



Application of King IV Principles: 2021

APPLICATION OF KING IV REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA 2016 (KING IV) AT SIBANYE-STILLWATER

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

Application of King IV Principles:

Principle	Application	Reference to disclosure
Principle 1:		
The governing body should lead ethically and effectively	<p>Our Board of Directors is the governing body of the Group and is committed to good corporate governance principles as 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 provides consistent leadership and strategic guidance to improve value creation for stakeholders. It also assumes responsibility for all subsidiaries on audit, risk, ethics and ESG-related issues.</p> <p>During 2021, the Board through its Audit Committee, approved a refresher Group-wide Code of Ethics training to align with international best practice. The Code is dynamic and evolves as we strive for better and more appropriate standards for the challenges of the day and growth of the organisation. All Board members attended this training.</p>	<p>🔗 Refer to Board Charter and Code of Ethics which can be found at www.sibanyestillwater.com/about-us/governance/</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>The Board subscribes to the highest standards of ethical behaviour and to governance best practice in guiding the direction of the Group. The Board sets an example of integrity, transparency and compliance to its own rules for management and employees to follow.</p> <p>The Board has adopted the key policies of global best practice in ethical governance, including the Code of Conduct, and strict rules on conflicts of interest and share dealings. The Board has delegated oversight of our performance as a responsible corporate citizen to the Transformation, Social and Ethics Committee.</p> <p>As part of the induction process, every employee receives awareness training of the various policies that overarch the ethical culture in the Group. This includes, but is not limited to, our whistle-blower's hotline. Our gift policy stipulates reporting levels pertaining to gifts, conflicts of interests and human rights awareness. Our employee Code of Ethics is a comprehensive policy covering all aspects of sound workplace behaviour to nurture an ethical culture. We also encourage our service providers to abide by our Code of Ethics, making them aware of the standards we expect of them.</p>	<p>🔗 Refer to Code of Ethics: www.sibanyestillwater.com/about-us/governance/</p> <p>📄 Refer to page 12 - 13 of the Integrated Report</p>



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<p>Principle 3:</p> <p>The governing body should ensure the organisation is and is seen to be a responsible citizen</p>	<p>The Board and the executive team sets a strategy and business model that is underpinned by the idea of stakeholder capitalism, by which the Group contributes to solving the global challenges of the day (both environmental and social). The Group signs on to all relevant third-party standards that assure for good corporate citizenship. The Board Charter, together with the Social, Ethics and Sustainability Committee's Terms of Reference, ensure that the Board oversee the management of climate change related risks.</p> <p>The Group's performance targets and PRP incentives include financial and non-financial measures related to responsible corporate citizenship.</p> <p>Since the outbreak of the pandemic, the COVID-19 Steering Committee has provided guidance and oversight to the Coronavirus Coordination Team. The Group also rolled out its COVID-19 vaccination programme to vaccinate the majority of its employees, as well as members of doorstep communities.</p>	<p>Our strategy and strategic delivery, the Social, Ethics and Sustainability Committee: Chairman's Report and Leadership view sections on pages 23, 27, 28 and 175 respectively of the Integrated Report. (See Health, well-being and occupational health, page 146.</p>
<p>Principle 4:</p> <p>The governing body should appreciate that the organisation's core purpose, its risk and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process</p>	<p>Our ability to create value sustainably is illustrated by our strategic pillars. Our strategy is implemented through four key value drivers and considers risks and opportunities as well as stakeholder concerns.</p> <p>Our Board approved the strategy of focusing on our four key value drivers. It oversees implementation and measures management against operational plans and targets in achieving the agreed performance criteria.</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 and environmental, fraud and regulatory compliance risks.</p>	<p>Refer to the Audit Committee report in the Group Annual Financial Report.</p> <p>Refer to Risk Management report on our website</p> <p>Refer to the How we create value – our business model, Our purpose, vision, strategy and values, and Managing our risks and opportunities within the external environment sections on pages 23, 27, 38 and 80 respectively of the Integrated Report.</p> <p>Refer to the going concern status contained in the Audit and Risk Committees reports within the Group Annual Financial Report, which can be found at www.sibanyestillwater.com/newsinvestors/reports/annual/</p>



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<p>Principle 5:</p> <p>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 our Integrated Annual 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 Annual Report details our business model and strategy, how we respond to our external environment, risks and opportunities, how we respond to the needs and interests of key stakeholders, our activities and performance, and our outlook in the medium to long term. The Integrated Annual Report is prepared in close consultation with the Audit Committee, who reviews it and recommends it to the Board for approval. The same goes for the Group Annual Financial Report, King IV disclosures and other assurance reports.</p>	<p>Refer to the Audit Committee report in Group Annual Financial Report.</p> <p>🔗 Refer to the Group Annual Financial Report approval by Board. www.sibanyestillwater.com/newsinvestors/reports/annual/</p>
<p>Principle 6:</p> <p>The governing body should serve as a focal point and custodian of corporate governance in the organisation</p>	<p>The Board's roles and responsibilities are documented in its charter. Through its committee structures, the Board is the focal point for, and custodian of, the Group's governance framework, to which management must abide. The Board believes corporate governance is fundamental to the sustainability of our business. Our approach is based on the standards and practices set out in King IV, South African Companies Act 71 of 2008 (as amended) ("the Act"), the JSE Listings Requirements, the NYSE Listed Company Manual and other relevant laws. The Board also subscribes to the principles of the International Council on Mining and Metals (ICMM), United Nations Global Compact (UNGC), World Gold Council (WGC), and the International Platinum Group Metals Association (IPA) requirements.</p>	<p>📖 Refer to the Corporate governance report on pages 12-22 of in the Integrated Report.</p>
<p>Principle 7:</p> <p>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>The Nominating and Governance Committee assists the Board annually by reviewing committee composition in terms of balancing skills, experience, diversity, independence and knowledge, and whether the Board has the right mix of people to effectively discharge its role and responsibilities. The Board is satisfied that the necessary balance is in place.</p>	<p>📖 Refer to the Board and executive leadership on page 10 of the Integrated Report.</p>



