

Sibanye-Stillwater

2019 King IV application and disclosure

The JSE requires the application of and disclosure on the principles of King IV corporate governance by listed entities.

As a responsible corporate citizen, Sibanye Stillwater Limited (Sibanye-Stillwater or the Group) is committed to high standards of governance, ethics and integrity and has fully adopted the principles and recommended practices of King IV. By shifting to an outcomes-based approach, King IV is driving transparency, enhanced accountability, strong risk management and effective leadership – all standards we embrace and support. Over the past year, we aligned our business processes and standards with the principles of King IV as follows:

Principle	Application	Reference to disclosure
<p>Principle 1: The governing body should lead ethically and effectively</p>	<p>Our Board of Directors is the Group's governing body and is committed to the corporate governance principles set out in King IV. It is committed to the principles of transparency, accountability, integrity and fairness and how these permeate the organisation.</p> <p>The Board continually provides leadership and strategic guidance to increase value creation for all our stakeholders. It also assumes responsibility for all subsidiaries on audit, risk, social and ethics, and governance issues.</p>	<p>Refer to Board Charter, available at https://www.sibanyestillwater.com/about-us/governance/</p>
<p>Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture</p>	<p>Our Board subscribes to the high standards of ethical behaviour and best practices in controlling the affairs of the Group, setting a clear example for management and staff, and upholding Sibanye-Stillwater's integrity and reputation.</p> <p>Our Board has adopted key policies on ethical behaviour, including the Code of Ethics, conflicts of interest and share dealings. Our Board has delegated oversight of our performance as a responsible corporate citizen to the Social, Ethics and Sustainability Committee.</p>	<p>Refer to Code of Ethics, available at https://www.sibanyestillwater.com/about-us/governance/</p>

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	<p>As part of the employee induction process, every employee receives awareness training of the various policies that guide our ethical culture. This includes but is not limited to our whistle-blower hotline. Our gift policy provides guidance on the reporting levels required pertaining to gifts and the employee Code of Ethics is a comprehensive policy covering all those aspects that we believe are integral to nurturing the ethical culture that management wishes to promote within Sibanye-Stillwater. Our Code of Ethics also extends to our service providers as we strongly believe that our service providers should be aware of our standards and the standards by which we expect them to operate.</p>	
<p>Principle 3: The governing body should ensure the organisation is and is seen to be a responsible citizen</p>	<p>Our Board approves the strategy and priorities as part of its oversight role, and this includes Sibanye-Stillwater's conduct as a good corporate citizen. It supports the CEO and management who oversee and monitor all operations and activities. These are measured against agreed performance targets that support Sibanye-Stillwater's strategic objectives.</p> <p>Performance targets include financial and non-financial measures and support the Group's values in being a responsible corporate citizen.</p>	<p>Refer to Leadership point of view, the joint Chairman's and CEO's review on strategy and performance, pages 57-59, in the Integrated Report 2019 available at https://www.sibanyestillwater.com/news-investors/reports/annual/</p>
<p>Principle 4: The governing body should appreciate that the organisation's core purpose, its risk and opportunities, strategy, business model, performance</p>	<p>Our ability to create value sustainably is well illustrated by our strategic pillars. Our strategy is implemented through six strategic pillars and considers risks and opportunities as well as stakeholder concerns.</p> <p>Our Board approved the strategy which is focused on six strategic pillars. It oversees its implementation and measures management against operational plans and targets in achieving the agreed performance criteria.</p>	<p>Refer to Report of the Audit Committee, pages 30-33 in the Annual Financial Report 2019 available at https://www.sibanyestillwater.com/news-investors/reports/annual/</p>

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<p>and sustainable development are all inseparable elements of the value- creation process</p>	<p>We enforce a continuous risk identification and assessment process to remain ahead of emerging risks. Our enterprise risk management (ERM) process is applied equally across health, safety, environmental, fraud and regulatory compliance risks.</p>	<p>Refer to Corporate governance, specifically pages 83, 85 and 86, in the Integrated Report 2019 for information on the Audit and Risk committees. For their related terms of reference, see https://www.sibanyestillwater.com/about-us/governance/.</p> <p>Also see Pursuing opportunities and managing risk, pages 31-46 in the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual/</p> <p>For a more comprehensive discussion on risks, see the 2019 Form 20-F, available at https://www.sibanyestillwater.com/news-investors/reports/annual/</p> <p>Refer to Delivering on our strategy (page 13) and How we create value - our</p>

