Sibanye Gold Limited

Republic of South Africa

1 Hospital Street (off Cedar Avenue)
Libanon, Westonaria, 1780
South Africa.
011-27-11-278-9600
(Address of principal executive offices)

Tel: 011-44-20-7456-3223
Fax: 011-44-20-7456-2222

Libanon Business Park
1 Hospital Street (off Cedar Avenue)
Libanon, Westonaria, 1780
South Africa.

Tel: 011-27-11-278-9700
Fax: 011-27-11-278-9863

Securities registered or to be registered pursuant to Section 12(b) or 15(d) of the Securities Exchange Act of 1934

Ordinary shares of no par value each

New York Stock Exchange*

US GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB")

The International Financial Reporting Standards ("IFRS")

US GAAP

Non-accelerated filer

Yes No

Non-accelerated filer

Yes No

Other

No

Applicable only to issuers involved in bankruptcy proceedings during the past five years

Yes No

This requirement does not apply to the registrant.
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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS

Sibanye Gold Limited (Sibanye) is a South African domiciled mining company, which currently owns and operates gold and uranium operations and projects throughout the Witwatersrand Basin in South Africa, as well as platinum group metal (PGM) operations in the Bushveld Igneous Complex in South Africa and the Great Dyke in Zimbabwe. See “Annual Financial Report—Overview—Management’s discussion and analysis of financial statements—Recent platinum acquisitions”. Accordingly, our books of account are maintained in South African Rand and our 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 as at and for the fiscal years ended 31 December 2016, 2015 and 2014 (the Consolidated Financial Statements) have been prepared using the historical results of operations, assets and liabilities attributable to Sibanye and all of its subsidiaries (the Sibanye 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 fair value adjustment reserve in equity.

NON-IFRS MEASURES

The financial information in this annual report includes certain measures that are not defined by IFRS, including “operating costs”, “operating margin”, “earnings before interest, tax, depreciation and amortisation” (EBITDA), “total cash cost”, “All-in sustaining cost”, “All-in cost”, “All-in cost margin”, “headline earnings per share”, “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 cost of sales excluding amortisation and depreciation. Operating margin is defined as revenue minus operating costs, divided by revenue. 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.


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 R13.69/US$1.00 which was the closing rate on 31 December 2016. By including the US dollar equivalents, Sibanye 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 THE RUSTENBURG OPERATIONS AND AQUARIUS

On 9 September 2015, Sibanye 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, Sphumelele (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 Operations) (the Rustenburg Operations Transaction). On 19 October 2016, Sibanye obtained consent in terms of section 11 of the Mineral and Petroleum Resources Development Act for the transfer of the mining right and prospecting right pursuant to the Rustenburg Operations Transaction, and control of the Rustenburg Operations on this date. The effective date of the implementation of the transaction was 1 November 2016, when Sibanye took over legal ownership and management of the Rustenburg Operations.

On 6 October 2015, Sibanye 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 Operations Transaction, the Acquisitions). Aquarius owns stakes in the Kroondal mine and Platinum Mile retreatment facilities near Rustenburg in South Africa and the Minas joint venture with Impala Platinum in Zimbabwe. The Aquarius Transaction was subject to the fulfilment of various conditions precedent which were completed on 12 April 2016, when Sibanye paid R4,301.5 million to the Aquarius shareholders and obtained control of Aquarius.
MARKET INFORMATION

This annual report includes industry data about Sibanye’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 and its advisers have not independently verified this data.

In addition, in many cases statements in this annual report regarding the gold mining industry and Sibanye’s position in that industry have been made based on internal surveys, industry forecasts, market research, as well as Sibanye’s own experiences. While these statements are believed by Sibanye 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 Sibanye and the Sibanye Gold Group, as applicable.

In this annual report, all references to "fiscal 2017" and "2017" are to the fiscal year ending 31 December 2017, all references to "fiscal 2016" and "2016" are to the audited fiscal year ended 31 December 2016, all references to "fiscal 2015" and "2015" are to the audited fiscal year ended 31 December 2015 and all references to "fiscal 2014" and "2014" are to the audited fiscal year ended 31 December 2014.

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 and all references to "Zimbabwe" are to the Republic of Zimbabwe.

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.

This annual report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining proceeds. In order to facilitate a better understanding of these descriptions, this annual report contains a glossary defining a number of technical and geological terms.

In this annual report, gold 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.
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, as amended (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 the 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 (Blitz Project), and estimations or expectations of enterprise value, 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 market price of the minerals that it mines and sells;
• fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies;
• the occurrence of labor disruptions and industrial actions;
• changes in 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;
• power disruption, constraints and cost increases;
• the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental, health or safety issues;
• the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance;
• the occurrence of hazards associated with underground and surface mining;
• the ability to achieve anticipated efficiencies and other cost savings in connection with, and the ability to successfully integrate, past and future acquisitions, as well as at existing operations;
• operating in new geographies and regulatory environments where Sibanye had no previous experience;
• Sibanye’s ability to implement its strategy and any changes thereto;
• Sibanye’s future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans;
• changes in assumptions underlying Sibanye’s estimation of its current mineral reserves;
• supply chain shortages and increases in the price of production inputs;
• economic, business, political and social conditions in South Africa, Zimbabwe, the United States and elsewhere;
• the ability of Sibanye to comply with requirements that it operates in a sustainable manner;
• failure of Sibanye’s information technology and communications systems;
• the success of Sibanye’s business strategy, exploration and development activities;
• the availability, terms and deployment of capital or credit;
• Sibanye’s ability to hire and retain senior management or sufficient technically skilled employees, as well as its ability to achieve sufficient representation of HDSAs in its management positions;
• the adequacy of Sibanye’s insurance coverage;
• uncertainty regarding the title to Sibanye’s properties;
• social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of Sibanye’s African operations;
• the impact of HIV, tuberculosis and other contagious diseases; and
• Sibanye’s intention to issue debt securities, which may not be available on commercially reasonable terms, or at all, which will be structurally senior to our ordinary shares and ADRs and which may limit our ability to respond to changes in market conditions or pursue business opportunities.

