

remuneration report

for the year ended 31 December 2013

It is the Remuneration Committee's role and responsibility to ensure that the remuneration arrangements for executive directors and senior executives offer an incentive to enhance the Group's performance and deliver responsibly on the Group's strategy. The Remuneration Committee also needs to ensure that the actual rewards received by the executive directors are proportionate to levels of performance achieved and the returns received by shareholders. The Remuneration Committee gives full consideration to the Group's priorities, its performance and shareholder interests.

Sibanye believes it is important that the structure and level of remuneration and reward are consistent across the Group and competitive within the operating market. Our remuneration structures are benchmarked against our peers and we operate comprehensive performance-based reward systems to retain and also attract the best people.

All information disclosed in this Remuneration Report for the year ended 31 December 2013 was in compliance with remuneration policies set by the Remuneration Committee. The Remuneration Committee reviewed the performance measures for the Group's incentive plans during 2013 to reposition alignment with the Group strategy.

It should be noted that no information was disclosed in this Remuneration Report for the years prior and up to

31 December 2012 as such information was in respect of the Gold Fields' senior executives and not that of Sibanye as a standalone independent company. Sibanye's senior executives were only appointed after the unbundling of Gold Fields, which took place on 18 February 2013.

2013 REMUNERATION POLICY

The key principles of Sibanye's remuneration policy are to:

- support the execution of the Group's business strategy;
- provide competitive rewards to attract, motivate and retain highly skilled executives;
- motivate and reinforce individual, team and business performance; and
- ensure Sibanye's remuneration arrangements are equitable and facilitate the deployment of people across the Group's operations.

At Sibanye, one of the critical drivers of performance is the Total Reward strategy. The Total Reward strategy forms an integral part of the people strategy and promotes a holistic total reward approach of combining all elements of remuneration with other elements of reward to attract, retain and motivate employees. The principle of performance-based remuneration is one of the cornerstones of the reward strategy. The reward strategy is also underpinned by sound remuneration management and governance principles which are promoted across Sibanye in order to ensure the consistent application of the reward strategy and policies.

The Group's reward strategy includes the following elements:

- Guaranteed remuneration
- Benefits
- Cash bonus
- Bonus shares
- Performance shares

REMUNERATION MIX

Sibanye's remuneration philosophy is aimed at attracting and retaining motivated, high-calibre employees aligned with the interests of shareholders. Such alignment is achieved through an appropriate mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the individual in the Group. Generally, more senior employees' remuneration will consist of a higher portion of variable pay as a percentage of their total package. The maximum at-risk rewards that could be earned are twice the on-target percentages for both the annual bonus and performance shares.

The remuneration policy aligns senior executives' interests with shareholders by promoting and measuring performance that drives long-term growth and sustained shareholder value. The following remuneration mix for the period under review was approved by the Remuneration Committee for 2013.

Role	Total	Guaranteed pay	Cash bonus	Bonus shares	Performance shares
CEO	100%	36%	24%	16%	24%
CFO	100%	39%	23%	15%	23%
COO	100%	41%	22%	15%	22%
SVP	100%	43%	21.5%	14%	21.5%

GUARANTEED REMUNERATION

Sibanye endeavours to reward its people fairly and consistently according to their role and individual contribution to the Group. To achieve external equity and a competitive total remuneration position, Sibanye surveys the relevant markets regularly.

The benchmark for guaranteed remuneration is the market median levels within the relevant gold mining companies and other comparable mining companies.

Guaranteed remuneration levels are reviewed annually by the Remuneration Committee, taking into account the Group's performance, change in responsibility, levels of increase based on market trends and inflation. The Remuneration Committee also considers the impact of any guaranteed remuneration increase on the total remuneration package.

ANNUAL BONUS

Executive directors are able to earn bonuses of 60% (for the CFO) and 65% (for the CEO) of their salaries for on-target performance, which is a combination of Group and individual performance. The annual bonus could increase above 60% and 65% if stretch targets are achieved. The maximum earning potential is capped at two times the on-target bonus percentage.

