of all conditions precedent in Section 3.2(a), Wheaton shall have paid to Supplier the Advance Payment in accordance with Section 3.1;

(ii) Wheaton shall have delivered to Supplier a current certificate of corporate status, good standing or compliance (or equivalent) for Wheaton issued by the relevant Governmental Authority;

(iii) Wheaton shall have executed and delivered to Supplier a certificate of a director or senior officer of Wheaton, in form and substance satisfactory to Supplier, acting reasonably, certifying copies of the constating documents of Wheaton, the resolutions of the Board of Directors or other comparable authority of Wheaton authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby, the names, positions and true signatures of the persons authorized to sign this Agreement, and such other matters pertaining to the transactions contemplated hereby as Supplier may reasonably require;

(iv) Supplier shall have received favourable opinions dated as of the Closing Date, in form and substance satisfactory to Supplier, acting reasonably, from external legal counsel to Wheaton as to, among other things: (1) the legal status of Wheaton; (2) the authority of Wheaton to execute and deliver this Agreement and the enforceability thereof against Wheaton; and (3) the execution and delivery of this Agreement; and

(v) Wheaton shall have executed and delivered to Supplier a certificate of a director or senior officer of Wheaton, in form and substance satisfactory to Supplier, acting reasonably, certifying that, on and as of the Closing Date:

   (A) all of the representations and warranties made by Wheaton pursuant to this Agreement are true and correct in all material respects as of such date;

   (B) Wheaton is not in breach or default of this Agreement; and

   (C) all of the conditions in this Section 3.3(a) have been satisfied and fulfilled.

(b) Each of the conditions set forth in Section 3.3(a) is for the exclusive benefit of Supplier and may only be waived by Supplier in its sole discretion. If the conditions set forth in Section 3.3(a) have not been satisfied on or before January 1, 2020, then Supplier shall have the right to terminate this Agreement at any time thereafter upon written notice to Wheaton without any liability; provided that each Party shall continue to be liable for any breach of this Agreement that occurred prior to such termination.

3.4 Satisfaction of Conditions Precedent

Each Party shall use all reasonable commercial efforts and take all reasonable action as may be necessary or advisable to satisfy and fulfil all the conditions precedent set forth in this Article 3 as promptly as reasonably practicable. The Parties will co-operate in exchanging such information and providing such assistance as may be reasonably required in connection with the foregoing.
3.5 Interest on Advance Payment

No interest shall be payable by Supplier on or with respect to the Advance Payment. However, in the event that the Closing Date occurs later than the tenth (10th) Business Day following the date of this Agreement as a result of a failure of a condition precedent set out in Section 3.3(a) to be satisfied which is within Wheaton’s control, the amount of the Advance Payment shall accrue interest for the benefit of Supplier during the period from such tenth (10th) Business Day to the Closing Date at an annual rate equal to the lesser of (i) Prime plus 8%, and (ii) the maximum lawful rate permitted by Applicable Law. Such interest shall be calculated and compounded monthly and paid on the Closing Date.

3.6 Use of Advance Payment

An amount equal the Advance Payment will be used by Supplier to finance expenditures to be incurred by Supplier during the term of this Agreement in fulfilling its contractual obligations as set out in Article 2 of this Agreement.

ARTICLE 4
CONSTRUCTION AND DEVELOPMENT OF BLITZ PROJECT AND COMPLETION TEST

4.1 Construction and Development Period

(a) Supplier shall cause the Project Owner to use its commercially reasonable efforts to cause the construction and development of the Blitz Project to proceed in all material respects in accordance with the Blitz Development Plan. Supplier shall promptly notify Wheaton in writing of any material amendment or proposed material amendment to, or any material departure or proposed material departure from, the Blitz Development Plan. Until Completion (or, if Completion is not achieved, until the Outside Completion Date), Supplier shall provide Wheaton with bi-annual progress reports not later than the twenty-first (21st) day following the end of each calendar half year, each such progress report setting out an update on the progress of the Blitz Project, including: (A) the amount of actual costs incurred (i) during such calendar half year and (ii) cumulatively from January 1, 2018 to the end of such calendar half year, and (B) the amount of costs estimated to be incurred compared to the Blitz Development Plan; in each case in respect of each of the Blitz Underground Development, the Blitz Surface Development and the Stillwater Concentrator Upgrade.

(b) Except for any amendment to the Blitz Development Plan in respect of the proposed layout of the Blitz Underground Development (which amendment shall require the prior written consent of Wheaton, such consent not to be unreasonably withheld, conditioned or delayed), Supplier may, and may cause the Project Owner to, amend the Blitz Development Plan in any respect without the prior written consent of Wheaton.

4.2 Completion Targets

(a) Supplier shall cause the Project Owner to notify Wheaton in writing promptly:

(i) following the achievement of completion of items (i) through (iii) of the definition of “Blitz Underground Development” on or prior to [***], and completion of item (iv) of the definition of “Blitz Underground Development” on or prior to [***] (collectively, “Completion Target No. 1”);
(ii) following the achievement of completion of the Blitz Surface Development on or prior to [***] ("Completion Target No. 2"); and

(iii) as soon as practical, and in any event at least ten (10) Business Days prior to the commencement of any test undertaken to determine completion of the Stillwater Concentrator Upgrade, as to be evidenced by the processing of an average of not less than [***] per day through the concentrator at the Stillwater Mill for a period of forty-five (45) consecutive days to be conducted prior to [***] ("Completion Target No. 3"), where [***] will be monitored for the purpose of determining whether Completion Target No. 3 has been achieved. [***]. Wheaton shall be entitled to have representatives present during such test in accordance with Section 6.4. Supplier shall cause the Project Owner to notify Wheaton in writing promptly following the achievement of Completion Target No. 3.

(b) Concurrently with any notice given to Wheaton of the achievement of any Completion Target pursuant to Section 4.2(a), and in any event within ten (10) Business Days following the achievement of any Completion Target, Supplier shall deliver or cause to be delivered to Wheaton a certificate signed by a director or senior officer of the Project Owner (a “Completion Certificate”) certifying: (i) that such Completion Target has been achieved; (ii) in the case of Completion Target No. 3, [***]; and (iii) copies or extracts from the Books and Records supporting the achievement of such Completion Target. Such Completion Target shall be deemed to have been achieved on the date of the relevant Completion Certificate unless Wheaton delivers to Supplier within thirty (30) days of its receipt of such Completion Certificate a written notice that it has reasonable grounds for believing such Completion Target has not been achieved, in which case the matter will be determined in accordance with the provisions of Section 10.9.

(c) If Completion Target No. 3 is not achieved [***], Supplier shall deliver or cause to be delivered to Wheaton a certificate signed by a director or senior officer of the Project Owner certifying: (i) that Completion Target No. 3 was not achieved [***]; (ii) [***]; and (iii) copies or extracts from the Books and Records supporting the non-achievement of Completion Target No. 3 [***].

4.3 Failure to Achieve Completion

(a) In the event that any Completion Target is not achieved on or prior to the relevant date for achievement thereof provided for in Section 4.2(a), then Supplier shall pay to Wheaton, in cash, the amount, if any, determined pursuant to the following formula (the “Value Adjustment”):

\[
\begin{align*}
&\left\{ \frac{(300,000 - O_{2E})}{300,000} \times \$79,000,000 \right\} + \left\{ \frac{(5,000 - O_{ZA2})}{5,000} \times \$68,000,000 \right\}
\end{align*}
\]

where:

\[O_{2E} = \text{aggregate ounces of palladium and platinum contained in concentrate produced by the Stillwater Mill from Minerals mined, produced, extracted or otherwise recovered or derived from the Blitz Properties during the Completion Period, measured in ounces (subject to a maximum of 300,000 ounces); and}\]
OzAu = aggregate ounces of gold that is equivalent to the number of ounces of palladium and platinum contained in Oz2E multiplied by 0.0153 (or such other ratio as may be agreed between the Parties, using actual mining data derived from the date of this Agreement to May 1, 2022), measured in ounces (subject to a maximum of 5,000 ounces);

provided that, notwithstanding the foregoing, if both (i) Oz2E exceeds 270,000 ounces, and (ii) OzAu exceeds 4,500 ounces, then Completion will be deemed to have been achieved and no Value Adjustment will be payable. For purposes of the foregoing formula, production from the Stillwater Mill will be measured over the nineteen (19) month period from June 1, 2022 through December 31, 2023, and the period of six (6) consecutive calendar months in which palladium and platinum contained in concentrate produced by the Stillwater Mill from Minerals mined, produced, extracted or otherwise recovered or derived from the Blitz Properties was the highest during such nineteen (19) month period, annualized as if such level of production were maintained over twelve (12) months, will be deemed to constitute the “Completion Period”. Supplier shall deliver or cause to be delivered to Wheaton a certificate signed by a director or senior officer of the Project Owner certifying: (i) the six month period constituting the Completion Period; (ii) the production of palladium and platinum contained in concentrate produced by the Stillwater Mill from Minerals mined, produced, extracted or otherwise recovered or derived from the Blitz Properties during each month of such six month period; (ii) the Value Adjustment calculation; and (iii) copies or extracts from the Books and Records supporting such production and calculation.

(b) The Value Adjustment shall be paid by Supplier as follows:

(i) if either Completion Target No. 2 has not been achieved on or prior to [***], or Completion Target No. 3 has not been achieved on or prior to [***], Supplier shall pay the Value Adjustment not later than February 15, 2024; or

(ii) if both Completion Target No. 2 and Completion Target No. 3 are achieved, but Completion Target No. 1 is not achieved, Supplier shall pay the Value Adjustment not later than February 15, 2025.

(c) The Parties hereby acknowledge and agree that: (i) it would be impracticable and extremely difficult to fix the actual damages to Wheaton resulting in connection with or relating to future periods as a result of the non-achievement of any Completion Target; (ii) the Value Adjustment is in the nature of liquidated damages, is not a penalty, and is fair and reasonable; and (iii) the Value Adjustment represents a reasonable estimate of fair compensation for the diminution in the value of Wheaton’s benefit under this Agreement resulting from the non-achievement of any such Completion Target in connection with or relating to such future periods.

ARTICLE 5
TERM

5.1 Term

The term of this Agreement shall commence on the date hereof and, subject to Sections 3.2(b), 3.3(b), and 10.2(b), shall continue until the date that is 40 years after the Effective Date. Wheaton may terminate this Agreement at the end of such initial term by providing Supplier, prior to the expiry of such initial term,
with written notice of its intention to terminate. If Wheaton has not provided such notice prior to the expiry of such initial term, then this Agreement shall continue in full force and effect for successive ten year periods unless and until Wheaton provides prior written notice to Supplier terminating this Agreement at the end of the then current term; provided that if there has been no active mining operations at the Mining Properties during the entirety of any subsequent term, this Agreement shall automatically terminate at the end of the then applicable term.

5.2 Uncredited Advance Payment

For greater certainty, upon expiration of the term of this Agreement, Wheaton will not be entitled to a return or refund of any uncredited Advance Payment.

ARTICLE 6
REPORTING; BOOKS AND RECORDS

6.1 Reporting Requirements

(a) Supplier shall deliver to Wheaton a Monthly Report on or before the twenty-first (21st) day after the last day of each calendar month, commencing in respect of the month of July 2018.

(b) Promptly after the life of mine plan for the Mine is presented to the Board of Directors of any Supplier Group Entity, and in any event at least once every 12 months, and promptly whenever an update to any such life of mine plan is adopted by management of any Supplier Group Entity, Supplier shall provide to Wheaton such life of mine plan or updated life of mine plan, as applicable, including:

(i) the annual production forecast for gold, platinum and palladium from the Mining Properties during the upcoming calendar year (to be set out on a monthly basis) and the remaining life of mine thereafter (to be set out on a yearly basis);

(ii) the amounts of Payable Gold and Payable Palladium as forecast for the upcoming calendar year (to be set out on a monthly basis) and the remaining life of mine thereafter (to be set out on a yearly basis);

(iii) a list of assumptions used in developing the forecasts referred to in Sections 6.1(b)(i) and 6.1(b)(ii), including the types, tonnages, gold and palladium grade and gold and palladium recoveries of ore from the Mining Properties and the operating costs and assumed sustaining capital during the applicable forecast period in the case of the production forecast referred to in Section 6.1(b)(i); and

(iv) a statement setting out the gold and palladium Reserves and Resources for the Mine and the assumptions used prepared in accordance with mining industry best practices and compliant with an Approved Standard.

(c) Supplier shall notify and consult with Wheaton regarding any matter concerning the Mining Properties that has or is reasonably likely to have an Adverse Impact. Supplier shall seek to comply with this Section 6.1(c), to the extent reasonably possible, prior to any public announcement regarding the matter.
(d) Supplier shall deliver to Wheaton a Compliance Certificate setting out (in reasonable detail) computations as to the Leverage Ratio as at each Measurement Date:

(i) within 120 days after the end of each of its Financial Years;

(ii) within 60 days after the end of each of its Financial Half Years; and

(iii) within 60 days of the end of each Financial Quarter ending on 31 March or 30 September.

6.2 Books and Records

Supplier shall keep, and shall cause the Project Owner to keep, true, complete and accurate Books and Records reasonably needed to confirm compliance with the terms and conditions of this Agreement, including the determination of Payable Gold and Payable Palladium and whether Completion or any Completion Target has been achieved, to the extent required by Applicable Law and/or consistent with applicable requirements and accepted practices in the international mining industry. Supplier shall, and shall cause the Project Owner to, provide copies to Wheaton of such Books and Records upon request from Wheaton and permit Wheaton and its authorized representatives and agents to perform audits, reviews and other examinations of such Books and Records from time to time, at reasonable times and upon reasonable notice, and at Wheaton’s sole risk and expense, solely for the purpose of enabling Wheaton to confirm compliance with the terms and conditions of this Agreement, including the determination of the Payable Gold and Payable Palladium and whether Completion or any Completion Target has been achieved.