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.
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ABOUT SIBANYE’S REPORTS

Our 2016 suite of reports, covering the financial year from 1 January 2016 to 31 December 2016, comprises the following:

- Integrated Annual Report 2016
- Summarised Report 2016 and Notice of Annual General Meeting
- Company Financial Statements 2016

These reports collectively cover the operational, financial and non-financial performance of the operations and activities of Sibanye Gold Limited (Sibanye or the Group) and provide stakeholders with transparent insight into our strategy, our business and our performance over the past year. No separate sustainable development report is produced as this information is presented in the integrated report. These reports also take note of any material events that have arisen between year-end and the date of their approval by the Board. In producing this suite of reports and the Form 20-F, Sibanye complies with the requirements of the exchanges on which it is listed, namely the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE).

SCOPE AND BOUNDARY OF REPORTS

During the course of 2016, Sibanye revised its organisational structure and the management of its business in order to ensure continued delivery on its strategic objectives. Following this restructuring, Sibanye comprises two operating divisions:

- Gold Division, incorporating the gold mining operations and projects
- Platinum Division, incorporating the platinum group metal (PGM) mining operations and projects

Annual comparative data is provided where applicable from 2013, the year Sibanye was established and listed as a separate entity on the JSE. For the 2016 financial year, annual data is provided where possible by division and at group level.

Please note that the annual data provided at group-level for 2013 to 2015 is comparable to data for the Gold Division in 2016. Where data for previous years, has been restated, this is indicated.

The data reported for the Platinum Division for the 2016 financial year includes the assets of Aquarius Platinum Limited (Aquarius) acquired with effect from 12 April 2016, while the assets acquired from Anglo American Platinum Limited (Anglo American Platinum) (now Sibanye’s Rustenburg Operations) are included from 1 November 2016. The data for the Platinum Division is thus effectively for the nine months from April 2016 to December 2016, unless otherwise indicated.

REPORTING PHILOSOPHY

In this integrated report, our primary report, the information provided is intended to inform stakeholders about Sibanye’s operating and financial performance and progress made in delivering on its strategy. While the principal audience for our integrated report is investors and shareholders, we acknowledge that there are other stakeholders who have varied and specific information requirements, many of which we aim to fulfil. This is particularly so since we do not produce 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.

We have endeavoured to build on the information provided in last year’s integrated report. This report discusses what we did in 2016 to create value, to improve lives and to achieve our strategic objectives. In so doing, we give an account of the impact of our activities and, more importantly, 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 is described in “—View from the top—Material risks and opportunities”. Sibanye considers an issue to be material if it substantially affects our ability to create and sustain value in the short, medium and long term.

APPROVAL AND ASSURANCE

Sibanye’s internal audit function provides an independent evaluation of the Group’s internal control processes and systems that have been devised to mitigate business risks and has ensured the accuracy of the information presented in these reports.

REPORTING COMPLIANCE

The following frameworks, guidelines and requirements have been applied, where relevant in compiling this integrated report and the entire suite of 2016 reports:

- International Integrated Reporting Framework
- Global Reporting Initiative (GRI) G4
- King Report on Governance for South Africa 2009 (King III)
- South African Companies Act, 71 of 2008 (the Companies Act)
- JSE Listings Requirements
- South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code)
- Amendments to the Mining Charter (2010) and related scorecard (2010)
- Social and Labour Plans (SLPs) – in terms of the requirements of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA)
• International Council on Mining and Metals (ICMM)
• United Nations Global Compact (UNGC)
• Greenhouse Gas (GHG) Protocol
• Sustainability Accounting Standards Board’s (SASB) standards
• FTSE/JSE Responsible Investment Index
• International Financial Reporting Standards (IFRS)
• South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides

The required disclosure is included in this integrated report or in the supplementary reports and documents available online, http://reports.sibangegold.co.za
GROUP PROFILE
Sibanye is an independent mining group domiciled in South Africa, which owns and operates a portfolio of high-quality gold and platinum group metals (PGMs) operations and projects.

OUR ASSETS
At financial year end, Sibanye’s gold assets included four underground and surface gold mining operations in South Africa – the Cooke, Driefontein and Kloof operations in the West Witwatersrand (West Wits) region of Gauteng and the Beatrix operation in the southern Free State. Sibanye also owns and manages significant extraction and processing facilities at its operations where gold-bearing ore is treated and beneficiated to produce gold doré. In addition, Sibanye is currently investing in a number of organic projects to sustain it in the long term.

During 2016, Sibanye acquired Aquarius Platinum Limited (effective 12 April 2016). The Aquarius assets include a 50% stake in each of the Kroondal and Mimosa mines, and associated infrastructure and concentrating facilities, as well as Platinum Mile (91.7%).

The assets acquired from Anglo American Platinum Limited (effective 1 November) are the Bathopele, Siphumelele, and Thembelani (including Khuseleka) shafts, two concentrating plants, an on-site chrome recovery plant, the western limb tailings retreatment plant and all associated surface infrastructure, referred to as the Rustenburg Operations.

Towards year end, Sibanye announced the proposed acquisition of Stillwater Mining Company (Stillwater), which has palladium and platinum producing operations in Montana in the United States.