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		<p>business model (page 48) in the Integrated Report 2019 available at https://www.sibanyestillwater.com/news-investors/reports/annual/</p> <p>Refer to the going concern statement in the Annual Financial Report 2019, pages 33 and 114 (note 34.2)</p>
<p>Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium- and long-term prospects</p>	<p>In developing and compiling our integrated report, we are guided by the framework of the International Integrated Reporting Council (IIRC), and we aim to report on the various components that enable Sibanye-Stillwater to create value. Our integrated report details our business model and strategy, how we respond to our external environment, risks and opportunities encountered, the needs and interests of our key stakeholders, our activities and performance, and our outlook in the medium to long term.</p> <p>The Integrated Report is prepared in close consultation with the Audit Committee which reviews and recommends to the Board approval of the Integrated Report, Annual Financial Report, King IV disclosures and other assurance reports.</p> <p>The Annual Financial Report contains the Management's discussion and analysis of the financial statements, which is reviewed by the Audit Committee to ensure that it contains relevant, credible financial information which enables stakeholders to make informed assessments of the organisation's performance and prospects.</p>	<p>Refer to the Management's discussion and analysis, from pages 9-28 in the Annual Financial Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual/</p>

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<p>Principle 6: The governing body should serve as a focal point and custodian of corporate governance in the organisation</p>	<p>To ensure effective leadership, our Board's role and responsibilities are documented in its charter. The Board is the focal point for and custodian of the Group's governance framework through its committee structures, and its relationship with management, shareholders and other stakeholders. The Board believes corporate governance is fundamental to the sustainability of our business. Our approach is based on the standards, policies and practices supported by each of the King IV principles.</p>	<p>Refer to Corporate Governance, pages 70-89 of the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p>
<p>Principle 7: The governing body should comprise knowledge, skill, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively</p>	<p>Every two years the Remuneration and the Nominating and Governance committees assist the Board in reviewing and considering its composition for a balance of skills, experience, diversity, independence and knowledge, and whether it is able to effectively discharge its role and responsibilities.</p> <p>The Board is satisfied that the necessary balance is in place, although certain additional skills were identified as being required in the prior year's evaluation. These have been incorporated into the required skill set and we will focus on obtaining the additional skills to enhance the effectiveness of the board.</p>	<p>Refer to Corporate governance, pages 70-89 of the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p>
<p>Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent</p>	<p>We have the required Board committees and relevant membership as recommended in King IV. The composition of these committees and the distribution of authority between the Board chairman and other directors is balanced, and board dynamics are considered participative. Members can comfortably challenge each other when there are divergent views. The Board emphasizes a strong results-orientated and decisive view, with a vigilant approach to governance and risk awareness.</p>	<p>Refer to Corporate governance, pages 70-89, in the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p>

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<p>judgement, and assist with balance of power and the effective discharge of its duties</p>	<p>The Audit Committee is satisfied that the auditor is independent. Limited non-audit services are performed, once approved by the committee. The audit firm has been appointed, with the designated partner having oversight of the audit and being reappointed annually at the AGM. The CFO is responsible for the finance function and receives direct reports from the group financial accountant and three senior financial managers. Internal audit is an inhouse function and the Audit Committee is responsible for overseeing and coordinating the effective functioning of this arrangement. The effectiveness of the CFO function is assessed annually by the Audit Committee.</p>	<p>Refer to Report of the Audit Committee, pages 31-33 in the Annual Financial Report 2019 available at https://www.sibanyestillwater.com/news-investors/reports/annual/</p>
<p>Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness</p>	<p>Formal independent performance evaluations of the Board and its committees, the chairman and individual members were conducted. This is in line with the procedure approved by the Board that independent external valuations will be performed every second year.</p> <p>The Company Secretary's performance is also evaluated to ensure an arm's-length relationship with the Board and that objectivity and independence are not unduly influenced, 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</p>	<p>Refer to Corporate governance (pages 70-89) and Board effectiveness and performance evaluations (pages 81-82) in the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p>
<p>Principle 10: The governing body should ensure that the appointment of, and</p>	<p>A detailed mandate outlines delegation of authority. This indicates matters reserved for the Board, its committees and management. The Board is satisfied that delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. The</p>	<p>Refer to Corporate governance, pages 70-89 of the Integrated Report 2019, available at</p>