6.3 Technical Reports

Supplier shall, and shall cause the Project Owner to, prepare technical reports on the Mining Properties in compliance with an Approved Standard as and when required by Applicable Law as applicable to the Supplier PMPA Entities. Supplier shall provide, or cause to be provided by the Project Owner, to Wheaton an advance draft copy of any technical report on the Mining Properties prepared in compliance with an Approved Standard before it is publicly filed or announced, and in any event not less than five Business Days before it is so filed or announced. If the Mining Properties constitute a “material property” of Wheaton, WPM or any of their Affiliates for purposes of NI 43-101, at the written request of Wheaton and at Wheaton’s cost, Supplier shall use, and shall cause the Project Owner to use, commercially reasonable efforts to provide to Wheaton:

(a) qualified persons consents, qualified persons certificates or other technical data, records or information pertaining to the Mining Properties in the possession or control of any Supplier Group Entity;

(b) copies of any technical report and, if such technical report (or any excerpts therefrom or information contained therein) is required by Applicable Law to be publicly filed or disclosed by Wheaton or WPM, cause the authors of such technical report to have such technical report addressed directly to Wheaton and WPM; and

(c) such other scientific and technical information as Wheaton may reasonably request to facilitate compliance with Wheaton’s and WPM’s disclosure obligations under Applicable Law.
6.4 Inspections

Subject at all times to the workplace rules and supervision of the Project Owner, and provided any inspections do not interfere with any exploration, development, mining or processing work conducted on the Mining Properties, Supplier shall allow, and shall cause the Project Owner to allow, Wheaton and its authorized representatives and agents, at reasonable times and upon reasonable notice, and at Wheaton’s sole risk and expense, to physically inspect the Books and Records, the Mining Properties and the Mineral Processing Facilities, in each case to monitor Supplier’s and the Project Owner’s mining and processing operations on the Mining Properties, to confirm compliance with the terms and conditions of this Agreement, to confirm whether Completion or any Completion Target has been achieved, to prepare technical reports as necessary for Wheaton or WPM to comply with their disclosure obligations under Applicable Law, and to otherwise monitor and review mining and processing operations. Wheaton (i) shall be solely responsible for any injuries to, or losses suffered by, Wheaton and its representatives or agents while visiting the Mining Properties unless such injuries or losses are caused by the negligence or wilful misconduct of a Supplier Group Entity or its representatives or agents, and (ii) agrees to indemnify and save the Supplier Group Entities and their respective directors, officers, employees, representatives and agents harmless from and against any and all losses suffered or incurred by any of them as a result of the actions of Wheaton or its representatives or agents during any such visit except to the extent that such losses arise from the negligence or wilful misconduct of an indemnified person.

6.5 Confidentiality

(a) Each Party agrees that it shall maintain as confidential and shall not disclose, and shall cause its Affiliates and its and their employees, officers, directors, advisors, agents and representatives to maintain as confidential and not to disclose, the terms and conditions of this Agreement or any information (whether written, oral or in electronic format) received or reviewed by such Party (a “Receiving Party”) from any other Party, its Affiliates or its or their employees, officers, directors, advisors, agents or representatives (a “Disclosing Party”) as a result of or in connection with this Agreement or pursuant to the non-disclosure agreement dated July 18, 2017 between Supplier and WPM (“Confidential Information”), except in the following circumstances:

(i) a Receiving Party may disclose Confidential Information to its professional advisors, including its auditors, legal counsel, lenders, brokers, underwriters and investment bankers and prospective financing or acquisition parties, provided that such persons are advised of the confidential nature of the Confidential Information, and instructed to maintain the confidentiality of the Confidential Information;

(ii) subject to Sections 6.5(c) and 12.8, a Receiving Party may disclose Confidential Information where that disclosure is necessary to comply with Applicable Law, court order or regulatory request or where the Receiving Party determines, acting reasonably, that such disclosure is necessary in connection with litigation to which such Receiving Party or any of its Affiliates is party, provided that such disclosure shall be limited to only that Confidential Information reasonably determined by the Receiving Party to be required to be disclosed and that the Receiving Party shall have availed itself of the full benefit of any Applicable Laws or protective remedies, to the extent applicable, as to disclosure on a confidential basis to which it may be entitled including, to the extent permitted by Applicable Laws, redacting all proprietary, structural or other Confidential Information of the Disclosing Party prior to making such disclosure and, where
reasonably practicable, only after providing a copy of such proposed disclosure to the Disclosing Party;

(iii) a Receiving Party may disclose Confidential Information where such information is already public knowledge other than by a breach of the confidentiality terms of this Agreement, or is known by the Receiving Party prior to the entry into of this Agreement, or is obtained independently of this Agreement and the source of such information is not known by the Receiving Party to be bound by a confidentiality agreement or otherwise prohibited from transmitting the Confidential Information by a contractual, legal or fiduciary obligation;

(iv) with the prior written approval of the Disclosing Party; and

(v) a Receiving Party may disclose Confidential Information to those of its and its Affiliates’ directors, officers, employees and agents who need to have knowledge of the Confidential Information.

(b) Each Party shall ensure that its and its Affiliates’ employees, directors, officers and agents and those persons listed in Section 6.5(a)(i) are made aware of, and comply with the provisions of, this Section 6.5. Each Party shall be liable to the other Party for any improper use or disclosure of Confidential Information by such persons. In addition, each Party has the right to pursue causes of action or other acts against such persons.

(c) If a Party or any of its Affiliates is required to file a copy of this Agreement in any public registry, filing system or depository, including SEDAR or EDGAR, in order to comply with Applicable Law, it shall notify the other Parties of such requirement within two Business Days of the date of this Agreement, and the Parties shall consult with each other with respect to any proposed redactions to this Agreement in compliance with such Applicable Laws before it is filed in any such registry, filing system or depository.

ARTICLE 7
COVENANTS

7.1 Conduct of Operations

(a) Supplier shall cause the Project Owner and each of its applicable Affiliates to carry out and perform all mining operations and activities pertaining to or in respect of the Mine, the Mining Properties and the Mineral Processing Facilities in a commercially prudent manner and in all material respects (i) in accordance with all Applicable Laws, including but not limited to the Corruption of Foreign Public Officials Act (Canada), and the Approvals of any Governmental Authority necessary for the operation of the Mine, and (ii) in accordance with good mining, processing, engineering and environmental practices prevailing in the mining industry. Supplier shall cause the Project Owner to, comply in all material respects with the World Gold Council Conflict-Free Gold Standard, as it may be supplemented, amended, restated, modified or superseded from time to time, with respect to all operations at the Mining Properties. In addition, Supplier shall, and shall cause the Project Owner to, ensure that all cut-off grade, short term mine planning, long term mine planning and production decisions concerning the Mining Properties, determinations of Reserves and Resources, all Mineral marketing and sales (including the terms and conditions of any Offtake Agreements entered into after the date of this Agreement), all decisions with respect to exploration and all other decisions concerning
the operation of the Mining Properties are based on gold and palladium prices typical of normal industry practice and on the assumption that the Project Owner is receiving payment for all gold and palladium produced at the Mining Properties at market prices (and not, with respect to Payable Gold and Payable Palladium, the Gold Purchase Price or Palladium Purchase Price), without regard to the financial impact of this Agreement. Supplier shall cause the Project Owner and each of its applicable Affiliates to, continue to observe all practices and procedures in use as of the date of this Agreement, or such other procedures as may be adopted by the Project Owner in accordance with good processing, engineering and environmental practices prevailing in the mining industry, for the processing of gold from the Mining Properties through the Mineral Processing Facilities.

(b) Without limiting the generality of Section 7.1(a), the Project Owner shall be permitted to amend the LOM Plan at any time and from time to time in its sole discretion, provided that it is acting in a commercially prudent manner and consistent with accepted mining practice. For the avoidance of doubt, subject to Section 7.1(a), nothing in this Agreement shall restrict or prevent the Project Owner from placing the Mine, or any portion thereof, on care and maintenance or from ceasing or suspending operations at any time and from time to time when the Project Owner determines that it is reasonable or fiscally prudent to do so (without regard to the financial impact of this Agreement).

7.2 Processing/Commingling

(a) Supplier shall cause the Project Owner to process all Minerals through the Mineral Processing Facilities until such time as they form part of an Offtaker Delivery.

(b) Supplier shall cause the Project Owner to not process Other Minerals through the Mineral Processing Facilities in priority to or in place of, or commingle Other Minerals with, any Minerals unless Supplier and Wheaton shall have agreed on a method, formula or plan satisfactory to both of them, acting reasonably, with respect to the division of gold and palladium from other properties or sources and gold and palladium from the Mining Properties for purposes of determining the quantum of Payable Gold and Payable Palladium and such other matters related or incidental thereto (including any particular Books and Records to be maintained and any specific compensation for Losses resulting from such processing of Other Minerals) (a “Commingling Plan”). The initial Commingling Plan, to which the Parties hereby confirm their agreement, is attached as Schedule H to this Agreement.

(c) In addition to and without limiting Section 7.2(b):

(i) Supplier shall, and shall cause the Project Owner to, adopt and employ reasonable practices and procedures for weighing, determining moisture content, sampling and assaying and determining recovery factors, to ensure the division of gold and palladium from Minerals from gold and palladium from Other Minerals for the purposes of determining the quantum of Produced Gold and Produced Palladium (which practices and procedures shall be in accordance with sound mining, processing, engineering and environmental practices prevailing in the mining industry and shall be at least as good as the practices and procedures adopted for the primary metal in the applicable product being produced);

(ii) Supplier shall, and shall cause the Project Owner to, keep appropriate Books and Records in this regard, which shall be subject to audit, review and other
examination by Wheaton and its authorized representatives and agents in accordance with Section 6.2;

(iii) in no event shall any such practices or procedures referred to in Section 7.2(c)(i) adopted and employed by Supplier or the Project Owner for purposes of this Agreement result in less Produced Gold or Produced Palladium than is determined by the practices and procedures adopted and employed by any Supplier Group Entity for its own and for any other determination of gold and palladium content in such Minerals; and

(iv) Supplier shall consult with Wheaton and act in a commercially reasonable manner to modify such practices and procedures referred to in Section 7.2(c)(i) adopted and employed by Supplier or the Project Owner for purposes of this Agreement (including those set out in a Commingling Plan), if Wheaton determines, acting reasonably, that there is a more accurate, objective or formulaic methodology or procedure, or if any of such practices or procedures results in inaccuracy, bias or an unreasonable degree of variability, in the determination of gold and palladium from Minerals versus gold and palladium from Other Minerals.

7.3 Preservation of Corporate Existence

(a) Supplier shall do all things necessary or advisable to maintain its corporate existence. Supplier shall maintain an office (or other fixed place of business) in South Africa through which the business related to this Agreement is carried on, and shall not carry on the business of performing this Agreement through any office (or other fixed place of business), agent with authority to negotiate or conclude contracts on behalf of Supplier, or employee in any other jurisdiction. Supplier shall be resident in South Africa for Tax purposes and shall not become a resident in Canada for Tax purposes pursuant to the Income Tax Act (Canada) or have residency in any other country.

(b) Supplier shall cause the Project Owner to do all things necessary or advisable to maintain its corporate existence and remain a corporation created or organized under the laws of Delaware and not become a resident in Canada for Tax purposes pursuant to the Income Tax Act (Canada).

(c) Without limiting Sections 7.5 or 12.13(b) or any other provision of this Agreement, Supplier shall not consolidate, amalgamate with, or merge with or into, Transfer all or substantially all of its assets to, or reorganize, reincorporate or reconstitute into or as another entity, or continue to any other jurisdiction or consummate a similar corporate event unless: (i) at the time of such consolidation, amalgamation, merger, reorganization, reincorporation, reconstitution, Transfer, continuance or similar corporate event, the resulting, surviving or transferee entity assumes in favour of Wheaton all the obligations of Supplier under this Agreement and any security agreements and intercreditor agreements entered into in relation to Core Collateral pursuant to Section 7.12 to which Supplier is a party, if applicable, pursuant to one or more written agreements in form and substance satisfactory to Wheaton, acting reasonably; and (ii) such consolidation, amalgamation, merger, reorganization, reincorporation, reconstitution, Transfer, continuance or other corporate event would not reasonably be expected to increase any Tax payable by Wheaton, or increase the potential for any Tax to become payable by Wheaton, unless the amount of any such additional Tax actually or potentially payable by
Wheaton is not material and would be reduced to nil after giving effect to the provisions of Section 11.2. Supplier shall provide thirty (30) days prior written notice to Wheaton of the details of any such proposed consolidation, amalgamation, merger, reorganization, reincorporation, reconstitution, Transfer, continuance or other corporate event referred to in this Section 7.3(c).

7.4 Insurance

(a) Supplier shall maintain (or shall cause the Project Owner to maintain) with reputable insurance companies, insurance (including business interruption insurance) with respect to the Project Assets and the operations of the Project Owner conducted on and in respect of the Mine against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar operations, which shall include insurance on each shipment of Minerals from the Mine until risk of loss for such shipment has been transferred to an Offtaker.

(b) Supplier shall, upon the written request of Wheaton, furnish to Wheaton a certificate setting forth the nature and extent of all insurance maintained by or on behalf of the Supplier or Project Owner in accordance with Section 7.4(a). Supplier shall, upon the written request of Wheaton, provide Wheaton with copies of all insurance policies as in effect from time to time relating to the Mining Properties.