BLACK ECONOMIC EMPOWERMENT
The Group is committed to transformation and is guided by the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (Mining Charter). In 2004, Gold Fields of South Africa Limited (Gold Fields) undertook a broad-based black economic empowerment (BBBEE) transaction, transferring an amount equivalent to 15% of its equity in Sibanye, formerly GFI Mining South Africa Proprietary Limited (GFI Mining South Africa), to Mvelaphanda Gold Proprietary Limited (Mvelaphanda Gold).

In 2010, a further 10% of equity was allocated to an employee share ownership plan (ESOP) and another 1% in an empowerment deal. At the end of 2016, 24,523 Sibanye employees were participants in the Thusano Trust, our ESOP.

With the acquisition of the Rustenburg operations, Sibanye concluded a 26% BBBEE transaction with a consortium comprising: 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%).

LISTING INFORMATION
The Group’s primary listing is on the JSE, trading under the share code SGL, where it is a constituent of the FTSE/JSE Responsible Investment Index. The Group has a secondary American Depositary Receipts (ADR) listing on the NYSE, trading under the ticker code SBGL. Each ADR is equivalent to four ordinary shares.

At 31 December 2016, Sibanye had issued share capital of 929,004,342 shares and a market capitalisation of R23.6 billion (US$1.7 billion) (2015: R20.9 billion (US$1.3 billion)).

OUR PRODUCTS
GOLD
Sibanye mines, extracts and processes gold-bearing ore to produce a beneficiated product, doré, which is then refined further 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 holds a 33% interest in Rand Refinery, one of the largest global refiners of gold, and the largest in Africa, which then markets and sells the refined gold on international markets to customers around the world.

PLATINUM GROUP METALS
Sibanye mines PGM-bearing ore at its newly acquired assets that is processed to produce PGMs-in-concentrate. The primary PGMs produced are platinum, palladium and rhodium, which together with the gold occurring as a co-product, are referred to as 4E (3PGM+Au).

BY-PRODUCTS
Sibanye derives uranium ore as a by-product of gold production and, up until it ceased underground production from the Cooke 4 mine, produced ammonium diuranate from a dedicated uranium stream at the Ezulwini plant. The underground ore was processed to recover the uranium and then subsequently to recover gold.

At our platinum operations, the minor PGMs produced are iridium and ruthenium, which, together with the three primary PGMs, are referred to as 6E (5PGM+Au). In addition, nickel, copper and chrome, among other minerals are produced as by-products at these operations.
Our gold producing assets and projects are located throughout the Witwatersrand Basin and our platinum assets are on the southern portion of the western limb of the Bushveld Complex in South Africa, near Rustenburg, and in the south of the Great Dyke in Zimbabwe.
OUR VISION AND STRATEGY EXPLAINED

OUR VISION

Superior value creation for all our stakeholders through mining our multi-commodity resources in a safe and healthy environment.

Superior value is delivered by:

• maintaining a clear and consistent operational focus and applying a holistic, efficient operating model
• disciplined, efficient and cost-effective capital management to enable investment in value-accretive growth

OUR STRATEGY

By delivering on its strategy and vision to create superior value and improve lives, Sibanye expects to maintain mutually constructive relationships with all stakeholders and, ultimately, to achieve a premium market rating.

OUR VALUE PROPOSITION – DELIVERING SUPERIOR VALUE TO STAKEHOLDERS

• EMPLOYEES

Sibanye provides employment enabling those employed to earn an income, to acquire skills and advance through training and development, in an environment where their safety, health and wellbeing are priorities.

• COMMUNITIES

In turning to account our resources and reserves, Sibanye contributes to host and labour-sending communities as well as to society and the economy at large by investing in socio-economic development initiatives, employing those who reside in the vicinity of our operations and through preferential local procurement.

• GOVERNMENT

Sibanye contributes directly to the national fiscus by way of taxes and royalties paid, enabling government to provide social infrastructure and services. Sibanye also contributes indirectly through the payment, in turn, by employees of personal income tax.

• SHAREHOLDERS

Sibanye delivers value to shareholders by the payment of consistent dividends and by capital appreciation spurred by operational efficiency and organic and acquisitive growth. Sibanye’s commitment to paying industry-leading dividends underpins and informs our strategy. Sibanye recognises that:

• safety, costs, volumes and grade are the primary operational deliverables underpinning our business
• strong cash flow supports the dividend paid to shareholders and is vital to growth
• growth (organic and acquisitive) ensures the long-term delivery of sustainable value to all stakeholders

In living our values of commitment, accountability, respect, enabling and safety, we show that we care about safe production, our stakeholders, our environment, our company and our future. Our approach is holistic with a clear focus to deliver on all strategic imperatives critical to Sibanye’s long-term success.
HOW WE CREATE VALUE

Below we describe how Sibanye operates, the inputs that are required for the conduct of the business and how these are transformed into value for stakeholders.

SIBANYE’S

PRIMARY BUSINESS ACTIVITIES ARE:

- Mine development and mining operations, primarily underground ore bodies
- Processing of ore mined
- Tailings retreatment
- Developing organic growth projects
- Beneficiation and further refining as required
- Sale of end products produced
- Exploring for and/or acquiring new ventures

Allied to these activities are:

- Community and social development initiatives
- Environmental management and rehabilitation

BUSINESS MODEL:

Sibanye’s business model is to optimise its operations by managing the fundamental inputs of safety cost, grade and tonnes and, by leveraging its low-cost operating expertise, to realise additional value from new acquisitions. Sustainability is achieved by investing in organic projects and making value-accrative acquisitions which support the ability to continue paying industry leading dividends. Sibanye views proactive stakeholder engagement as a critical factor in ensuring business stability and sustainability.