The targets for annual bonus are set by the Remuneration Committee. In the case of the CEO and CFO, 90% of the annual bonus is based on Group objectives and the remaining 10% on individual objectives.

In 2013 annual bonuses were based on targets approved in advance by the Remuneration Committee, comprising a combination of Group and Operational objectives taking account of the Group's business plans. For the year ended

31 December 2013, the Group performance measures for the senior executives were set by the Remuneration Committee and the weightings were as follows:

- Safety 10%;
- Production (Volume) 20%;
- Cost 30%; and
- Quality (Grade) 40%.

Aside from these four key drivers, the CEO and CFO were also assessed on personal objectives. Personal objectives are set every year for each executive based on key performance areas and are approved at the beginning of each year by the Remuneration Committee. The personal objectives are centred on three themes: Operational Excellence, Growing Sibanye Gold and Securing Our Future.

For the year ended 31 December 2013, the Sibanye Group performance measures for executive directors and senior executive were:

Corporate performance 2013

	Weight	Actual	Target	Achieved
	%		+100%	%
Reduce fatalities	5.0	9	14.40	200
Reduce LTIFR rate	2.5	6.13	6.21	112
Reduce SIFR rate	2.5	3.50	3.30	46
Primary on-reef development (m)	10.0	12,260	13,660	32
Primary off-reef development (m)	10.0	42,353	39,473	149
Cost of ore milled – R/ton (underground)	30.0	1,636	1,893	191
Grade and quality – gold produced (kg)	40.0	44,474	40,799	160
	100.0			153

remuneration report continued

for the year ended 31 December 2013

In addition to Group performance as determined by the above scorecard, individual performance is also considered in determining the annual performance incentive award. The CEO develops specific individual objectives with his direct reports at the beginning or prior to the beginning of each year. These objectives are then reviewed with the Remuneration Committee and form the basis upon which the executives' performance will be reviewed at the end of the year.

Based on the bonus accrued for the year ended 31 December 2013, the annual bonus as a percentage of guaranteed pay paid to directors and prescribed officers of Sibanye in February 2014 was:

Name	Actual 2013 Annual Incentive
Executive directors	
Neal Froneman	107.1%
Charl Keyter	91.5%
Prescribed officers	
Shadwick Bessit	75.4%
Hartley Dikgale ¹	50.4%
Cain Farrel	60.0%
Dawie Mostert	71.9%
Adam Mutshinya	71.4%
Peter Turner	92.8%
Robert van Niekerk ²	76.9%
James Wellsted	75.4%

¹ Appointed as a prescribed officer on 1 May 2013, however bonus percentage calculated on full annual pay

² Appointed as a prescribed officer on 1 February 2013, however bonus percentage calculated on full annual pay

Directors' fees

In terms of the MOI, the fees for services as non-executive directors are determined by the Company's shareholders at a general meeting.

	Per annum
The Chair of the Board	R1,500,000
The Chair of the Audit Committee	R287,000
The Chairs of the Nominating and Governance Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)	R177,000
Members of the Board (excluding the Chairman of the Board)	R793,000
Members of the Audit Committee (excluding the Chairman of the Board)	R149,000
Members of the Nominating and Governance Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)	R112,000

Non-executive directors' fees, executive directors and prescribed officers' remuneration

The directors and prescribed officers of Sibanye were paid the following remuneration during the year ended 31 December 2013:

	Directors' fees (R'000)	Committee fees (R'000)	Salary (R'000)	Annual bonus accrued for the period ending 31 December 2013 paid in 2014 (R'000)	Shares proceeds and dividends on Bonus Shares (R'000)	Pension scheme total contributions (R'000)	Expense allowance (R'000)	For the period ended 31 December 2013 (R'000)	For the period ended 31 December 2012 (R'000)
Executive directors									
Neal Froneman	-	-	6,300	7,500	-	700	125	14,625	-
Charl Keyter ¹	-	-	3,100	3,203	109	438	50	6,900	749
Prescribed officers									
Shadwick Bessit ²	-	-	2,966	2,577	14	513	-	6,070	-
Hartley Dikgale ³	-	-	1,544	1,208	-	100	-	2,852	-
Cain Farrel	-	-	1,636	1,201	92	364	-	3,293	-
Dawie Mostert	-	-	1,810	1,725	-	315	-	3,850	-
Adam Mutshinya	-	-	2,015	1,714	25	256	-	4,010	-
Peter Turner ^{1,2}	-	-	4,636	5,000	469	808	-	10,913	13,745
Robert van Niekerk ⁴	-	-	2,945	2,697	250	322	-	6,214	-
James Wellsted	-	-	2,323	1,959	-	390	-	4,672	-
Non-executive directors									
Timothy Cumming ⁵	676	246	-	-	-	-	56	978	-
Barry Davidson ⁵	676	342	-	-	-	-	-	1,018	-
Rick Menell	793	352	-	-	-	-	-	1,145	-
Sello Moloko	1,500	-	-	-	-	-	39	1,539	-
Nkosemntu Nika ⁵	676	223	-	-	-	-	-	899	-
Keith Rayner	793	408	-	-	-	-	-	1,201	-
Zola Skweyiya ⁶	198	-	-	-	-	-	4	202	-
Sue van der Merwe ⁵	676	223	-	-	-	-	-	899	-
Jerry Vilakazi	793	299	-	-	-	-	-	1,092	-
Total	6,781	2,093	29,275	28,784	959	4,206	274	72,372	14,494

¹ Charl Keyter and Peter Turner were directors of Sibanye during 2012.

² Remuneration for January 2013 paid through Gold Fields Group Services, however, included above.

³ Appointed as a prescribed officer on 1 May 2013.

⁴ Appointed as a prescribed officer on 1 February 2013.

⁵ Appointed as a non-executive director on 21 February 2013

⁶ Appointed as a non-executive director on 1 October 2013

remuneration report continued

for the year ended 31 December 2013

Directors and prescribed officers' equity-settled instruments

The directors and prescribed officers of Sibanye held the following Sibanye equity-settled instruments at 31 December 2013:

	*Equity-settled instruments at unbundling	Equity-settled instruments granted during the year	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year	Average price	Share proceeds in Rands	Equity-settled instruments at 31 December 2013
	Number	Number	Number	Number			Number
Executive Directors							
Neal Froneman	1,190,713	531,542	-	-	-	-	1,722,255
Charl Keyter	158,727	424,178	6 806	7,678	11.70	87,850	568,421
Prescribed Officers							
Shadwick Bessit	127,737	238,118	-	-	-	-	365,855
Hartley Dikgale	-	124,223	-	-	-	-	124,223
Cain Farrel	112,235	194,852	4,792	6,282	11.53	77,170	296,013
Dawie Mostert	-	130,840	-	-	-	-	130,840
Adam Mutshinya	80,275	241,501	-	656	11.08	7,316	321,120
Peter Turner	617,087	538,391	15,831	30,412	13.01	397,507	1,109,235
Robert van Niekerk	400,234	446,987	8,514	17,243	11.84	198,720	821,464
James Wellsted	-	177,180	-	-	-	-	177,180

* Unbundling of Sibanye resulted in the conversion of Gold Fields equity-settled instruments to Sibanye equity-settled instruments

To ensure that Sibanye's remuneration policy fully supports the Group's commitment to high performance and to continue to attract high-calibre talent, remuneration levels must be competitive, but oriented more towards variable performance-based incentives that provide reward only where robust performance hurdles are met to increase shareholder value.

All scheme rules and targets are regularly reviewed by the Remuneration Committee to ensure they remain relevant and effective in enabling Sibanye business objectives by driving appropriate behaviours and providing retention incentives.