(c) Supplier shall not at any time do or omit to do anything, or cause anything to be done or omitted to be done, whereby any insurance required to be maintained hereunder would, or would be likely to, be rendered void or voidable or suspended, impaired or defeated in whole or in part.

7.5 Transfers

Except as permitted by Sections 7.6, 7.7, 7.8 and 7.10(b) or with the prior written consent of Wheaton, such consent not to be unreasonably withheld, conditioned or delayed, Supplier shall not:

(a) permit, suffer or allow the Project Owner to Transfer, in whole or in part, or otherwise cease to hold all beneficial and legal title to any of, the Mining Properties or Mineral Processing Facilities or any right, title or interest therein; or

(b) agree to, or enter into any agreement, arrangement or other transaction with any person that would cause, or otherwise allow or permit to occur, a Change of Control of Supplier or the Project Owner.

7.6 Permitted Transfers

The matters and actions set forth in Section 7.5(a) are permitted in connection with a Transfer of the Mining Properties or Mineral Processing Facilities to a transferee if:

(a) Supplier shall have provided Wheaton with at least thirty (30) days prior written notice of the details of the proposed Transfer;

(b) such transferee is a Wheaton Approved Transferee;

(c) the Project Owner shall have Transferred all but not less than all of the Project Assets in existence as of the date of such Transfer to such transferee;
(d) either: (i) Supplier transfers and assigns its rights and obligations under this Agreement to (A) the transferee or (B) an Affiliate of the transferee, in each case concurrently with any such Transfer, and the transferee or such Affiliate, as the case may be, assumes in favour of Wheaton all of Supplier’s obligations under this Agreement pursuant to a written agreement in form and substance satisfactory to Wheaton, acting reasonably (and in connection with such Transfer Supplier shall be released from any obligations hereunder arising after the date of such Transfer); or (ii) such transferee or an Affiliate of such transferee acquires control of Supplier concurrently with such Transfer;

(e) either (i) the transferee, if such person is not controlled by any other person, or (ii) in any other case, the Affiliate which controls the transferee which Affiliate is not controlled by any other person, executes and delivers an Affiliate Guarantee;

(f) each of:
   (i) the person that directly controls the transferee; and
   (ii) the person referred to in paragraph (c) of the definition of Wheaton Approved Transferee;

executes and delivers an Affiliate Guarantee and, except in the circumstance of Section 7.6(d)(i)(A), the transferee executes and delivers an Affiliate Guarantee;

(g) the transferee and the Affiliates of the transferee grant the same Encumbrances over the Core Collateral in favour of Wheaton as are contemplated by Section 7.12(b), if applicable;

(h) the transferee and any Affiliates of the transferee, as applicable, comply with the conditions set forth in Section 3.2(a) *mutatis mutandis*, including in respect of such Transfer, the transferee and the Affiliates of the transferee, any assignment under Section 7.6(d)(i), any Affiliate Guarantee under Sections 7.6(e) and 7.6(f) and any Encumbrance under Section 7.6(g);

(i) such Transfer and any other Transfers, actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 7.6, would not be reasonably expected to:
   (i) have an Adverse Impact (where, for the purposes of this Section 7.6(i), the reference to “Supplier” in paragraph (d) of the definition of “Adverse Impact” shall instead refer to the transferee or its Affiliate which will assume in favour of Wheaton all of Supplier’s obligations under this Agreement pursuant to Section 7.6(d)); or
   (ii) increase any Tax payable by Wheaton, or increase the potential for any Tax to become payable by Wheaton, unless the amount of any such additional Tax actually or potentially payable by Wheaton is not material and would be reduced to nil after giving effect to the provisions of Section 11.2; and

(j) no Trigger Event has occurred that is continuing or will occur in connection with such Transfer or any other actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 7.6.
Upon the completion of a Transfer of the Mining Properties or Mineral Processing Facilities to a transferee in accordance with this Section 7.6, the Initial Affiliate Guarantees executed and delivered by each of SWC Holdco and the Project Owner pursuant to Section 8.1, and any additional Affiliate Guarantee provided by a Guarantor pursuant to this Agreement (for greater certainty, excluding any Affiliate Guarantee delivered in connection with such Transfer or delivered by a Guarantor that is, following such Transfer, an Affiliate of the transferee), shall be terminated, and Wheaton shall deliver an irrevocable release in favour of each of such Guarantors in respect of any obligations under such Initial Affiliate Guarantees or additional Affiliate Guarantees, as the case may be, arising after the date of such Transfer.

7.7 Permitted Change of Control of Project Owner or Non-Public Entity Supplier

The matters and actions set forth in Section 7.5(b) are permitted in connection with a Change of Control of the Project Owner, or Supplier at a time when Supplier is not a Public Entity, if:

(a) Supplier shall have provided Wheaton with at least thirty (30) days prior written notice of the details of the proposed Change of Control;

(b) the person acquiring control of the Project Owner or Supplier, as the case may be, is a Wheaton Approved Transferee;

(c) in the case of a Change of Control of the Project Owner, either: (i) Supplier transfers and assigns its rights and obligations under this Agreement to the person acquiring control of the Project Owner, or an Affiliate of such person, in each case concurrently with any such Change of Control, and such person or such Affiliate, as the case may be, assumes in favour of Wheaton all of Supplier’s obligations under this Agreement pursuant to a written agreement in form and substance satisfactory to Wheaton, acting reasonably (and in connection with such Transfer Supplier shall be released from any obligations hereunder arising after the date of such Transfer); or (ii) the person acquiring control of the Project Owner, or an Affiliate of such person, also acquires control of Supplier in accordance with the terms of this Agreement, including this Section 7.7, concurrently with any such Change of Control;

(d) in the case of a Change of Control of Supplier at a time when Supplier is not a Public Entity, the person acquiring control of Supplier, or an Affiliate of such person, also acquires control of the Project Owner in accordance with the terms of this Agreement, including this Section 7.7, concurrently with any such Change of Control;

(e) each of the following occurs:

(i) either (A) the person acquiring control of the Project Owner (and, if applicable, Supplier), if such person is not controlled by any other person, or (B) in any other case, the Affiliate which controls such person which Affiliate is not controlled by any other person, executes and delivers an Affiliate Guarantee;

(ii) the person that, immediately following the completion of such Change of Control, directly controls the Project Owner (if such person is not SWC Holdco) executes and delivers an Affiliate Guarantee; and

(iii) the person referred to in paragraph (c) of the definition of Wheaton Approved Transferee executes and delivers an Affiliate Guarantee;
the person acquiring control of the Project Owner (and, if applicable, Supplier) and the Affiliates of such person grant the same Encumbrances over the Core Collateral in favour of Wheaton as are contemplated by Section 7.12(b), if applicable;

the person acquiring control of the Project Owner (and, if applicable, Supplier) and any Affiliates of such person, as applicable, comply with the conditions set forth in Section 3.2(a) mutatis mutandis, including in respect of the Change of Control, the person acquiring such control and the Affiliates of such person, as applicable, any assignment under Section 7.7(c)(i), if applicable, any Affiliate Guarantee under Section 7.7(e) and any Encumbrance under Section 7.7(f);

such Change of Control and any other actions and steps undertaken in connection with, or in relation to, such Change of Control, including those required by this Section 7.7, would not be reasonably expected to:

(i) have an Adverse Impact (where, for the purposes of this Section 7.7, the reference to “Supplier” in paragraph (d) of the definition of “Adverse Impact” shall instead refer to the person acquiring control of the Project Owner); or

(ii) increase any Tax payable by Wheaton, or increase the potential for any Tax to become payable by Wheaton, unless the amount of any such additional Tax actually or potentially payable by Wheaton is not material and would be reduced to nil after giving effect to the provisions of Section 11.2;

the Project Owner confirms and agrees in favour of Wheaton that its obligations under its Affiliate Guarantee continue in full force and effect despite such Change of Control; and

no Trigger Event has occurred that is continuing or will occur in connection with such Change of Control or any other actions and steps undertaken in connection with, or in relation to, such Change of Control, including those required by this Section 7.7.

Upon the completion of a Change of Control of the Project Owner or Supplier in accordance with this Section 7.7 in which the person acquiring control of the Project Owner or Supplier, as the case may be, or an Affiliate of such person, does not acquire control of SWC Holdco or any other Guarantor, the Initial Affiliate Guarantee executed and delivered by SWC Holdco pursuant to Section 8.1, and any additional Affiliate Guarantee provided by any such other Guarantor (for greater certainty, excluding any Affiliate Guarantee delivered or confirmed in connection with such Transfer or delivered by a Guarantor that is, following such Change of Control, an Affiliate of the person acquiring control of the Project Owner (and, if applicable, Supplier), shall be terminated, and Wheaton shall deliver an irrevocable release in favour of SWC Holdco and each such other Guarantor in respect of any obligations under SWC Holdco’s Initial Affiliate Guarantee or such additional Affiliate Guarantees, as the case may be, arising after the date of such Change of Control.

7.8 Permitted Change of Control of Public Entity Supplier

The matters and actions set forth in Section 7.5(b) are permitted in connection with a Change of Control of a Public Entity Supplier if:

(a) either (i) the Acquiror, if the Acquiror is not controlled by any other person, or (ii) in any other case, the Affiliate that controls the Acquiror which Affiliate is not controlled by any other person, executes and delivers, contemporaneously with such Change of Control or within 10 Business Days thereafter, an Affiliate Guarantee;
(b) the Acquiror or any of its Affiliates also acquires control of the Project Owner in accordance with the terms of this Agreement, including Section 7.7, concurrently with any such Change of Control;

(c) the Acquiror and any of its Affiliates, as applicable, comply with the conditions set forth in Section 3.2(a) *mutatis mutandis*, including in respect the Affiliate Guarantee under Section 7.8(a), contemporaneously with such Change of Control or within 10 Business Days thereafter; and

(d) the Acquiror is not a Restricted Person.

7.9 Offtake Agreements

(a) Supplier shall cause all terms and conditions relating to gold and palladium, to the extent affecting Wheaton’s rights, entitlements and benefits under this Agreement (including the timing of Offtaker Payments, timing of the transfer of title and risk to Offtakers and timing of sales to Offtakers, in respect of gold and palladium but excluding any terms or conditions setting out payable gold and palladium rates, pricing or Offtaker Charges), of any Offtake Agreement to:

(i) be *bona fide* and on commercially reasonable arm’s length terms and conditions prevailing in the market for concentrates or other products similar in form, make-up and quality to those derived from the Mining Properties;

(ii) contain splitting limits for gold not greater than [***], provided that if Supplier determines, acting reasonably, that circumstances exist such that the splitting limits for gold set out in any Offtake Agreement need to be greater than such level, then the Parties will negotiate in good faith, each acting reasonably, with a view to agreeing upon a higher level for such limits; and

(iii) otherwise be on substantially the same terms and conditions relating to gold and palladium as the terms and conditions relating to the primary metal, if the primary metal is neither gold nor palladium.

(b) Supplier shall provide a copy of any Offtake Agreement and reasonable details of any Offtake Requirement to Wheaton upon request from time to time; provided that for any Offtake Agreements entered into prior to the date of this Agreement, the name of the applicable Offtaker and any other identifying information in each such Offtake Agreement may be redacted if the Project Owner (or such other applicable Supplier PMPA Entity) is subject to confidentiality restrictions with respect thereto under the terms of such Offtake Agreement.

(c) Supplier shall take commercially reasonable steps to enforce, and shall cause each Supplier Group Entity that is a party to an Offtake Agreement or is bound by an Offtake Requirement to take commercially reasonable steps to enforce, its rights and remedies under such Offtake Agreement or Offtake Requirement with respect to any breaches of the terms or conditions thereof relating to gold and palladium. Supplier shall notify Wheaton in writing when any such dispute arising out of or in connection with any such Offtake Agreement or Offtake Requirement is commenced and shall permit Wheaton to participate in the process of addressing such dispute, at Wheaton’s cost and expense, and shall provide Wheaton with timely updates of the status of any such dispute and the final
decision and award of the court or arbitration panel, as the case may be, with respect to such dispute.

7.10 Project Assets

Supplier shall cause the Project Owner to:

(a) subject to Sections 7.5, 7.6, 7.8 and 7.10(b), be the only legal and beneficial owner of the Project Assets, and ensure that no other person holds or acquires any ownership right, title or interest in or to the Project Assets other than pursuant to:

(i) Encumbrances on such Project Assets not prohibited by Section 7.12, or any Transfer of such Project Assets pursuant thereto;

(ii) subject to Section 7.11, any sales of Minerals;

(iii) any Transfers by the Project Owner of obsolete, worn out or no longer useful property of the Project Owner, whether now owned or hereafter acquired;

(iv) any Transfer of equipment by the Project Owner to the extent the value of such property disposed of in any one calendar year does not exceed 5% of the total value of all of the assets of the Project Owner; and

(v) any Transfer of any equipment by the Project Owner in the ordinary course of business and consistent with good practice standards then prevailing in the mining industry provided that such Transfer commences following the end of the life of the Mine as determined by the then-current LOM Plan and mining operations have ceased;

(b) keep the Mining Properties in good standing; provided that the Project Owner shall be entitled to abandon, surrender, relinquish or let lapse any of the Mining Properties if the Project Owner shall have determined, acting commercially reasonably, that it is no longer economical to mine the Minerals from the Mining Properties that it proposes to abandon, surrender, relinquish or let lapse, without regard to the financial impact of this Agreement; and

(c) keep the Approvals necessary to operate the Mine in all material respects in good standing and continue to have all rights and benefits thereunder.