OPERATING CONTEXT AND RISK:

In conducting our business, various factors in our external operating environment have an effect on our business and ability to create superior value. In monitoring and managing our operating environment, we have identified the top material risks, both internal and external, to our ability to create value, and steps taken to mitigate these risks.

For additional information on our operating environment and risks, see “—View from the top—Material risks and opportunities”. 
PERSPECTIVE FROM THE CHAIR

The past year has been particularly significant for Sibanye. We concluded the acquisitions of Aquarius Platinum Limited and the Rustenburg assets, establishing Sibanye as a leading PGM producer.

I am pleased to present this report to all the stakeholders at a time when we have positioned Sibanye to be a company of real stature in our sector. The past year has been particularly significant with Sibanye’s entry into the PGM industry resulting in the company transitioning from a top ten gold producer to a leading precious metals enterprise. The conclusion of the acquisitions of Aquarius Platinum Limited and the Rustenburg assets, established Sibanye as a leading PGM producer.

The proposed acquisition of the low-cost, high-grade Stillwater operations and downstream processing and refining operations is likely to cement Sibanye’s position as a globally influential, top tier precious metals company, if approved by shareholders. This strategy has the full support of the Sibanye Board. We are confident that the longer-term fundamentals for platinum and palladium supply and demand remain sound and we are convinced that Sibanye’s considered entry into this industry, at a favourable point in the commodity price cycle, will deliver significant value for stakeholders.

The global political and economic outlook in the beginning of 2016 was poor and with the demand outlook for commodities uncertain and little evidence of supply discipline, commodity prices in general were depressed, reaching lows not seen since 2009, just after the global financial crisis.

Uncertainty of this nature is generally positive for gold demand, and the dollar gold price rose steadily in the first quarter of 2016, supported by a muted US economic outlook and the threat of an interest rate hike becoming more remote. Local gold producers, after years of restructuring and cost cutting, were already benefiting from higher rand gold prices following the abrupt depreciation of the rand in November and December 2015, due to unexpected political disquiet in the Finance Ministry of South Africa. These astonishing political actions, seemed to set the scene for a number of unpredictable global economic and political events, which caused considerable market instability and volatility.

The first of these implausible global events in 2016 was the unanticipated pro-Brexit victory in June, which threw global markets into turmoil. The resultant increase in speculative demand for gold as a hedge against uncertainty, boosted the dollar gold price to over US$1,360/oz and the rand gold price to new all-time highs of over R650,000/kg in July 2016, significantly boosting operating margins for the local industry.

Somewhat surprisingly though, following the initial reaction to the pro-Brexit vote, the global markets appeared to shrug off any major economic consequences. The commodity prices in fact continued to build on price gains made since the beginning of the year, signalling expectations of a recovery in demand. With economic concerns abating, expectations of interest rate hikes in the US again began to weigh on the gold price, which declined steadily toward year end, dragging the platinum price with it. Even the widely unanticipated election of Donald Trump as President of the US in November 2016, which many market commentators had predicted to be positive for the gold price, did little to arrest the steady decline in the gold price and other precious metals.

South Africa has never been immune from political excitement and the groundswell of activism for change grew into 2016. The student campaigns, the Constitutional Court rulings seeking to protect the sanctity of the country’s constitution and the prominent losses suffered by the ANC in local municipal elections were highlights of 2016. With the leadership shown by the National Treasury, South Africa managed to reduce the prospect of a ratings downgrade.

With the risk of a sovereign ratings downgrade diminishing and the rand strengthening against the US dollar, the rand gold price retraced most of its gains to end the year flat at R509,000/kg. With operating margins again under pressure, Sibanye’s share price lost gains previously made, along with rand gold and PGM prices, and, just prior to the announcement of the Stillwater transaction, had fallen from a peak of R70 to approximately R28 a share.

While the longer-term political and economic ramifications of events such as the pro-Brexit vote in the United Kingdom and the election of Donald Trump in the United States of America, are difficult to predict and market uncertainty and volatility are likely to persist for some time, the consensus outlook for precious metal prices in the near term remains subdued. This is particularly so in rand terms, with the rand remaining surprisingly resilient and market consensus increasingly biased towards a stronger for longer local currency. The strong currency will significantly impact industry margins, particularly when considering that local mining cost inflation is higher than general CPI or PPI due to above inflation electricity cost increases and above inflation wages increases. Management at Sibanye in preparation for a strong rand environment, have already deferred non-critical growth capital expenditure at some projects and are reviewing operating costs and reassessing operating plans in order to ensure sustainability.
In addition to the prevailing economic uncertainty, the business environment in South Africa has become more challenging in the last year, due to continued policy uncertainty, heightened regulatory intervention and an unsettled political environment. These political and economic challenges and their possible future impact on the operating environment need to be acknowledged and regularly considered by the board and management of Sibanye and factored into the Group strategic thinking. We remain committed to building a sustainable mining company which creates superior value for all stakeholders and we will continue to respond to challenges by managing our assets as efficiently and cost effectively as possible and, without compromising our strategic fundamentals, adapting our strategy in order to protect shareholder value.

We have pledged to deliver superior value to all stakeholders and we continue to engage with our employees, the unions, our host communities and the authorities, to ensure that all stakeholders benefit from our activities. We have had some notable successes, with constructive engagement with the unions averting a threatened strike early in the 2016 year, and securing the three-year gold wage agreement struck in October 2015. In October 2016 too, a three-year wage settlement was peacefully agreed in the Platinum Sector including our Rustenburg Operations, which I believe represents a maturing of the multi-union relationship in the industry and displays a refreshing pragmatism on employment and remuneration by employees as well as employers. We are also actively engaging with our communities to ensure that our social expenditure results in sustainable and value enhancing community development.