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delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	mandate is reviewed annually, and the Board has the discretion to withdraw any authority as it deems fit.	https://www.sibanyestillwater.com/news-investors/reports/annual
<p>Principle 11:</p> <p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives</p>	<p>Effective risk management is an integral part of ensuring that the Group's strategic intent and growth targets are met. The Board has overall responsibility for the Group's risk management framework and system of internal control and the ongoing review of their effectiveness; it also determines the Group's risk appetite and regularly reviews risks and uncertainties. The Board has delegated oversight of risk governance to the Audit and Risk committees.</p>	<p>Refer to Pursuing opportunities and managing risk, pages 31-46, in the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p> <p>For the roles and responsibilities of the Audit Committee, refer to the Audit Committee Terms of Reference available at https://www.sibanyestillwater.com/about-us/governance/</p> <p>Refer to the Report of the Audit Committee, pages 31-33 in the Annual Financial Report 2019, available at https://www.sibanyestillwater.com</p>

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<p>Principle 12: The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives</p>	<p>The Board is responsible for technology and information governance, with ultimate responsibility for ensuring that information and communication technology (ICT) strategies are aligned with the overall strategy of the business. It oversees the effective use of ICT infrastructure through our Audit and Risk committees.</p>	<p>Refer to Technology and Information on page 78 in Corporate governance, in the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p>
<p>Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen</p>	<p>The legal and regulatory compliance process is defined in the compliance management policy. Systems and procedures are in place to formally assess Sibanye-Stillwater's compliance with applicable laws and adopted, non-binding rules, codes and standards, through application of compliance risk management methodology, compliance management policy and the combined assurance process as prescribed in our risk management policy and framework.</p>	<p>Refer to Corporate governance (pages 70-89) and Pursuing opportunities and managing risk (pages 31-46) in the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p>
<p>Principle 14: The governing body should ensure that the</p>	<p>Sibanye-Stillwater believes in remunerating employees fairly. The remuneration report details our related policy and implementation.</p>	<p>Refer to Implementation of the Remuneration policy – 2019, pages 109–125, in the</p>

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<p>organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in short, medium and term</p>	<p>In line with the requirements of King IV, the remuneration policy and implementation report are presented annually to shareholders for two separate non-binding advisory votes at the AGM. In the event that more than 25% of the shareholders vote against either of these resolutions, the Remuneration Committee will engage with dissenting shareholders to understand their concerns with the Group's remuneration policy and implementation plan.</p> <p>Following this engagement, the Remuneration Committee will provide more detail, explaining those elements of the policy and/or implementation plan of concern to shareholders, to clarify their concerns that resulted in their voting against these resolutions.</p> <p>The Remuneration Committee can use its discretion in taking the necessary steps to address valid and reasonable concerns raised by shareholders</p>	<p>Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p>
<p>Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the organisation's external reports</p>	<p>The Board, assisted by the Audit and Risk committees, has determined the areas of strategic and business focus, which in turn regulate the level of assurance considered appropriate for identified business risks and exposures. The audit committee has oversight and approves the risk based internal audit plan.</p> <p>We have designed and implemented a combined assurance framework that incorporates several requirements to adequately cover Sibanye-Stillwater's significant risks and material matters in an effective controlled environment. Our risks are linked to our key value drivers and are determined through the integrated risk management process, controls and mitigating strategies.</p>	<p>Refer to Corporate governance, specifically pages 83, 85 and 86, in the Integrated Report 2019 for information on the Audit and Risk committees. For their related terms of reference, see https://www.sibanyestillwater.com/about-us/governance/.</p> <p>Refer to Pursuing opportunities and managing risk, pages 31-46, in the Integrated Report 2019,</p>

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<p>Principle 16: In the execution of its good governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time</p>	<p>We have identified our stakeholder groups and are actively balancing their needs, interests and expectations.</p>	<p>Refer to Engaging with stakeholders, pages 24-30, in the Integrated Report 2019, available at https://www.sibanyestillwater.com/news-investors/reports/annual</p> <p>Our stakeholder engagement policy is available at https://www.sibanyestillwater.com/about-us/governance/</p>