7.11 Wheaton Right of First Refusal

(a) If any Supplier Group Entity (the “Vendor”) receives a definitive offer from a third party that would be binding upon acceptance by the Vendor, to purchase a ROFR Interest (a “Third Party Offer”), and the Vendor is willing to accept that Third Party Offer, then Supplier shall cause the Vendor, by notice in writing delivered to Wheaton, to offer to sell all, but not less than all, of the ROFR Interest so sought to be purchased by the third party under the Third Party Offer to Wheaton at the same price and otherwise upon the same terms and conditions as are contained in the Third Party Offer, and to provide to Wheaton the best available information that any Supplier Group Entity has in its possession or within its control with respect to the ROFR Interest (including any information provided to the third party) (the “ROFR Offer”); provided that, if the Third
Party Offer includes non-cash consideration that is personal to the third party (including shares of the third party), then Wheaton shall be entitled to replace such non-cash consideration with cash or non-cash consideration that is personal to Wheaton (including shares of WPM) with the same or greater value, liquidity and marketability as the third party’s non-cash consideration; and further provided that, if the Third Party Offer includes or is conditional upon the purchase of any asset other than a ROFR Interest from Vendor, then the ROFR Offer shall similarly include such other assets.

(b) Wheaton may, within thirty (30) days from the date of delivery of the ROFR Offer, accept the ROFR Offer by notice in writing delivered to the Vendor, in which event it shall then become a binding agreement of purchase and sale between Wheaton and the Vendor at the price and upon the terms and conditions contained in the ROFR Offer; provided that within such thirty (30) day period:

(i) Wheaton may request that the terms and conditions contained in the ROFR Offer be amended to require that palladium and platinum sales and deliveries be made to Wheaton pursuant to a transaction structure substantially similar to the transaction structure contemplated by this Agreement (including the use of non-Canadian entities and non-U.S. entities as being the counterparties required to deliver palladium and platinum to Wheaton) rather than as contemplated in the ROFR Offer (the “ROFR Offer Amendments”); provided that such ROFR Offer Amendments shall not adversely change the economic substance of the amended ROFR Offer as compared to the Third Party Offer;

(ii) in such event, Wheaton and the Vendor will (and Supplier shall cause the Vendor to) negotiate, each acting reasonably and in good faith, with a view to agreeing upon the ROFR Offer Amendments, which shall not be binding on either Wheaton or the Vendor until agreed in an instrument in writing, provided that the ultimate decision of the Vendor to accept or reject any or all of the ROFR Offer Amendments shall be made in the Vendor’s sole discretion, acting reasonably; and

(iii) for greater certainty, Wheaton may elect at any time to withdraw its request for the ROFR Offer Amendments and accept the ROFR Offer at any time within such thirty (30) day period.

(c) If Wheaton does not accept the ROFR Offer, or if Wheaton requests the ROFR Offer Amendments and Wheaton and the Vendor have not agreed in writing upon such amendments, in each case within the thirty (30) day period, then the Vendor shall be free to sell all (but not less than all) of such ROFR Interest to the applicable third party pursuant to the Third Party Offer. If the Vendor and the third party have not entered into a binding, written agreement pertaining to all (but not less than all) of such ROFR Interest (the “Third Party Agreement”) within thirty (30) days following the expiry of the thirty (30) day period set forth in Section 7.11(b), then Supplier and the Vendor shall again be required to comply with the terms of this Agreement with respect to that Third Party Offer before selling the ROFR Interest that is the subject to the Third Party Offer to a third party. Supplier shall provide Wheaton with a copy of the Third Party Agreement promptly once it is executed and delivered.
(d) For the avoidance of doubt:

(i) this Section 7.11 is intended to apply, *mutatis mutandis*, to any offer made by a Vendor to any third party to sell a ROFR Interest, with such changes as are necessary to make this Section 7.11 applicable thereto;

(ii) a Vendor shall be entitled at any time to negotiate with any third party the terms upon which such third party may purchase a ROFR Interest, provided that before such terms are accepted, the Vendor complies with this Section 7.11; and

(iii) this Section 7.11 shall not apply to any: (A) palladium and platinum forward sales or options or other palladium or platinum sales or palladium or platinum loans to a financial institution or bullion bank not engaging in the business of streaming or royalty transactions; (B) a royalty that is based on revenues, net profits or similar concepts on all minerals from the Mining Properties, under which royalty palladium and platinum are treated no differently than other minerals and palladium and platinum represents less than 25% of the value of such royalty; or (C) public offerings of securities that are backed by palladium or platinum, paid in palladium or platinum, priced based on palladium or platinum prices or have payment obligations based on palladium or platinum prices.

7.12 Encumbrances

At any time prior to the Trigger Date that the Investment Grade Rating Condition is not satisfied by either (i) Supplier, or (ii) any Guarantor which controls the Project Owner and Supplier and which has provided an Affiliate Guarantee in accordance with Section 7.7(e)(i) or Section 7.8(a) (in each case, a “*Rated Entity*”), Supplier shall not, and shall cause each Supplier Group Entity to not, grant or allow to exist any Financial Encumbrance in respect of all or any of the Core Collateral in favour of a third party other than Wheaton or any of its Affiliates, other than:

(a) Permitted Encumbrances; and

(b) Financial Encumbrances where in each case: (i) Wheaton is provided with the same Financial Encumbrance over such Core Collateral as such third party; (ii) Wheaton and the third party holder of such Financial Encumbrance enter into an intercreditor agreement on terms satisfactory to Wheaton, acting reasonably, which shall include provisions addressing the priority of Wheaton and such third party’s interests; and (iii) the Supplier Group Entity granting such Financial Encumbrance and the third party holder of such Financial Encumbrance comply with the conditions set forth in Section 3.2(a) *mutatis mutandis*, including in respect of any security agreement giving effect to such Financial Encumbrance and such intercreditor agreement.

Despite the foregoing, any Encumbrance granted by a Supplier Group Entity in compliance with this Section 7.12 at a time when the Rated Entity satisfies the Investment Grade Rating Condition, shall not thereafter become prohibited by this Section 7.12 as a result of the Investment Grade Rating Condition ceasing to be satisfied by the Rated Entity in the future; provided that any such Encumbrance shall not be permitted to secure Financial Indebtedness which is incurred or for which a person becomes liable, at a time when the Investment Grade Rating Condition is not satisfied by Rated Entity (including for greater certainty additional drawdowns under any revolving or other existing Financial Indebtedness at a time when the Investment Grade Rating Condition is not satisfied by the Rated Entity).
7.13 Indebtedness

At any time prior to the Advance Payment Reduction Date that the Investment Grade Rating Condition is not satisfied by a Rated Entity:

(a) Supplier shall cause each Supplier PMPA Entity to not incur or become liable for any Financial Indebtedness, other than:

   (i) Financial Indebtedness owing to any other Supplier Group Entity provided that such Financial Indebtedness is subject to a Subordination and Postponement of Claims in favour of Wheaton; and

   (ii) Permitted Refinancing Indebtedness; and

(b) Supplier shall cause each Supplier PMPA Entity to not guarantee, indemnify, act as co-obligor or otherwise assume any responsibility or obligation in respect of any Financial Indebtedness, other than:

   (i) debts and obligations of Supplier under this Agreement; and

   (ii) Financial Indebtedness that is permitted under Section 7.13(a);

unless, on the date thereof and after giving pro forma effect thereto:

(c) the ratio of Consolidated Net Borrowings as of the date such Financial Indebtedness is incurred to Consolidated EBITDA in respect of the Measurement Period ending on the most recent preceding Measurement Date (the “Leverage Ratio”) does not exceed 3.50:1.00; or

(d) the Leverage Ratio does not exceed 4.50:1.00 and, in respect of this Section 7.13(d):

   (i) prior to incurring such Financial Indebtedness, one or more Affiliate Guarantees are executed and delivered by one or more Supplier Group Entities in favour of Wheaton such that the aggregate EBITDA of the Guarantors on a non-consolidated basis in respect of the Measurement Period ending on the most recent preceding Measurement Date is greater than or equal to eighty-five percent (85%) of Consolidated EBITDA in respect of the Measurement Period ending on the most recent preceding Measurement Date; and

   (ii) Supplier shall cause each such Guarantor to comply with the following requirements concurrently with the delivery of the applicable Affiliate Guarantee:

      (A) each such Guarantor shall deliver to Wheaton a current certificate of corporate status, good standing or compliance (or equivalent) for such Guarantor, issued by the relevant Governmental Authority;

      (B) each such Guarantor shall execute and deliver to Wheaton a certificate of a director or senior officer of such Guarantor, in form and substance satisfactory to Wheaton, acting reasonably, certifying copies of the constating documents of such Guarantor, the resolutions of the Board of Directors or other comparable authority of such Guarantor authorizing
the execution, delivery and performance of the Affiliate Guarantee, and the transactions contemplated thereby, the names, positions and true signatures of the persons authorized to sign the Affiliate Guarantee, and such other matters pertaining to the transactions contemplated hereby as Wheaton may reasonably require; and

(C) Wheaton shall have received favourable opinions, in form and substance satisfactory to Wheaton, acting reasonably, from external legal counsel to such Guarantor as to, among other things: (1) the legal status of such Guarantor; (2) the authority of such Guarantor to execute and deliver the Affiliate Guarantee, and the enforceability thereof against such Guarantor; and (3) the execution and delivery of the Affiliate Guarantee by such Guarantor.

For purposes of calculating the Leverage Ratio, (1) EBITDA shall be calculated by reference to the Financial Statements of the applicable Guarantor, (2) Consolidated EBITDA shall be calculated by reference to the Financial Statements of the Supplier or, where another entity controls the Project Owner and Supplier, such other entity and (3) Consolidated Net Borrowings shall be calculated as the amount of Consolidated Net Borrowings specified in the Financial Statements of the Supplier or, where another entity controls the Project Owner and Supplier, such other entity, adjusted for any Indebtedness for Borrowed Money incurred, prepaid or repaid since the date of the most recently completed Measurement Period (including, for the avoidance of doubt, adjustments as a result of a change to the cash position at the end of such Measurement Period due to any prepayment or repayment of Indebtedness for Borrowed Money occurring after such Measurement Period).

7.14 Wheaton Change of Control

During the term of this Agreement, Wheaton shall ensure that neither it nor any of its Affiliates shall enter into any agreement, arrangement or transaction with any person that would cause, or otherwise allow or permit to occur, a direct or indirect Change of Control of Wheaton, if the person acquiring such control of Wheaton is a Restricted Person.

7.15 Financial Indebtedness Owing to Supplier Group Entities

From and after the Closing Date, Supplier shall cause each Supplier PMPA Entity to not incur, become liable for or permit to exist any Financial Indebtedness owing by such Supplier PMPA Entity to any Supplier Group Entity (other than a Supplier PMPA Entity) unless and except if such Financial Indebtedness is subject to a Subordination and Postponement of Claims in favour of Wheaton.

ARTICLE 8
INITIAL AFFILIATE GUARANTEES

8.1 Initial Affiliate Guarantees

The Parties acknowledge that concurrently with the execution and delivery of this Agreement on the date hereof, Supplier has caused the Current Owner and SWC Holdco to execute and deliver guarantees in favour of Wheaton which guarantee the payment and performance, when due, of all of the PMPA Obligations (the “Initial Affiliate Guarantees”).
ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of Supplier
Supplier, acknowledging that Wheaton is entering into this Agreement in reliance thereon, hereby makes the representations and warranties to Wheaton set forth in Schedule D as of the date hereof.

9.2 Representations and Warranties of Wheaton
Wheaton, acknowledging that Supplier is entering into this Agreement in reliance thereon, hereby makes the representations and warranties to Supplier set forth in Schedule E as of the date hereof.

9.3 Survival of Representations and Warranties
The representations and warranties of the Parties set forth herein pursuant to Sections 9.1 and 9.2 shall survive the execution and delivery of this Agreement.

9.4 Non Mitigation of Representations and Warranties
The right to indemnification, payment, reimbursement, or other remedy based upon any representation, warrant, covenant, or obligation herein will not be affected by any investigation or due diligence conducted or any knowledge acquired, or any knowledge that could have been acquired, at any time, whether before or after the execution and delivery of this Agreement or the Effective Date, with respect to the accuracy or inaccuracy of, or default, breach, non-performance or compliance with, such representation, warranty, covenant, or obligation.

9.5 Knowledge
Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “knowledge” of Supplier (or Wheaton), it shall be deemed to refer to the actual knowledge of any director or officer of any Supplier PMPA Entity (or Wheaton and WPM, as applicable), and all knowledge which any such person would have if such person made due enquiry into the relevant subject matter having regard to the role and responsibilities of such person as a director or officer of any Supplier PMPA Entity (or Wheaton and WPM, as applicable).