Looking forward, we continue to face policy and regulatory uncertainty, particularly the effects that the eventual passing of the Mineral and Petroleum Resources Development Act (MPRDA) Amendment Bill might have on the industry’s voluntarily agreed Mining Charter and the discretionary powers proposed for the Minister of Mineral Resources. As a major employer and listed company, we need to understand the terms and cost of doing business in South Africa to make informed decisions and commit to what is fair. The Industry through the Chamber of Mines has attempted to engage constructively with the Department of Mineral Resources (DMR) on some of the more punitive and ambiguous aspects of both the MPRDA and the Mining Charter, but at this stage the outcome remains unclear.

Another issue which has arisen between the industry and the DMR has been imposition of work stoppages in terms Section 54 of the Mine Health and Safety Act, in the event of accidents or safety transgressions in localised sections of a mine. While our commitment to safety remains firm and we apply significant resources to improving safety at our operations, these stoppages can have a significant impact on the economic viability of operations and hence, on future employment. The industry continues to engage with the DMR on this issue and is hoping to agree on a set of clear procedures and guidelines governing the application of Section 54s.

The integration of the Aquarius PGM operations, since the transaction was concluded in April 2016, has proceeded according to plan. Transitions of this nature and scale are always difficult, but it has been pleasing to note that the operational excellence that characterised the Aquarius operations has been maintained under Sibanye’s management. The outstanding regulatory approvals for the acquisition of the Rustenburg Operations were finally received towards the end 2016 enabling Sibanye to take operational control from 1 November. It was again pleasing to note the operational turnaround achieved at the Rustenburg Operations during the final quarter of 2016, after a challenging first nine months. During the two months under Sibanye operational control, the Rustenburg Operations delivered to plan and contributed R74 million in operating profit to the Group after recording significant losses earlier in the year. As previously indicated, management expects to realise over R800 million of identified annual synergies as the Platinum Division is fully integrated over the next three years. The initial steps have been taken and management expects to achieve approximately R400 million of these synergies by the end of 2017.

The proposed acquisition of Stillwater Mining Company (Stillwater) was announced on 9 December 2016 following extensive due diligence by management. The Board is confident that this transaction is value accretive and will uniquely and strategically position Sibanye as an influential and globally-competitive precious metals producer. The proposed transaction is consistent with Sibanye’s strategy of pursuing value-accretive growth which will sustain its status as an industry-leading dividend-paying company and offers the additional strategic benefits of commodity and geographical diversification as well as a potential market rerating over time.

Sibanye remains committed to growth in South Africa and other geographies, and is well positioned to pursue further value-accretive opportunities in the near and medium term. The Board and management of Sibanye will also be mindful of the prevailing risks however, when considering further significant long-term capital investment in the local and international mining industry.

Our primary focus in the coming year will be on bedding down our platinum acquisitions, making progress on reducing our financial leverage in line with our long-term targets and on fulfilling our vision to establish the Sibanye as a premier, globally competitive precious metals mining company and in so doing to improve the lives of all. For this, our executive management team, led by Neal Froneman, are to be commended. Appreciation is also due to the entire Sibanye workforce, whose commitment to the company has been critical to what we have achieved in the past year. My thanks also go to my fellow directors on the Board, for their invaluable guidance and whole hearted support.

Sello Moloko
Chairman
30 March 2017
**SAFETY**

Sibanye’s commitment to its vision of “creating superior value for all stakeholders” defines and guides all aspects of the business. Employees are key stakeholders, and the health, wellbeing and safety of Sibanye’s employees is of primary importance. Workplace accidents are not an inescapable factor of mining. They are preventable and can even be eliminated through coordinated action by everyone involved within Sibanye, across all occupations.

Our gold operations showed an improved safety trend in terms of the fatal injury frequency rate (FIFR) since 2012. Our performance compared favourably with that of the US mining industry’s safety benchmark.

Regrettably there was a regression in the Gold Division’s safety performance during the first six months of the year, when there were eight fatalities compared with four during the comparative period in 2015. Sibanye management implemented urgent action to address this regression in safety, appointing Peter Turner, who has exemplary qualifications and significant mining experience in the role of Senior Vice President: Safety, Health and Environment. Sibanye’s executive management, together with senior safety specialists, completely reviewed the Group’s safety principles and, following the review, rolled out an extensive safety awareness campaign, elevating safety as a core value in the Group “CARES” values.

It was therefore pleasing to note the significant improvement in safety from August 2016, in particular at the Gold Division, which recorded eight fatalities compared with four during the comparative period in 2015. Sibanye management implemented urgent action to address this regression in safety, appointing Peter Turner, who has exemplary qualifications and significant mining experience in the role of Senior Vice President: Safety, Health and Environment. Sibanye’s executive management, together with senior safety specialists, completely reviewed the Group’s safety principles and, following the review, rolled out an extensive safety awareness campaign, elevating safety as a core value in the Group “CARES” values.

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Sibanye by 27% to 3.72 per million hours worked; and the LTIFR by 19% to 6.25 per million hours worked. The Platinum Division ended the year as follows: FIFR 0.09, SIFR 2.88 and LTIFR 4.84.