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<p>Principle 8:</p> <p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties</p>	<p>We have the required board committees and relevant membership as recommended in King IV. The composition of board committees and distribution of authority between the Chairperson and other directors is balanced, and board dynamics are considered participative. Members can comfortably challenge each other when there are divergent views. The Board emphasises a strong results-orientated and decisive view, with a vigilant approach to governance and risk awareness.</p> <p>The Audit Committee is satisfied that the auditor is independent. Limited non-audit services are performed after being approved by the committee. The audit firm has been appointed, with the designated partner having oversight of the audit and reappointed at the AGM. The Chief Financial Officer (CFO) is responsible for the finance function. Internal audit is in sourced with limited external vendors that provide specialist audits. The CFO is responsible for overseeing and coordinating the effective functioning of this arrangement with the direct functional reporting to the Audit Committee Chair. The effectiveness of the CFO function and that of the chief audit executive (CAE) is annually assessed by the committee.</p>	<p>Refer to the Corporate governance page 16 and Detail on Board committees on pages 262 in the Integrated Report.</p>
<p>Principle 9:</p> <p>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>The Group conducts yearly internal performance evaluations of the Board, Chairperson, sub-committees as well as individual members. As per King IV, independent external valuations are performed every second year.</p> <p>The Company Secretary's performance is also evaluated annually, and the Board considered and satisfied itself on the competence, qualifications and experience of the company secretary.</p>	<p>Refer to the evaluation of the Board in the Corporate governance on page 16 in the Integrated Report.</p>
<p>Principle 10:</p> <p>The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities</p>	<p>A detailed mandate outlines our delegation of authority and approvals frameworks. 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 mandate is reviewed annually.</p>	<p>Refer to Code of Ethics: https://www.sibanyestillwater.com/about-us/governance/.</p> <p>Refer to the Corporate governance report, page 15 Integrated Report.</p>



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<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 ensures 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 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 Risk Committee.</p>	<p>📖 See How we create value – our business model, Our purpose, vision, strategy and values, Progress on our strategy in 2021, and Managing our risks and opportunities within the external environment sections on pages 23, 27, 38 and 80 respectively of the Integrated report.</p> <p>🔗 Refer to the going concern status contained in the Audit and Risk Committees' reports in the Group Annual Financial Report which can be found at www.sibanyestillwater.com/newsinvestors/reports/annual/</p>
<p>Principle 12:</p> <p>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives</p>	<p>The Board is responsible for technology and information governance, with ultimate responsibility for ensuring that ICT strategies are aligned with overall business strategy. It oversees the effective use of ICT infrastructure through our combined assurance forum and Audit and Risk committees.</p>	<p>📖 Refer to IT governance statement in the Corporate governance report on pages 21 in the Integrated Report.</p>
<p>Principle 13:</p> <p>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>Sibanye-Stillwater subscribes to zero tolerance for regulatory non-compliance, for which dedicated compliance officers appointed at the US and SA operations have responsibility.</p> <p>Business units hold compliance risk profile sessions bi-annually to assign 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 may be reported through the toll-free number, 0800 001 987.</p>	<p>📖 Refer to Statement on Compliance in the Corporate governance report on pages 12 and 20 in the Integrated Report.</p>



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Principle 14:		
<p>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in short, medium and long term</p>	<p>Sibanye-Stillwater remunerates fairly; on the competitive end of industry standard and above regulatory requirement. The Remuneration report details our policy and its implementation, and these are annually presented to shareholders for a non-binding advisory vote.</p> <p>In line with the requirements in King IV, the remuneration policy and implementation report are presented to the 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 engages dissenting shareholders.</p> <p>The Remuneration Committee engages shareholders using various methods of communication and ensures that shareholders have ample choice and opportunity to ensure their concerns are heard by us.</p> <p>The Remuneration Committee has the discretion to take the necessary steps to address valid and reasonable concerns raised by the shareholders. These are communicated in detail back to shareholders.</p>	<p>Refer to our Remuneration report on page 227 of the Integrated Report.</p>
Principle 15:		
<p>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, determines the areas of strategic and business focus, which in turn regulate the level of appropriate assurance for identified business risks and exposures.</p> <p>Our combined assurance framework adequately covers the Group's significant risks and material matters in an effective control environment. Our risks are linked to our key value drivers and determined through the integrated risk management process, controls and mitigating strategies.</p>	<p>See How we create value – our business model, Our purpose, vision, strategy and values, Progress on our strategy in 2021, and Managing our risks and opportunities within the external environment sections on pages 23, 27, 38 and 80 respectively of the Integrated Report.</p> <p>Refer to the Risk management and Combined assurance report on page 18 of the Integrated Report.</p>
Principle 16:		
<p>In the execution of its 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 interests of the organisation over time.</p>	<p>We have identified our stakeholder groups and are actively balancing their needs, interests and expectations.</p>	<p>See Engaging with our stakeholders on page 73 of the Integrated Report.</p>

FOR MORE INFORMATION, CONTACT: James Wellsted, Executive Vice President: Investor Relations

Email: ir@sibanyestillwater.com

Website: www.sibanyestillwater.com