ARTICLE 10
DEFAULTS AND DISPUTES

10.1 Supplier Events of Default
Each of the following events or circumstances constitutes an event of default with respect to Supplier (each, a “Supplier Event of Default”):

(a) Supplier fails to sell and deliver Refined Gold or Refined Palladium to Wheaton on the terms and conditions set forth in this Agreement within ten (10) Business Days of receipt of notice from Wheaton notifying Supplier of such default;

(b) any Guarantor is in breach or default of any of its representations, warranties, covenants or obligations set forth in the Affiliate Guarantee executed and delivered by it in any material respect, provided that any such breach or default in the performance of a guarantee of any covenant or obligation of Supplier in this Agreement that is subject to a
cure period shall be subject to the same cure period as applies to the underlying covenant or obligation of Supplier in this Agreement;

(c) any Supplier PMPA Entity is in breach or default of any of its representations, warranties, covenants or obligations set forth in this Agreement or in any security agreement entered into in accordance with Section 7.12(b) in any material respect (other than a breach or default of the covenants and obligations referenced in Sections 10.1(a) and 10.1(b)), and, except in respect of breaches or defaults of any covenants or obligations set forth in Sections 7.3, 7.5, 7.12, 7.13 or 12.13(b), which for greater certainty shall have no cure period, such breach or default is not remedied within 30 days following delivery by Wheaton to Supplier of written notice of such breach or default, or such longer period of time as Wheaton may determine in its sole discretion;

(d) the Project Owner does not observe and perform any covenant or obligation that Supplier is required to cause the Project Owner to observe or perform under this Agreement or that otherwise relates to the Project Owner (including the occurrence or existence of a fact, change, or event with respect to the Project Owner contrary to the terms of this Agreement), in any material respect, and such non-observance or non-performance is not remedied within a period of 30 days following delivery by Wheaton to Supplier of written notice of such non-observance or non-performance, or such longer period of time as Wheaton may determine in its sole discretion; and

(e) upon the occurrence of an Insolvency Event or an Enforcement Event affecting a Supplier PMPA Entity.

10.2 Wheaton Remedies

If a Supplier Event of Default occurs and is continuing, Wheaton shall have the right, upon written notice to Supplier, at its option and in addition to and not in substitution for any other remedies available under Applicable Law, to take any or all of the following actions:

(a) demand all amounts, and all deliveries of Overdue Gold Ounces and Overdue Palladium Ounces, due from Supplier to Wheaton but not yet paid or delivered, including Losses pursuant to Section 10.5 (but excluding any Stream NPV), and set off any such amount in accordance with Section 11.5;

(b) terminate this Agreement by written notice to Supplier and, without limiting Section 10.2(a), demand all Losses suffered or incurred as a result of the occurrence of such Supplier Event of Default and termination;

(c) bring an action for specific performance; and

(d) in the event of any Transfer in breach of Sections 7.3, 7.5 or 12.13(b), take all steps available under Applicable Law to have such Transfer declared null and void,

provided that Wheaton shall have no right to the remedies set out in Section 10.2(b) unless and until the occurrence and continuance of such Supplier Event of Default results in a Material Adverse Event.

10.3 Wheaton Event of Default

Each of the following events or circumstances constitutes an event of default with respect to Wheaton (each, a “Wheaton Event of Default”):
(a) Wheaton fails to pay for Refined Gold or Refined Palladium on the terms and conditions set forth in this Agreement within ten Business Days of receipt of notice from Supplier notifying Wheaton of such default (the “Payment Default Notice”); and

(b) Wheaton is in breach or default of any of its representations, warranties, covenants or obligations set forth in this Agreement in any material respect (other than a breach or default of the covenants and obligations referenced in Section 10.3(a)), and, except in respect of breaches or defaults of any covenants or obligations set forth in Sections 7.14 or 12.13(c), which for greater certainty shall have no cure period, such breach or default is not remedied within 30 days following delivery by Supplier to Wheaton of written notice of such breach or default, or such longer period of time as Supplier may determine in its sole discretion.

10.4 Supplier Remedies

If a Wheaton Event of Default occurs and is continuing, Supplier shall have the right, upon written notice to Wheaton, at its option and in addition to and not in substitution for any other remedies available under Applicable Law, to take any or all of the following actions:

(a) demand all amounts due from Wheaton to Supplier but not yet paid, including Losses pursuant to Section 10.5, and set off any such amount in accordance with Section 11.5;

(b) in the event of any Wheaton Event of Default set out in Section 10.3(a) which is continuing for a period of three (3) consecutive months and provided there is no continuing Supplier Event of Default at such time, or a Wheaton Change of Control or Transfer in favour of a Restricted Person in breach of Sections 7.14 or 12.13(c), upon written notice to Wheaton, suspend its delivery obligations in respect of Refined Gold and Refined Palladium under Sections 2.1(a) and 2.2(a) (other than those delivery obligations that arose prior to the date of such Wheaton Event of Default) and its obligations under Sections 6.1 and 6.4, and such other obligations contained herein as are required in connection therewith;

(c) bring an action for specific performance; and

(d) in the event of any Transfer in breach of Sections 7.14 or 12.13(c), take all steps available under Applicable Law to have such Transfer declared null and void;

provided that if Supplier elects the remedy set out in Section 10.4(b) and Wheaton cures such Wheaton Event of Default in full, then Supplier’s suspended obligations under this Agreement shall recommence as of the date Wheaton so cures such Wheaton Event of Default and notifies Supplier thereof in writing, and any Refined Gold and Refined Palladium that Supplier would have been obligated to deliver but for such suspension shall then be due and deliverable with the next delivery obligations pursuant to Sections 2.1(a) and 2.2(a). Prior to the curing of such Wheaton Event of Default by Wheaton, Supplier may sell Refined Gold and Refined Palladium to any third parties in its discretion at prices agreed with such third parties, provided that for greater certainty such third party sales shall in no way reduce Supplier’s delivery obligations to deliver any Refined Gold and Refined Palladium that Supplier would have been obligated to deliver but for such suspension once the Wheaton Event of Default is cured. Notwithstanding the foregoing, to the extent that Wheaton: (i) has notified Supplier in writing that it disputes all or any part of the amount payable as set out in the Payment Default Notice; (ii) is actively and in good faith pursuing resolution of such disputed payment in accordance with Section 10.9; and (iii) has paid to Supplier an amount equal to the undisputed portion of the total amount payable as set out in the relevant Payment...
Default Notice, then Supplier shall not have the right to suspend its delivery obligations in respect of Refined Gold and Refined Palladium pursuant to Section 10.4(b) with respect to such Payment Default Notice.

10.5 Indemnity

(a) Each Party agrees to indemnify and save harmless the other Party and its respective Affiliates and its and their respective directors, officers, employees and agents from and against any and all Losses suffered or incurred by any of the foregoing persons in connection with:

(i) any inaccuracy in or default or breach of any representation or warranty of such Party or any of its Affiliates contained in this Agreement or the Affiliate Guarantees, as applicable;

(ii) any breach or default by such Party or any of its Affiliates of any covenant or obligation to be performed by it pursuant to this Agreement or the Affiliate Guarantees, as applicable;

(iii) in the case of indemnification by Supplier, a Supplier Event of Default;

(iv) in the case of indemnification by Wheaton, a Wheaton Event of Default;

(v) a failure by such Party to make a deduction, withholding, charge or levy for or on account of Taxes pursuant to Section 11.2(a);

(vi) any Taxes (other than Excluded Taxes) imposed on or to which Wheaton is otherwise subject under Sections 897 or 1445 of the United States Internal Revenue Code as a result of this Agreement or the transactions contemplated hereby, which for clarity does not include (A) any Taxes of Wheaton arising as a result of a Transfer by Wheaton of all or part of its rights or obligations under this Agreement to any other person or (B) any Taxes arising as a result of any Encumbrance described in Section 7.12(b), including as a result of the granting or subsequent Transfer of such Encumbrance; and

(vii) pursuing any remedies that the other Party is entitled to hereunder.

(b) This Section 10.5 is:

(i) a continuing obligation, separate and independent from the Parties’ other obligations and survives the termination of this Agreement; and

(ii) absolute and unconditional.

(c) It is not necessary for a Party to incur expense or make payment before enforcing a right of indemnity under this Agreement.

(d) Upon written demand by a Party, the other Party shall promptly pay all Losses owing to the demanding Party within 10 Business Days, or provide written notice within such 10 Business Day period that the other Party disputes the amount of such Losses and shall then promptly pay the amount determined upon settlement of such dispute; provided that the other Party shall pay to the demanding Party any amount not in dispute, and if any
such written notice is not provided within such 10 Business Day period, then the other Party will be deemed to have agreed with the Losses demanded by demanding Party.

10.6 No Distribution

In the event that Supplier fails to sell and deliver Refined Gold or Refined Palladium to Wheaton in accordance with Section 2.2 of this Agreement or fails to make any other payment due and owing to Wheaton in accordance with this Agreement (a “Default Event”), then from the date of such Default Event and until such Default Event has been remedied, Supplier shall cause each of SWC Holdco and the Project Owner to not make any Distribution except to another Supplier PMPA Entity for the purpose of remedying such Default Event or otherwise complying with the terms of this Agreement. If the making of a Distribution by SWC Holdco or the Project Owner would cause or result in a Default Event, Supplier shall cause SWC Holdco and Project Owner to not make such Distribution except to another Supplier PMPA Entity for the purpose of complying with the terms of this Agreement.

10.7 Expropriation Event and Sharing of Compensation

(a) Notwithstanding any other provision of this Agreement, upon the occurrence and during the continuance of an Expropriation Event after the Closing Date, Supplier shall promptly notify Wheaton of such occurrence, and all obligations of the Parties set out in Article 2 (but in the case of an Expropriation Event described in paragraph (a) of the definition of “Expropriation Event”, only to the extent that such obligations relate to the portion of the Mine to which the Expropriation Event pertains (such portion being the “Affected Property”)), including Supplier’s obligation to deliver Refined Gold and Refined Palladium to Wheaton, shall be suspended and not accrue while such Expropriation Event exists. In the event that such Expropriation Event subsequently ceases to exist, all obligations of the Parties under this Agreement which were suspended pursuant to this Section 10.7 shall automatically resume from and as of the date that such Expropriation Event ceases to exist.

(b) The only right of Wheaton upon the occurrence and continuation of any Expropriation Event shall be the right to share in any compensation as set out in Section 10.7(d). At no time and under no circumstances shall all or any portion of the Advance Payment be reimbursed as a result of the occurrence of an Expropriation Event.

(c) Without limiting the generality of this Section 10.7:

(i) any loss of ownership or control over the Mine or any Affected Property as a result of an Expropriation Event shall not constitute a Transfer, or a Change of Control of any entity, for any purpose under this Agreement; and

(ii) any portion of the Mine, the Mining Properties, the Project Assets or the Mineral Processing Facilities that becomes an Affected Property as a result of an Expropriation Event shall (for so long as the Expropriation Event is continuing) be deemed not to be part of the Mine, the Mining Properties, the Project Assets or the Mineral Processing Facilities for any purpose under this Agreement.

(d) Subject to the terms and conditions of this Agreement, in the event any Supplier Group Entity receives any payment, benefit, consideration or other compensation (including payments by any Government Authority, any corporation or other entity controlled by a Governmental Authority or any insurance provider) as a consequence of, in connection
with or in respect of any Expropriation Event ("Compensation"), then without limiting any other provisions hereof, Supplier shall pay to Wheaton an amount equal to eleven percent (11%) of the Compensation within ten Business Days of receipt of such Compensation by any Supplier Group Entity.

10.8 Disputed Reports

(a) If Wheaton disputes any invoice, report or quantity of Refined Gold or Refined Palladium previously delivered pursuant to this Agreement, Wheaton shall deliver written notice (a “Dispute Notice”) to Supplier within thirty six (36) months from the delivery of such invoice, report or quantity (failing which Wheaton shall be deemed to have accepted such invoice, report or quantity and it will become final), in which event Wheaton and Supplier shall have 60 days from the date the Dispute Notice is delivered to resolve the dispute. If Wheaton and Supplier have not resolved the dispute within such period, then Wheaton shall have the right to require Supplier to deliver an Auditor’s Report with respect to the subject matter of the dispute. Each of the Parties agrees to deliver such Books and Records as may be reasonably requested by the person completing the Auditor’s Report.

(b) The costs of the Auditor’s Report shall be paid by Wheaton, unless the Auditor’s Report concludes that the Payable Gold and Payable Palladium for the period covered by the Dispute Notice is greater than the number of ounces of Refined Gold and Refined Palladium actually delivered in respect of such period, in which event the cost of the Auditor’s Report shall be for the account of Supplier.

10.9 Disputes

If a Dispute arises between the Parties (and for this purpose any of the Supplier Group Entities involved in the Dispute shall be deemed to be one Party, and Wheaton the other Party), including with respect to an Auditor’s Report but not including a Dispute with respect to a determination of Stream NPV (for which the principles, assumptions and procedures outlined in the definition of such term and in Schedule G shall be the sole manner of resolving such a Dispute), the Parties shall promptly and in good faith attempt to resolve such Dispute through negotiations conducted in the following manner:

(a) the disputing Party shall give written notice to the other Parties to the Dispute, which notice shall include a statement of the disputing Party’s position and a summary of the arguments supporting its position;

(b) within 20 days after receipt of such notice, each receiving Party shall submit a written response to the disputing Party which shall also include a statement of the receiving Party’s position and a summary of the arguments supporting its position;

(c) the Chief Executive Officer or President of each of the Parties to the Dispute shall meet at a mutually acceptable time and place, but in any event within 30 days after issuance of the disputing Party’s written notice, to attempt to resolve the Dispute; and

(d) if the Dispute has not been resolved within 10 days after such meeting, any Party may pursue all other rights and remedies available under Applicable Law.
ARTICLE 11
ADDITIONAL PAYMENT TERMS

11.1 Payments

All payments due by one Party to another under this Agreement shall be made in United States dollars and shall be made by wire transfer in immediately available funds to the bank account or accounts designated by the other Party in writing from time to time.