Nonetheless, any loss of life is extremely distressing and my deepest condolences and those of Sibanye’s management team go to the families, friends and colleagues of employees who passed away in 2016. Sibanye will continue to strive to achieve our goal of Zero Harm in the workplace and we have a structured, workable plan to achieve this. Further detail on the safety performance and strategy is provided in “—Performance overview—Health and safety focus—Safety”.

OPERATING AND FINANCIAL SUMMARY

The Group operating result and financial performance was on the whole solid, with the Gold Division benefiting from the relatively high rand gold price for most of the year, and the newly incorporated Platinum Division performing well, resulting in record Group operating profit of R10.5 billion (US$717 million), 66% higher than for the year ended 31 December 2015. Operating profit from the Gold Division of R10.2 billion (US$692 million), was 60% higher than for the previous year, with the Platinum Division contributing R376 million (US$26 million), reflecting a positive contribution from the Rustenburg Operations from 1 November 2016 and continued good performances at the Kroondal and Mimosa Operations.

Normalised earnings of R3.7 billion (US$249 million) were also significantly higher than in 2015 (R1.2 billion (US$96 million)), allowing the Board to declare a total dividend of 145 cents per share (R1.4 billion) for the year ended 31 December 2016, representing a dividend yield of 5%. Sibanye has declared a dividend with a yield of more than 5% every year since listing, which is more than double the average of our gold peers globally.

Production from Sibanye’s Gold Division was 47,034/kg (1,512,200oz), marginally lower than in 2015. This was primarily due to safety stoppages in the first half of the year, which disrupted production and the cessation of underground mining operations at Cooke 4 mine in the second half of the year.

A stronger US dollar gold price, together with a weaker rand/dollar exchange rate, resulted in a 23% year-on-year increase in the average rand gold price from R475,508/kg (US$1,160/oz) to R586,319/kg (US$1,242/oz). Revenue from the Gold Division increased by 36% year-on-year, to R27.5 billion (US$4.9 billion) from R22.7 billion (US$4.8 billion).

Costs were well managed, with unit costs only increasing 4% to R862/t (US$59/t), and all-in sustaining costs increasing 6.6% to R450,152/kg (US$954/oz). Sibanye is by some margin the lowest cost producer among the majors in South Africa on both cost measures, reflecting the relative efficiency of its mining.

Integration of the Platinum Division proceeded according to plan, with the Aquarius operations, Kroondal and Mimosa, continuing to consistently outperform and the Rustenburg Operations delivering as expected for the first two months under Sibanye’s management. The Platinum Division reported attributable production of 420,763oz (4E) at an average operating cost of R10,296/4Eoz (US$701/4Eoz), resulting in a 10% operating margin, despite the average PGM basket price remaining subdued at R12,239/4Eoz (US$832/4Eoz).

Following the successful integration of the Aquarius Operations, the integration of the Rustenburg Operations is now underway and proceeding according to schedule. We have previously highlighted that we expect to realise operational synergies of approximately R800 million per annum from the combined Aquarius and Rustenburg operations over the next three years. The first steps in realising these synergies have begun, with approximately R400 million in synergies expected to be realised by year-end. In this regard, a restructuring of the Platinum Division was announced on 26 January 2017.

INTERNAL GROWTH PROJECTS

Expenditure on organic growth projects for the year ended 31 December 2016 was R762 million (US$52 million), 70% of which was spent at the Burnstone project. As a result of the recent strength in the rand and its impact on operating margins for the gold industry, organic project capital expenditure at the non-essential projects has been reviewed. This includes reducing planned expenditure at the Burnstone project by R300 million and only committing enough capital to the UG2 project at the Rustenburg Operations to sustain current planned production levels. A decision on the West Rand Tailings Retreatment Project (WRTRP) has also been deferred while alternative financing options are evaluated. Committing to further investment in long lead time capital intensive projects in South Africa is complicated by continued delays to, and uncertainty around, policy and regulations in South Africa. Despite continued attempts by the mining industry to cooperate with the authorities and contribute to legislation and regulations which will benefit all stakeholders, while ensuring the sustainability of the industry, finding common ground has been difficult and the future remains uncertain.

A VISION FOR THE FUTURE

As an industry we have called for a re-evaluation of the mining industry and what, if any, changes are needed to ensure its sustainability and profitability so that benefits are realised by all stakeholders. The Mining Phakisa (refer to the glossary, available online at http://reports.sibanyegold.co.za, for an explanation of the Mining Phakisa) called by the President of South Africa at the end of 2015 was, we believed, an honest attempt to bring all stakeholders together to define what was required to ensure the sustainability of the industry and the flow of benefits to stakeholders. While the Mining Phakisa has resulted in some very positive initiatives, commitment from stakeholders has been wanting. The lack of co-operation among different stakeholders continues to hamper efforts to progress many of the initiatives arising from the Phakisa.

Sibanye’s future, and that of the entire South African mining industry, depends on all stakeholders working together to develop a new frame of mind based on mutual trust. This, I firmly believe, will need to be based on the mining industry itself recognising its past – the good and the bad legacies of its many decades of operation. It calls for honest introspection.

Our future success depends on mutually respectful relationships with our employees, our unions, our host communities, educational and research institutions, government and the state’s regulatory authorities and requires a foundation of trust to be developed between the industry and its stakeholders.

This was the underlying precept of the Zambezi Protocol, which was the fruit of a meeting in April 2016 on the banks of the Zambezi River,
convened by the Brenthurst Foundation and chaired by former Nigerian president Olusegun Obasanjo and devised to give direction to sustainable mining across the African continent. A suggested “roadmap” of how this could be achieved was developed, with the roles of each stakeholder defined to some extent.