Share ownership of Directors and prescribed officers

The following sets forth, to the knowledge of Sibanye's management, the total amount of ordinary shares of Sibanye directly or indirectly owned by the Directors and Prescribed Officers as at end December, 2013:

Holder	Ordinary Shares
Executive Directors	
Charl Keyter	48,040
Prescribed Officers	
Cain Farrel	26,436
Peter Turner	347,419
James Wellsted	33,016
Non-executive Directors	
Timothy Cumming	100
Rick Menell	44,800
Keith Rayner	70,000

The Sibanye Gold Limited 2013 Share Plan

Sibanye has in place a share plan for certain of its employees, the Sibanye Gold Limited 2013 Share Plan (the SGL Share Plan). The SGL Share Plan consists of two equity instruments:

- (i) performance shares and
- (ii) restricted shares (bonus shares).

(i) Performance shares

The Remuneration Committee makes an annual conditional award of shares to the CEO, CFO, COO, SVPs and Vice Presidents (VPs). The number of performance shares awarded to an employee is based on the employee's annual guaranteed pay, grade and performance. The actual number of performance shares which vest is determined by Sibanye's share price performance measured against the performance of a peer group, being Harmony Gold Mining Company Limited, Pan African Resources PLC and Gold One International Limited, over a performance period of 3 years. This peer group is determined and approved by the Remuneration Committee. The performance shares, which vest, are based on the relative change in the Sibanye share price compared to the respective share prices of the individual companies within the peer group and with discretion allowed due to the small sample size. For any performance share award to be settled to executives, an internal company performance target is required to be met before the external relative measure is applied. The target performance criterion is set at 85% of Sibanye's expected gold production over the three-year measurement period as set out in the business plans of Sibanye as approved by the Board. Only once the internal measure has been achieved, will the external measure (Sibanye's share price performance measured against the abovementioned peer group) be applied to determine the scale of the vesting of awards of performance shares.

(ii) Bonus shares

The Committee makes an annual conditional award of shares to each executive director and senior executive. The size of the award depends on the individual's annual cash bonus, which is

determined by actual performance against predetermined targets. Two-thirds of the annual bonus is allocated in the form of restricted Bonus Shares and the balance is paid out in cash. The Bonus Shares vest in two equal parts at 9 months and 18 months after the award date. Dividends are payable on the Bonus Shares during the holding period.

The Sibanye Gold Limited Phantom Share Scheme

On 14 May 2013 the Remuneration Committee approved a proposal to limit the issuance of share options under the SGL Share Plan to senior management only. For 2013, middle and certain senior management, who previously participated in the equity-settled share option scheme, participated in a new cash-settled share scheme, the Sibanye Gold 2013 Phantom Share Scheme (the SGL Phantom Scheme). Notwithstanding that the SGL Phantom Scheme is not subject to the JSE Listings Requirements (as it is a purely cash-settled remuneration scheme), the SGL Share Plan rules apply, in all material aspects, to the SGL Phantom Scheme, other than the issue of actual ordinary shares to participants.

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 60 in the contract). Sibanye can also terminate the executive director's employment summarily for any reason recognised by law as justifying summary termination.

The employment contracts also 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, and within 12 months of the change of control, the director is entitled to:

- (i) payment of an amount equal to twice his GRP, or two and a half times in the case of the CEO;

- (ii) payment of an amount equal to the average of the incentive bonuses paid to the executive director during the previous two completed financial years;
- (iii) any other payments and/or benefits due under the contracts;
- (iv) payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete;
- (v) an entitlement, for two years after the date of termination, subject to the relevant rules of the Sibanye Gold Limited Incentive Scheme then in force, to retain and to exercise all share options vested to him; and
- (vi) an entitlement to be settled restricted shares allocated and awarded to him, subject to the rules of the Sibanye Gold Limited Share Plan then in force.

The employment contracts further provide that these payments cover any compensation or damages the executive director may have under any applicable employment legislation.

A "change of control" for the above is defined as the acquisition by a third party or concert parties of 30% or more of Sibanye 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.

The Remuneration Committee resolved to discontinue the compensation entitlement in the event of change of control for senior executives appointed from 1 January 2013. The senior executives who are currently entitled to the change of control compensation benefits will be grandfathered.

Directors' and officers' disclosure of interests in contracts

During the year under review, no contracts were entered into in which directors and officers of the company had an interest and which significantly affected the business of the Group.