11.2 Taxes

(a) Subject to Section 11.2(b), all deliveries of Refined Gold and Refined Palladium and all amounts paid hereunder or under any Affiliate Guarantee shall be made without any deduction, withholding, charge or levy for or on account of any Taxes unless required by Applicable Law. If any such Taxes (other than Excluded Taxes) are so required to be deducted, withheld, charged or levied by the Party making such delivery or payment, then such Party shall (and, in respect of any payment under any Affiliate Guarantee, Supplier shall cause the applicable Guarantor to) make, in addition to such delivery or payment, such additional delivery or payment, as applicable, as is necessary to ensure that the net amount received by the other Party entitled to such delivery or payment (free and clear and net of any such Taxes, including any Taxes required to be deducted, withheld, charged or levied on any such additional amount) equals the full amount such other Party would have received had no such deduction, withholding, charge or levy been required. Any additional payment or delivery by a Party to Wheaton under this Section 11.2(a) shall not reduce the amount of the uncredited Advance Payment (as such amount is determined in accordance with Section 2.4) or the uncredited Palladium Advance Payment.

(b) Notwithstanding Section 11.2(a): (i) Supplier shall not be required to (or, in respect of any payment under any Affiliate Guarantee, to cause the applicable Guarantor to) provide any gross-up or additional amounts under this Section 11.2 to the extent such requirement arises because of: (A) an assignment by Wheaton pursuant to Section 12.13(c) to an assignee, or (B) a consolidation, amalgamation, merger, reorganization, change of control or similar corporate event, in either case such that the successor to Wheaton is not resident in the Cayman Islands and such gross-up or additional amounts would not have arisen had such successor to Wheaton been resident in the Cayman Islands; and (ii) Wheaton shall not be required to provide any gross-up or additional amounts under this Section 11.2 to the extent such requirement arises because of: (A) an assignment by Supplier pursuant to Section 7.6 to an assignee, or (B) a consolidation, amalgamation, merger, reorganization, change of control or similar corporate event, in either case such that the successor to Supplier is not resident in South Africa and such gross-up or additional amounts would not have arisen had such successor to Supplier been resident in South Africa; provided that in each case the Parties will cooperate in good faith so as to not adversely affect the Tax payable by another Party.

(c) Upon the written request of the Party (or its Affiliate) required by Applicable Law to make any deduction, withholding, charge or levy for or on account of any Taxes (other than Excluded Taxes) in respect of a delivery or payment referred to in Section 11.2(a), the Party entitled to receive such delivery or payment shall provide the first-mentioned Party (or its Affiliate) with any executed forms, statements or certificates necessary for such first-mentioned Party (or its Affiliate) to make such deliveries and payments free
and clear of any applicable deduction, withholding, charge or levy in accordance with Applicable Law; provided that the Party entitled to receive such delivery or payment shall not be required execute such forms, statements or certificates if it would have an adverse impact on such Party or its Affiliates.

11.3 New Tax Laws

In the event that any new Tax is implemented, or there shall occur any revision in, implementation of, amendment to or interpretation of any existing Tax, in each case that has an adverse effect on any of the Parties or any of their Affiliates in respect of the transactions contemplated by this Agreement, then Supplier and Wheaton agree that they shall negotiate in good faith with each other to amend this Agreement so that the other Parties and their Affiliates are no longer adversely affected by any such enactment, revision, implementation, amendment or interpretation, as the case may be; provided that any amendment to this Agreement shall not have any adverse impact on Supplier and its Affiliates on the one hand, and Wheaton and its Affiliates on the other hand.

11.4 Interest

(a) The dollar value of:

(i) any Overdue Gold Ounces from time to time outstanding (such value, for the purposes of calculating interest, to be determined based on the Gold Market Price as of the day gold ounces are credited to the Overdue Gold Ounces, less the Gold Market Price originally credited to the Overdue Gold Ounces for gold ounces subsequently debited from the Overdue Gold Ounces on a “first in first out” basis); and

(ii) any Overdue Palladium Ounces from time to time outstanding (such value, for the purposes of calculating interest, to be determined based on the Palladium Market Price as of the day palladium ounces are credited to the Overdue Palladium Ounces, less the Palladium Market Price originally credited to the Overdue Palladium Ounces for palladium ounces subsequently debited from the Overdue Palladium Ounces on a “first in first out” basis);

shall accrue interest at an annual rate equal to the lesser of (A) Prime plus 8% and (B) the maximum lawful rate permitted by Applicable Law. Such interest shall be calculated, compounded and paid monthly.

(b) Without duplicating interest payable in accordance with Section 11.4(a), any dollar amount not paid when due hereunder shall accrue interest at an annual rate equal to the lesser of (i) Prime plus 8% and (ii) the maximum lawful rate permitted by Applicable Law commencing as of the date such amount first became past due (which shall be deemed to be the date of termination of this Agreement in the event an amount is owed as a result of Section 10.2(b) and the date any Loss is first suffered or incurred in the event an amount is owed as a result of Section 10.5(a)). Such interest shall be calculated, compounded and paid monthly.

(c) For purposes of the Interest Act (Canada): (i) whenever any interest under this Agreement is calculated using a rate based on a year of 360 days, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends,
and (z) divided by 360; (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement; and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

11.5 Set Off

Any dollar amount not paid when due by a Party or any Overdue Gold Ounces or Overdue Palladium Ounces may be set off by the other Party against any dollar amount or Refined Gold and Refined Palladium owed to such Party by the other Party. Any amount of Refined Gold and Refined Palladium set off and withheld against any non-payment by a Party shall be valued at the Gold Market Price or Palladium Market Price, as applicable, as of the date that such amount of Refined Gold and Refined Palladium first became payable to such Party. Any dollar amount set off and withheld against any Overdue Gold Ounces or Overdue Palladium Ounces shall result in a reduction to the Overdue Gold Ounces and Overdue Palladium Ounces by that number of ounces equal to the dollar amount set off divided by the Gold Market Price or Palladium Market Price, as applicable, as of the day such dollar amount first became payable.

11.6 Judgment Currency

If, for the purpose of obtaining or enforcing judgment against any Party in any court in any jurisdiction, it becomes necessary to convert into a particular currency (the “Judgment Currency”) an amount due in another currency (the “Indebtedness Currency”) under this Agreement, that conversion will be made at the rate of exchange, which shall be that at which, in accordance with its normal banking procedures, the non-defaulting Party could purchase the Indebtedness Currency with the Judgment Currency on the Business Day immediately preceding the date on which judgment is given (or if received on a day other than a Business Day, on the next succeeding Business Day), or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied (the “Rate of Exchange”). If, as a result of a change in the Rate of Exchange between the date of judgment and the date of actual payment, the conversion of the Judgment Currency into Indebtedness Currency results in the non-defaulting Party receiving less than the full amount of Indebtedness Currency payable to the non-defaulting Party, the defaulting Party agrees to pay the non-defaulting Party an additional amount (and in any event not a lesser amount) as may be necessary to ensure that the amount received is not less than the full amount of Indebtedness Currency payable by the defaulting Party on the date of judgment. Any additional amount due under this Section 11.6 will be due as a separate debt, gives rise to a separate cause of action, and will not be affected by judgment obtained for any other sums due under this Agreement.

ARTICLE 12
GENERAL

12.1 Further Assurances

Each Party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.
12.2 No Joint Venture

Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, agency relationship, fiduciary relationship, or other partnership relationship between Wheaton and Supplier.

Neither Party shall, and each Party shall cause its Affiliates to not, contest in any manner the effectiveness, validity, binding nature or enforceability of this Agreement.

12.3 Not a Debt Instrument; No Real Property Ownership

(a) The Parties hereby confirm and agree that this Agreement and the purchase and sale transactions contemplated hereby are, and are intended to be, transactions for the purchase and sale of gold and palladium metal credits. Nothing in this Agreement shall be construed to create, expressly or by implication, a debt instrument between the Parties under any Applicable Law. No Party shall, or shall permit any of its Affiliates to, characterize the transactions contemplated by this Agreement as involving any debt instrument for any purpose, including in filings, communications or other representations made with or to any Governmental Authority for Tax reporting, accounting, or financial reporting, unless such Party determines such characterization is necessary or appropriate including pursuant to Applicable Laws, IFRS or applicable ratings guidelines adopted by Standard and Poor’s Financial Services LLC, Moody’s Investor Services, Inc. or Fitch Ratings, Inc. / Fitch Ratings, Ltd.

(b) Notwithstanding anything herein to the contrary, except to the extent security is granted to Wheaton in accordance with Section 7.12(b), the Parties acknowledge and agree that Wheaton holds no right, title or interest in the Mining Properties, and that this Agreement does not Transfer any right, title or interest in the Mining Properties to Wheaton. Except to the extent security is granted to Wheaton in accordance with Section 7.12(b), no right or obligation attributed to Wheaton under this Agreement shall be considered a real property interest, or Transfer thereof, nor shall any such right or obligation run with the Mining Properties.

12.4 Governing Law

This Agreement shall be governed by and construed under the laws of the Province of Ontario and the federal laws of Canada applicable therein (without regard to its laws relating to any conflicts of laws). The courts of the Province of Ontario shall have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement. The United Nations Vienna Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

12.5 Costs and Expenses

All costs and expenses incurred by a Party in considering whether to provide a consent contemplated under this Agreement or an amendment or waiver requested by any other Party, shall be for the account of such other Party. All costs and expenses in connection with the registration and perfection of security, if any, in accordance with this Agreement (including any stamp duty or taxes) shall be for the account of Supplier. Subject to the foregoing and except as otherwise expressly set out in this Agreement or any other agreement between the Parties, all costs and expenses incurred by a Party shall be for its own account.
12.6 Survival

Without limiting any other provision of this Agreement, the following provisions hereof shall survive termination of this Agreement: Sections 3.2(b), 3.3(b), 5.2, 6.5, 10.2, 10.4, 10.5, 10.8, 10.9, 11.1 through 11.6 and 12.3, and such other provisions of this Agreement as are required to give effect thereto.

12.7 Communications and Notices

For the purposes of Canada’s anti-spam legislation, each of the Parties hereby consents to electronic communications between any director, officer or employee of such Party and any other director, officer or employee of the other Party for the purposes of communications in respect of this Agreement or any other related matter. Any notice or other communication (in each case, a “notice”) required or permitted to be given hereunder shall be in writing and shall be delivered by hand or transmitted by facsimile transmission addressed to:

(a) If to Supplier:

Sibanye Gold Limited
Constantia Office Park
Bridgeview House, Building 11, Ground Floor
Corner 14th Avenue & Henrik Potgieter Road
Weltevreden Park, 1709
(Postal Address: Private Bag X5, Westonaria, 1780)
South Africa

Attention: Chief Financial Officer
Fax No.: +27 11 278 9863

with a copy to:

Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
Toronto, Ontario
M5H 2T6

Attention: Brian Graves
Fax No.: +1 416 364 7813

(b) If to Wheaton, to:

Wheaton Precious Metals International Ltd.
Suite 300 – 94 Solaris Avenue
PO Box 1791 GT
Grand Cayman, Cayman Islands
KY1-1109

Attention: President
Fax No.: +1 345 946 6448

with a copy to:
Any notice given in accordance with this Section 12.7, if transmitted by facsimile transmission, shall be deemed to have been received on the next Business Day following transmission or, if delivered by hand, shall be deemed to have been received when delivered.

Notwithstanding the foregoing, the Parties agree that a notice to be given pursuant to this Agreement may also be sent by electronic mail to the following email address:

(a) If to Supplier, to: ir@sibanyestillwater.com

(b) If to Wheaton, to: reporting@wheatonpm.com

and any such notice sent by electronic mail shall be deemed to have been received on the next Business Day following transmission.

Either Party may change its email or physical address for delivery of notices from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

12.8 Press Releases

The Parties shall jointly plan and co-ordinate, and shall cause their respective Affiliates to jointly plan and co-ordinate, any public notices, press releases, and any other publicity concerning this Agreement and the transactions contemplated by this Agreement. Neither Party or its Affiliates shall act in this regard without the prior approval of the other Party, such approval not to be unreasonably withheld, conditioned or delayed, unless such disclosure is required to meet timely disclosure obligations of any Party or its Affiliates under Applicable Law in circumstances where prior consultation with the other Party is not practicable. To the extent reasonably practicable, a copy of such disclosure shall be provided to the other Party at such time as it is made publicly available.

12.9 Amendments

This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of Supplier and Wheaton.

12.10 Beneficiaries

This Agreement is for the sole benefit of the Parties and their successors and permitted assigns and, except as expressly contemplated herein, nothing herein is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement.
12.11  Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto.

12.12  Waivers

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

12.13  Assignment

(a) This Agreement shall enure to the benefit of and shall be binding on and enforceable by the Parties and their respective successors and permitted assigns.

(b) Except for Transfers made in accordance with Section 7.6, Supplier shall not Transfer all or any part of its rights or obligations under this Agreement without the prior written consent of Wheaton, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Supplier may Transfer all (but not part) of its rights or obligations under this Agreement to an Affiliate without the prior written consent of Wheaton if:

(i) Supplier shall have provided Wheaton with at least thirty (30) days prior written notice of the details of the proposed Transfer;

(ii) the transferee is incorporated in South Africa or in another jurisdiction that is satisfactory to Wheaton, acting reasonably;

(iii) the transferee assumes in favour of Wheaton all of Supplier’s obligations under this Agreement pursuant to a written agreement;

(iv) either (a) the transferee, if such person is not controlled by any other person, or (ii) in any other case, the Affiliate which controls the transferee which Affiliate is not controlled by any other person, executes and delivers an Affiliate Guarantee;

(v) the transferee grants the same Encumbrances over the Core Collateral in favour of Wheaton as are contemplated by Section 7.12(b), if applicable;

(vi) the transferee complies with the conditions set forth in Section 3.2(a) mutatis mutandis, including in respect of the transferee, the assumption of obligations under Section 12.13(b)(iii), any Affiliate Guarantee under Section 12.13(b)(iv) and any Encumbrance under Section 12.13(b)(v);

(vii) such Transfer and any other actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 12.13(b), would not be reasonably expected to:
(A) have an Adverse Impact (where, for purposes of this Section 12.13(b)(vii)(A), the reference to “Supplier” in paragraph (d) of the definition of “Adverse Impact” shall instead refer to the transferee); or

(B) increase any Tax payable by Wheaton, or increase the potential for any Tax to become payable by Wheaton, unless the amount of any such additional Tax actually or potentially payable by Wheaton is not material and would be reduced to nil after giving effect to the provisions of Section 11.2;

(viii) each Guarantor under each Affiliate Guarantee confirms and agrees in favour of Wheaton that its respective obligations under such Affiliate Guarantee continue in full force and effect despite such Transfer; and

(ix) no Trigger Event has occurred that is continuing or will occur in connection with such Transfer or any other actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 12.13(b).