- The first step is that we in the industry acknowledge our past, which is necessary to build a relationship of trust between the industry and other stakeholders and is a mandatory precondition for the next two steps.
- The second step is that we need to agree a vision for the mining industry.
- The third and final step in our roadmap, once we have an agreed vision for the industry, is the development of a social and economic compact that creates superior value for all stakeholders.

By means of example, some of the commitments required from key stakeholders would be:

**Business:** will be required to commit to open and transparent disclosure of information as the basis for meaningful engagement with all stakeholders. It will need to adhere to exemplary standards of environmental and social performance and governance, including, as priorities, aspiring to zero harm in respect of safety and health. The development of local economies and communities will be imperative, with the establishment of a sustainable local economy post mining critical. More importantly business will have to ensure that value flows equitably to all stakeholders according to an agreed and specific framework, including employee benefits, profit sharing, taxes, social expenditure and dividends to shareholders. We know that sustainable viable businesses attract investment, grow, create significant economic benefits and employ large numbers of people. They are also key drivers of transformation.

**Unions:** should focus on promoting their members’ interests first and not a narrower political agenda. They should engage pro-actively around the sustainability of the industry and avoid actions which unnecessarily threaten the viability of employment.

**Employees:** will be required to apply themselves responsibly to safely deliver required operational performance, recognising the role that a strong and sustainable business plays in achieving their personal life ambitions. Employees should also align themselves to the fortunes of the business by securing an increasing portion of their remuneration through profit sharing arrangements, so that they benefit alongside shareholders and management from positive upturns in the economic cycles, but also contribute to the industry’s survival through economic downturns.

**Community organisations:** should ideally represent the needs of their constituencies and understand and appreciate the implications of up- and down-cycles in the minerals economy, and the impact on the affordability of social programmes, as well as the shared responsibility of Government and business in delivering these.

**Government:** should provide clear policy and a regulatory guidelines that provide the level of certainty that is required for confident investment in mining projects. Increased incentives for investment in mining growth projects and a fair taxation regime will promote investment, both from industry as well as from local and foreign investors. Fair and efficient administrative processes will be in place, and adhered to, as enshrined in legislation without impeding business operations.

Our vision for the future is for a “modernised” industry run in a sustainable manner for the benefit of all stakeholders. This was well defined at the Joburg Mining Indaba in 2015 as follows:

“A modern mining industry will optimally extract and beneficiate the country’s natural resources, causing no harm to people or the planet. It benefits both the local community as well as the national economy. It procures locally, it is a preferred employer of well skilled people and creates appropriate risk adjusted returns for investors. Regulations, taxation and incentives are consistent, transparent and recognise mining as a long-term driver of economic growth.”

From Sibanye’s perspective, the concept of modernisation resonated with what we had already embraced, through our corporate vision, established in 2013, of creating superior value for all stakeholders. We continue to pursue this vision with passion, knowing that it is an imperative for the success and sustainability of our business.

**RECOGNITION AND APPRECIATION**

In conclusion, I extend my gratitude to all my colleagues throughout the company for their commitment and co-operation in making Sibanye the premier, precious metals producer globally, and to the members of the Board for their support and guidance over the past year.

Neal Froneman
Chief executive officer
30 March 2017
CHIEF FINANCIAL OFFICER'S REPORT

Our net asset value per share has increased by 40% since Sibanye’s listing in 2013.

The 2016 financial year was positively impacted by a 15% weakening in the rand/US dollar exchange rate, which declined from an average of R12.75/US$ in 2015 to R14.88/US$. The weaker rand/US dollar exchange rate and a 7% increase in the average US dollar gold price resulted in record operating profit and net operating profit in excess of R10.5 billion and R6.5 billion respectively. All-in sustaining costs for the Gold Division of R450,152/kg (US$954/oz) in 2016 increased by 7% compared to R422,472/kg (US$1,031/oz) in 2015. In comparison, the all-in sustaining cost in rands per kilogram of our major peers in South Africa increased by 25%, 13% and 8%.

Increased revenue and cost control resulted in headline earnings for 2016 of R2.5 billion which represents a 269% increase year on year. The group declared a dividend of 145 cents per share for the year, the highest since listing in February 2013. This equated to a 36% dividend payout ratio for 2016, which is consistent with our strategy of being a leading dividend payer.

A notable feature of 2016 for Sibanye was the two major platinum acquisitions – Aquarius and the Rustenburg Operations from Anglo American Platinum. These acquisitions resulted in our net debt (excluding Burnstone) increasing from R1.4 billion in 2015 to R6.3 billion in 2016. The gearing ratio of net debt:earnings before interest, tax, depreciation and amortisation (EBITDA) ended the year at 0.60:1 (2015: 0.21:1) which was well below our internal benchmark of 1:1, demonstrating Sibanye’s conservative balance sheet management.

Capital expenditure for 2016 at R4.2 billion increased from R3.3 billion in 2015, mainly due to expenditure growth at Burnstone and at the Kloof and Driefontein decline projects as well as the inclusion of the Aquarius assets and Rustenburg Operations for nine months and two months respectively.

The financial outlook for 2017 will primarily centre around leveraging the acquisition synergies at both the Aquarius assets and the Rustenburg Operations, which together comprise the Platinum Division, while containing unit costs at the existing operations at or below inflation.

Our proposed transaction, announced on 9 December 2016, to acquire Stillwater Mining Company (Stillwater) for US$2.2 billion in cash will be funded by bridge finance to be led by Citi and HSBC and which has been syndicated by a total of 16 banks. The syndication process was oversubscribed by more than US$1 billion, indicating the appetite for the finance of the transaction as well as providing another level of due diligence for the transaction’s rationale.