(c) Wheaton shall not Transfer all or any part of its rights or obligations under this Agreement without the prior written consent of Supplier, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Wheaton may Transfer all or any part of this Agreement to:

(i) an Affiliate without the prior written consent of Supplier; or

(ii) if a Supplier Event of Default has occurred and is continuing, to any person, without the prior written consent of Supplier, if:

(A) the Advance Payment has been received by Supplier in accordance with this Agreement;

(B) Wheaton shall have provided Supplier with at least thirty (30) days prior written notice of the proposed Transfer;

(C) such Transfer and any other actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 12.13(c)(ii), would not be reasonably expected to:

(I) limit, restrict or impair the ability of the transferee to perform its obligations under this Agreement; or

(II) increase any Tax payable by Supplier, or increase the potential for any Tax to become payable by Supplier, unless the amount of any such additional Tax actually or potentially payable by Supplier is not material and would be reduced to nil after giving effect to the provisions of Section 11.2;

(D) the transferee assumes in favour of Supplier all of Wheaton’s obligations under this Agreement; and
(E) the transferee (x) taken collectively with its Affiliates, is not primarily in the business of the exploration, development and exploitation of mineral properties; and (y) is not a Restricted Person.

(d) For greater certainty, any Transfer pursuant to Sections 12.13(b) or 12.13(c) shall not release the transferor of its obligations under this Agreement unless expressly agreed otherwise in this Agreement or in any other written agreement.

12.14 Invalidity and Unenforceability

If a provision of this Agreement is determined by a court of competent jurisdiction to be wholly or partially invalid or unenforceable in a jurisdiction:

(a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and

(b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

It is hereby declared to be the intention of the Parties that this Agreement would have been executed without reference to any portion which may, for any reason, hereafter be declared or held invalid.

12.15 Counterparts

This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission or by sending a scanned copy by electronic email shall be effective as delivery of a manually executed counterpart of this Agreement.

[Remainder of this page intentionally left blank]
IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first written above.

WHEATON PRECIOUS METALS INTERNATIONAL LTD.

Per: /s/ Nik Tatarkin
Name: Nik Tatarkin
Title: President

SIBANYE GOLD LIMITED

Per: /s/ Neal Froneman
Name: Neal Froneman
Title: Chief Executive Officer

Per:
Name:
Title:
SCHEDULE A – Mining Properties

Part A - Patented Owned Claims

[***]
Part B - Unpatented Owned Claims

[***]
Part C - Patented Leased Claims

[***]
Part D - Unpatented Leased Claims

[***]
Note: A higher resolution version of the map in Part A of this Schedule B was posted as Document No. 1.13.0.2 entitled “Stillwater Complex with Claims and Topo-NAD83-03192018-CLAIM 4000 SCALE.pdf” in the Data Room. A higher resolution but unannotated version of the cross-section in Part B of this Schedule B was posted as Document No. 1.13.0.1 entitled “2018 LRP - 10 year Long Section v1-Blitz_S Stillwater Boundary.pdf” in the Data Room.

Part A - Mining Properties
Part B - Demarcation of Blitz Properties

[***]
SCHEDULE C – Corporate Structure Chart

- Sibanye Gold Limited (South Africa)
  - 100% ownership
  - Sibanye Platinum Proprietary Limited (South Africa)
    - 100% ownership
    - Sibanye Platinum International Holdings Proprietary Limited (South Africa)
      - 100% ownership
      - Thor US Holdco Inc. (Delaware)
        - 100% ownership
        - Stillwater Mining Company (Delaware)
SCHEDULE D – Representations and Warranties of Supplier

1. Supplier is a public company duly incorporated and validly existing under the Applicable Law of South Africa and is up to date in respect of all filings required by Applicable Law. Each of the other Supplier PMPA Entities is a company duly incorporated and validly existing under the Applicable Law of its jurisdiction of incorporation and is up to date in respect of all filings required by Applicable Law.

2. All requisite corporate acts and proceedings have been done and taken by Supplier, including obtaining all requisite Board of Directors’ approval, with respect to the entering into of this Agreement and performing its obligations hereunder.

3. Supplier has the requisite corporate power, capacity and authority to enter into this Agreement, and to perform its obligations hereunder.

4. This Agreement and the exercise of Supplier’s rights and performance of its obligations hereunder do not and will not:
   (a) conflict with any agreement, mortgage, bond or other instrument to which Supplier is a party or which is binding on its assets,
   (b) conflict with the constitutional or organisational documents of Supplier (including, without limitation, its memorandum of incorporation), or
   (c) conflict with or violate any Applicable Law.

5. No Approvals are required to be obtained by Supplier in connection with the execution and delivery by Supplier of this Agreement or the performance by Supplier of this Agreement or the transactions contemplated hereby, except for such Approvals as have been obtained prior to the date of this Agreement.

6. This Agreement has been duly and validly executed and delivered by Supplier and constitutes a legal, valid and binding obligation of Supplier, enforceable against it in accordance with its terms.

7. Supplier has not suffered an Insolvency Event or Enforcement Event and, to the best of its knowledge and belief, there is no circumstance which, with notice or the passage of time, or both, would give rise to the foregoing.

8. The corporate structure chart of Supplier attached hereto as Schedule C accurately reflects, as of the date of this Agreement, all direct and indirect equity ownership interest of Supplier in each of the Supplier PMPA Entities.

9. The Mining Properties listed in Schedule A and that appear on the maps in Schedule B constitute all of the real property, mining rights, tenements, concessions and other interests, whether created privately or through the actions of any Governmental Authority having jurisdiction, that comprise the interest of the Supplier Group Entities in the Mine. The map attached hereto as Part A of Schedule B depicts the location of the Mining Properties as of the date of this Agreement.

10. The Current Owner is the registered or recorded owner of a 100% legal and beneficial right, title and interest in and to the Mining Properties indicated in Parts A and B of Schedule A, Mineral Processing Facilities and Project Assets, with good and marketable title thereto free and clear of
all Encumbrances other than Permitted Encumbrances. To the knowledge of Supplier, the Current Owner’s right, title and interest in and to the Mining Properties is not subject to claims of native or indigenous title or other adverse claims (including any expropriation proceeding) and none of the Supplier Group Entities has received notice of any such actual or potential claim.

11. Except for the royalties in favour of Franco-Nevada Mining Corporation, Inc. and certain members of the Mouat family set out in paragraphs (t) and (u) of the definition of “Permitted Encumbrances”, the master goods and services agreement dated July 1, 2014 between the Current Owner and Johnson Matthey Inc., and the precious metals supply agreement dated July 1, 2014 between the Current Owner and Johnson Matthey Inc. (such latter two agreements between the Current Owner and Johnson Matthey Inc. being collectively referred to as the “JM Agreements”), no person has any agreement, option, right of first refusal or right, title or interest or right capable of becoming an agreement, option, right of first refusal or right, title or interest, in or to the Mining Properties or the gold or palladium produced from the Mining Properties. Other than in respect of the Permitted Encumbrances, no person is entitled to or has been granted any royalty or other payment in the nature of rent or royalty on any Produced Gold or Produced Palladium.

12. The Current Owner has paid all material Taxes, fees, assessments, rents or other amounts required to keep the Mining Properties in good standing.

13. There are no outstanding, pending (or, to the knowledge of Supplier, threatened) actions, suits, proceedings, investigations or claims affecting, or pertaining in any respect to, the Project Assets or a Supplier PMPA Entity, that would reasonably be expected to have an Adverse Impact.

14. None of the Supplier Group Entities nor the Project Assets is subject to any outstanding judgment, order, writ, injunction or decree that would reasonably be expected to have an Adverse Impact.

15. Supplier has provided to Wheaton prior to the date of this Agreement:

(a) the most current Reserves and Resources estimate by the relevant ore types with details on cut-off grade and metal price assumptions used;

(b) the most current life-of-mine plan, including budget for the current year and the life of mine based on the 2017 Competent Person’s Report (collectively, the “Initial LOM Plan”);

(c) all production and month-end internal reporting for the 12 months ended March, 2018;

(d) the budgeted 2018 cash flow model based on the LOM Plan as provided in the Data Room, being the most current cash flow model as of the date it was provided in the Data Room; and

(e) the drill hole data bases, block models and geotechnical assessments, as provided in the Data Room and as at the date indicated on such documents, being the most current such documents and materials as of the date they were provided in the Data Room.

relating to or in respect of the Mining Properties or the Project Assets and all other material information and data in the control or possession of any Supplier Group Entity relating to or in respect of the Mining Properties or the Project Assets (collectively, the “Mine Data”), including all material information and data in respect of: (i) the mineralization or potential mineralization of
the Mining Properties; and (ii) the ability of the Mine to achieve the Initial LOM Plan or risk associated with the ability of the Mine to achieve the Initial LOM Plan, including any material permitting issue or other issue relating to the Approvals necessary for the operation of the Mine, and any actual or (where known to Supplier) proposed regulations, policies or other actions of any relevant Governmental Authority. All such Mine Data: (i) has been prepared in good faith; and (ii) does not contain any information that is misleading or untrue in any material respect, or omit to include any information that is necessary to make any information contained in such Mine Data not misleading or untrue in any material respect. All Mine Data has been provided in the Data Room and no new material information which would have a material impact on the technical assessment of the Project Assets has been identified.

16. All material Approvals necessary for the operation of the Mine have either been obtained and received by the Current Owner or SWC Holdco and continue to be in place without challenge or appeal, to the extent reasonably considered necessary or appropriate given the current stage of the Mine, or are reasonably expected to be obtained in the ordinary course of business by the time they are necessary. All material Approvals necessary for the operation of the Mine that have already been obtained are expected to be renewed in the ordinary course of business by the time such renewals are necessary.

17. Wheaton has been provided access to true and complete copies of all Material Contracts. Save for the tender process disclosed to Wheaton prior to the date of this Agreement in respect of the renewal or replacement of the JM Agreements, there are no current or pending negotiations with respect to the renewal, termination or amendment of any Material Contracts. All Material Contracts are in full force and effect and each Supplier PMPA Entity that is a party to a Material Contract is entitled to all rights and benefits thereunder and has not waived any material rights thereunder. Each Supplier PMPA Entity that is a party to a Material Contract is not in breach of or default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a breach of or default under, any Material Contract.

18. The group audited consolidated financial statements of Supplier for the year ended December 31, 2017: (i) present fairly in all material respects the financial position (including the assets and liabilities, whether absolute, accrued, contingent or otherwise) of each Supplier PMPA Entity as of and for the period then ended and results of operations of each Supplier PMPA Entity for the period then ended; and (ii) were prepared in accordance with IFRS.

19. Other than the Existing Financial Indebtedness and intergroup funding arrangements, as of the date of this Agreement, no Supplier PMPA Entity has: (i) material outstanding Financial Indebtedness or other liabilities (contingent or otherwise); and (ii) no material outstanding guarantees in favour of any other person that have not been disclosed in the Suppliers group audited consolidated financial statements for the year ended December 31, 2017.

20. The consolidated reporting pack of SWC Holdco, which includes the Current Owner, provided to Supplier prior to the date of this Agreement, for the year ending December 31, 2017: (i) presents fairly in all material respects the financial position (including the assets and liabilities, whether absolute, accrued, contingent or otherwise) of each of SWC Holdco and the Current Owner as of and for the period then ended and results of operations of each of SWC Holdco and the Current Owner for the period then ended; and (ii) were prepared in accordance with the measurement and recognition requirements of IFRS.

21. Other than the Existing Financial Indebtedness, there are no material changes to the financial position or indebtedness of any Supplier PMPA Entity, as reflected in the group audited
22. None of the foregoing representations and warranties contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement of representation not misleading with respect to the transactions contemplated herein.

23. Each of Sibanye Gold Eastern Operations Proprietary Limited (previously known as Southgold Exploration Proprietary Limited) and DRDGOLD Limited is a company or entity;

   (a) whose sole business is, and remains, the ownership, development, construction, refurbishment, commissioning and/or operation of a project, or is a standalone business independent from the business operated by other members of the Supplier Group; and

   (b) which, to the extent that such company or entity owes Financial Indebtedness to persons who are not members of the Supplier Group, has no creditors in respect of such Financial Indebtedness which have recourse in respect of such Financial Indebtedness to any other member of the Supplier Group other than that company or entity other than by way of security over shares in or pursuant to obligations owing by such company or entity to other members of the Supplier Group.
SCHEDULE E– Representations and Warranties of Wheaton

1. Wheaton is a company duly incorporated and validly existing under the Applicable Law of the Cayman Islands and is up to date in respect of all filings required by Applicable Law.

2. All requisite corporate acts and proceedings have been done and taken by Wheaton, including obtaining all requisite Board of Directors’ approval, with respect to entering into this Agreement and performing its obligations hereunder.

3. Wheaton has the requisite corporate power, capacity and authority to enter into this Agreement and to perform its obligations hereunder.

4. This Agreement and the exercise of Wheaton’s rights and performance of its obligations hereunder do not and will not:
   
   (a) conflict with any agreement, mortgage, bond or other instrument to which Wheaton is a party or which is binding on its assets,
   
   (b) conflict with the constating or constitutive documents of Wheaton, or
   
   (c) conflict with or violate any Applicable Law.

5. No Approvals are required to be obtained by Wheaton in connection with the execution and delivery by Wheaton of this Agreement or the performance by Wheaton of this Agreement or the transactions contemplated hereby.

6. This Agreement has been duly and validly executed and delivered by Wheaton and constitutes a legal, valid and binding obligation of Wheaton, enforceable against it in accordance with its terms.

7. Wheaton has not suffered an Insolvency Event and, to its knowledge, there is no circumstance which, with notice or the passage of time, or both, would give rise to the foregoing.

8. Wheaton has entered into and will perform this Agreement on its own account and not as trustee or a nominee of any other person.
SCHEDULE F – Intentionally deleted
SCHEDULE G – Stream NPV Procedures

If it becomes necessary to value the Stream NPV, the value shall be determined in accordance with the following:

(a) Upon any requirement to determine the Stream NPV, the Supplier and Wheaton shall for a period of 60 days each use their respective commercially reasonable endeavours to mutually agree upon the value of the Stream NPV.

(b) To the extent the Supplier and Wheaton are unable to agree on the value of the Stream NPV within the period specified in paragraph (a) above, the value of Stream NPV shall be determined as follows:

(i) the simple average of the valuations prepared by two Independent Experts (as such term is defined below) appointed in accordance with, and using the methodology described within, this Schedule G, provided that such average is no more than 15% greater than the lower of such valuations. These initial two Independent Experts shall be appointed within 10 Business Days of the expiry of the period set forth in paragraph (a) above;

(ii) in the event that the aforementioned average is greater than 15% of the lower of such valuations, the value of the Stream NPV shall be:

(x) the value of the Stream NPV as determined by a third Independent Expert appointed in accordance with, and using the methodology described within, this Schedule G if such value is (A) not less than the simple average of the valuations prepared by the original two Independent Experts in accordance with the foregoing, less 10% of the difference between the valuations prepared by the original two Independent Experts; and (B) not more than the simple average of the valuations prepared by the original two Independent Experts in accordance with the foregoing, plus 10% of the difference between the valuations prepared by the original two Independent Experts; or

(y) in all other circumstances, the simple average of (A) the valuation prepared by the third Independent Expert, and (B) the valuation prepared by the original two Independent Experts in accordance with the foregoing that is closest to the valuation prepared by such third Independent Expert.

If required, the third Independent Expert shall be appointed within 10 Business Days of the receipt of the Valuation Certificates (as such term is defined below) from the original two Independent Experts; and

(iii) the Stream NPV determined in accordance with the foregoing process shall, in the absence of material proven error, be final and binding on the Supplier and Wheaton.

(c) Each of the Supplier and Wheaton shall, with respect to the original two Independent Experts and to the extent required pursuant to this Schedule G, appoint one suitably qualified investment banking firm of internationally recognised standing (subject to paragraph (d)(i) below) to act as
an Independent Expert. To the extent a third Independent Expert is required pursuant to this Schedule G, the Supplier and Wheaton shall appoint a suitably qualified investment banking firm of internationally recognised standing (subject to paragraphs (d)(i) and (ii) below) as the Supplier and Wheaton may mutually agree in writing to act as such third Independent Expert or, to the extent that the Supplier and Wheaton cannot agree on any such firm within 15 Business Days after the date that the Supplier and Wheaton are required to appoint the third Independent Expert pursuant to the terms of this Schedule G, the International Centre for Expertise of the International Chamber of Commerce shall appoint such firm (each party meeting the aforementioned criteria being an “Independent Expert”).

(d) Unless the Supplier and Wheaton agree otherwise, each Independent Expert shall be a firm that:

(i) is, with respect to any Independent Expert, independent of the Supplier and Wheaton and each of their respective Affiliates; and

(ii) has not, with respect to the third Independent Expert only, acted for any of the Supplier, Wheaton or any of their respective Affiliates in any significant capacity for at least one year before the date of selection of such Independent Expert for the purposes of this Schedule G.

(e) The Supplier and Wheaton shall ensure that each Independent Expert has access to (and copies to the extent requested) such books, records and information in such person’s or its Affiliates’ possession or control as any Independent Expert may reasonably request for the purpose of determining the Stream NPV. To the extent possible, the Supplier and its Affiliates shall also make their personnel, consultants and advisors available to each Independent Expert for such purpose.

(f) Each Independent Expert shall act as an expert and not as an arbitrator. Each Independent Expert shall provide a written determination of the value with respect to the Stream NPV (each, a “Valuation Certificate”).

(g) The Supplier and Wheaton shall each bear the costs of obtaining the Valuation Certificate of the Independent Expert appointed by them, and one half of the cost of obtaining any third Independent Expert’s Valuation Certificate.

(h) The Valuation Certificates shall be issued to each of the Supplier and Wheaton by the Independent Experts within 60 Business Days, with respect to the first two Independent Experts appointed in accordance with this document, or within 40 Business Days, with respect to any third Independent Expert appointed in accordance with this document, of their appointment unless agreed otherwise by each of the Supplier and Wheaton.

(i) The Stream NPV shall be determined on the basis of knowledgeable, arm’s length parties, and shall be determined using a valuation methodology based on the present pre-tax United States dollar discounted value.

(j) [***]:

(i) [***];
(ii) [***];

(iii) [***];

(iv) [***];

(v) [***]:
   a. [***];
   b. [***],
   c. [***];
   d. [***];
   e. [***];
   f. [***];
   g. [***]; and
   h. [***];
(vi) [**];
(vii) [**]; and
(viii) [**].
SCHEDULE H– Commingling Plan

[***]
SCHEDULE I – Payable Percentages for Determination of Payable Gold and Payable Palladium

<table>
<thead>
<tr>
<th>Form of Produced Gold and/or Produced Palladium Comprising an Offtaker Delivery</th>
<th>Payable Gold</th>
<th>Payable Palladium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filter Cake</td>
<td>[***]</td>
<td>[***]</td>
</tr>
<tr>
<td>Any other product</td>
<td>[***]</td>
<td>[***]</td>
</tr>
</tbody>
</table>
## SCHEDULE J– Existing Permitted Registrations

### Delaware UCC Registrations:

<table>
<thead>
<tr>
<th>Company</th>
<th>Registration Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stillwater Mining Company</td>
<td>(1) GE Capital Commercial Inc./Wells Fargo Equipment Finance, Inc. – #20122118604 re: specific equipment</td>
</tr>
<tr>
<td></td>
<td>(2) Anixter, Inc. – #20123137611 re consigned specific equipment</td>
</tr>
<tr>
<td></td>
<td>(3) Amalgamated Mining &amp; Tunneling Inc. – #20174647266 re: specific equipment</td>
</tr>
</tbody>
</table>

### Montana UCC Registrations:

<table>
<thead>
<tr>
<th>Company</th>
<th>Registration Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stillwater Mining Company</td>
<td>(1) M. Brashem Inc. – #150616864362 re: consignment agreement re specific equipment</td>
</tr>
<tr>
<td></td>
<td>(2) Amalgamated Mining &amp; Tunneling, Inc. – #1707171763435 re: specific equipment</td>
</tr>
</tbody>
</table>
To: WHEATON PRECIOUS METALS INTERNATIONAL LTD.

From: [Supplier]

Dated: ●, 20●

Dear Sirs/Mesdames:

Re: Precious Metals Purchase Agreement dated July ● 2018 (the “Agreement”)

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meanings when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We certify that as at the end of the [Financial Year / Financial Half Year / Financial Quarter] ended [●, 20●], the Leverage Ratio is ●, calculated as follows:

   1. **Consolidated Net Borrowings**
      Consolidated Net Borrowings [●] (A)

   2. **Consolidated EBITDA**
      Consolidated EBITDA [●] (B)

      **Leverage Ratio (Consolidated Net Borrowings to Consolidated EBITDA): Ratio of** [●]
      (A) to (B)

3. Attached as Exhibit I hereto is a detailed calculation of the foregoing.

Signed:

…………………………………………………
For and on behalf of [Supplier]
LIST OF SIGNIFICANT SUBSIDIARIES OF SIBANYE GOLD LIMITED (AS OF 31 DECEMBER 2018)

Kroondal Operations Proprietary Limited, incorporated in South Africa
Rand Uranium Proprietary Limited, incorporated in South Africa
Sibanye Rustenburg Platinum Mines Proprietary Limited, incorporated in South Africa
Stillwater Mining Company, incorporated in Delaware
SWC Trading Inc., incorporated in Delaware
CERTIFICATIONS

I, Neal Froneman, the Chief Executive Officer of Sibanye Gold Limited, certify that:

1 I have reviewed this annual report on Form 20-F of Sibanye Gold Limited;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4 The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
   (c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and

5 The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: 8 April 2019

/s/ Neal Froneman

Neal Froneman
Chief Executive Officer
CERTIFICATIONS

I, Charl Keyter, the Chief Financial Officer of Sibanye Gold Limited, certify that:

1 I have reviewed this annual report on Form 20-F of Sibanye Gold Limited;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4 The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
   (c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and

5 The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: 8 April 2019

/s/ Charl Keyter
Charl Keyter
Chief Financial Officer
CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Annual Report on Form 20-F of Sibanye Gold Limited (the "Company") for the period ended 31 December 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neal Froneman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: 8 April 2019

/s/ Neal Froneman
Neal Froneman
Chief Executive Officer
CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Annual Report on Form 20-F of Sibanye Gold Limited (the “Company”) for the period ended 31 December 2018 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Charl Keyter, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: 8 April 2019

/s/ Charl Keyter
Charl Keyter
Chief Financial Officer
Exhibit 15.1

Securities and Exchange Commission
Washington, D.C. 20549

8 April 2019

Dear Sir or Madam:

Change in registrant’s independent registered public accounting firm
We are currently principal accountants for Sibanye Gold Limited (trading as Sibanye-Stillwater) and, under the date of April 8, 2019, we have separately reported on:

- the consolidated financial statements of Sibanye Gold Limited as of and for the years ended December 31, 2018, 2017 and 2016; and
- the effectiveness of internal control over financial reporting as of December 31, 2018.

Our audit report on the effectiveness of internal control over financial reporting as of 31 December 2018 contained an adverse opinion due to reported material weaknesses relating to an ineffective risk assessment process in respect of deferred taxes in the US PGM operations and an ineffective exchange of information and communication between certain functional areas within the Corporate office and with the US tax department, in respect of deferred taxes and certain period end closing entries.

KPMG Inc. will resign as principal accountants on conclusion of its responsibilities relating to the December 31, 2018 financial year audit which is expected to conclude during April 2019. We have read Sibanye Gold Limited’s statements included under 16.F of its Annual Report on Form 20-F dated April 8, 2019, and we agree with such statements.

Yours faithfully,

/s/ KPMG Inc.
MINE SAFETY DISCLOSURES

The operation of the Sibanye-Stillwater’s mines located in the United States is subject to regulation by Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act (FMSH Act). MSHA inspects the Company’s mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the FMSH Act. The information below presents certain mining safety and health citations that MSHA has issued with respect to the Company’s mining operations. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the mine; (ii) the number of citations issued will vary from inspector to inspector and mine to mine, and (iii) citations and orders can be contested and appealed and, in that process, are often reduced in severity and amount, and are sometimes dismissed.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the U.S. Securities and Exchange Commission (SEC). As required by the reporting requirements included in § 1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K (17 CFR 229.104), the Company presents the following items regarding certain mining safety and health matters, for the period presented, for each of its mine locations that are covered under the scope of the Dodd-Frank Act:

(A) The total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the FMSH Act (30 U.S.C. 814) for which the operator received a citation from MSHA;
(B) The total number of orders issued under section 104(b) of the FMSH Act (30 U.S.C. 814(b));
(C) The total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the FMSH Act (30 U.S.C. 814(d));
(D) The total number of imminent danger orders issued under section 107(a) of the FMSH Act (30 U.S.C. 817(a));
(E) The total dollar value of proposed assessments from MSHA under the FMSH Act (30 U.S.C. 801 et seq.);
(F) Total number of mining related fatalities during the period;
(G) Legal actions pending before Federal Mine Safety and Health Review Commission involving such coal or other mine as of the last day of the period;
(H) Legal actions initiated before the Federal Mine Safety and Health Review Commission involving such coal or mine during the period; and
(I) Legal actions resolved before the Federal Mine Safety and Health Review Commission involving such coal or mine during the period.

At 31 December 2018, the Company had not received any flagrant violations under Section 110(b)(2) of the FMSH Act and no written notices of a pattern of violations, or the potential to have a pattern of such violations, under section 104(e) of the FMSH Act.

<table>
<thead>
<tr>
<th>Year ended 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A)</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>Section</td>
</tr>
<tr>
<td>Proposed</td>
</tr>
<tr>
<td>Stillwater mine</td>
</tr>
<tr>
<td>East Boulder mine</td>
</tr>
</tbody>
</table>

1 All legal actions pending are penalty contest.
2 Amounts included are the total dollar value of proposed assessments received from MSHA during the year ended 31 December 2018, regardless of whether the assessment has been challenged or appealed. Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and sometimes dismissed.