Shareholders will vote at a general meeting on 25 April 2017 to approve the transaction (majority of votes cast required) and on the increase and issue of additional share capital to enable the maximum rights offer of US$1.3 billion to be effected (75% of votes cast required). The rights offer will be initiated shortly after the shareholders’ vote, while the remainder of the finance required will be funded through a potential capital market debt issuance.

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”.

Charl Keyter
Chief financial officer
30 March 2017
MATERIAL RISKS AND OPPORTUNITIES

Sibanye considers a risk and/or an opportunity (together referred to in this report as an ‘issue’ or ‘issues’) to be material if it substantially affects the group’s ability to create and sustain value in the short, medium and long term.

In determining whether an issue is material, information is gathered from our external business environment, from interaction with stakeholders (both internally and externally) and from our internal enterprise risk management processes.

HOW WE DETERMINE MATERIAL ISSUES

When determining material issues, management considers information from the external business environment, interaction with stakeholders (both internally and externally) and from internal ERM processes. These three sources provide management with the most important issues assessed, which may impact the group in meeting strategic objectives, business objectives and creating value over time. Management evaluates the potential impact and likelihood should the issue materialise from multiple perspectives, including strategic, financial and operational viewpoints. This results in the most material issues being prioritised with appropriate response plans.

DETERMINING OUR MATERIAL ISSUES:
The detail related to each risk, its context, potential consequences and what action Sibanye has taken in mitigation, is given on the following pages. This is followed by analysis of the external business environment, the enterprise risk management process and stakeholder engagement to provide more context on how Sibanye’s material issues are determined.
## TOP 10 MATERIAL ISSUES

<table>
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<tr>
<th>Risk</th>
<th>Context and related opportunity</th>
<th>Potential consequences</th>
<th>Response/mitigation</th>
<th>For further information</th>
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</table>
| 1. Delivery of operational plans          | Achieving operational plans and targets is essential to Sibanye’s sustained profitability and ability to create value. | • Failure to achieve production and operating targets affects profitability and value creation for stakeholders  
• Strict management of costs is essential to maintaining positive operating margins and profitability | • Regular monitoring of all internal and external variables that may have an adverse impact in Sibanye’s ability to meet operational plans and targets, ultimately creating value. These variables include, among others, productivity targets, face length availability and mining flexibility, commodity grade mined and unit costs – also refer to risk 6  
• Strategic and operational business plans are adjusted and aligned to changes in variables | —View from the top—Chief Executive’s review  
—View from the top—Chief Financial Officer’s review  
—Performance review—Creating value from our operations, projects and technology                                                                                                                                 |
| 2. Health and safety compliance          | Underground mining exposes miners to, among others, heat, dust, noise and injury from fall of ground. Stringent health and safety laws and regulations are in place. Safety accidents, and related investigations and stoppages adversely affect production and costs, while the industry is still experiencing the negative effects of the HIV/AIDS pandemic. | • Non-compliance with applicable health and safety laws and regulations results in safety-related work stoppages, fines and penalties, impacting profitability  
• Loss of investor confidence as investors do not want to invest in companies that cannot manage their health and safety matters effectively  
• Employee morale and confidence in management affected, which in turn affects productivity | • Integrated safety and health plans and systems in place  
• Safety is included in the values underpinning Sibanye’s business  
• Dedicated CEO’s safety sub-committee established  
• Line management accountability increased with renewed commitment to improve safety performance and ensure rigorous compliance with laws, regulations, standards and procedures  
• Ongoing monitoring and root cause analysis of safety incidents conducted to ensure that root causes are addressed  
• Application of engineering and technology to make the workplace safer | —View from the top—Chief Executive’s review  
—Performance review—Health and safety focus  
—Performance review—Creating value from our operations, projects and technology |
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<tr>
<th>Risk</th>
<th>Context and related opportunity</th>
<th>Potential consequences</th>
<th>Response/mitigation</th>
<th>For further information:</th>
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| 3. Optimisation of business case efficiencies for acquisitions       | The platinum assets acquired in 2016 will enable Sibanye to leverage its core competencies in deep-level hard rock mining, diversify its business activities and reduce its dependence on a single commodity. | There will be financial and reputational implications should the company be unable to optimise operating efficiencies at the acquired operations.                                                                  | • Integration plan implemented to effectively and efficiently integrate the recently acquired platinum operations. Progress being closely monitored to ensure achievement of synergies, operational and strategic targets. | • View from the top—Chief Executive’s review  
• View from the top—Chief Financial Officer’s review  
—Performance review—Creating value from our operations, projects and technology                                                                                      |
| 4. Combating and addressing product theft and illegal mining         | Illegal mining impacts Sibanye on the surface and in its underground working areas. These activities are difficult to control, are disruptive and expose the business to liability. This negatively impacts employees, production and profitability. Theft includes gold-bearing material, explosives, copper from the plants and shafts. | • Theft and illegal mining are disruptive on surface and underground, exposing the company to financial loss, and negatively impacting employees, production, costs, margins and profitability  
• Illegal mining underground also affects safety, infrastructure and operating schedules | • Enhanced security systems implemented involving increased security guard complements, stricter access controls and the use of biometrics  
• Severe disciplinary action is taken against employees found to be involved  
• A dedicated task team appointed to implement a plan to address the illegal mining at Sibanye’s operations                                                                 |                                                                                                                                                                                                                      |
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<th>Risk</th>
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<tr>
<td>5. Regulatory compliance with commitments in line with the Mineral and Petroleum Resources Development Act, the Mining Charter and related social and labour plans</td>
<td>The South African mining sector is governed by legislation to redress the social and economic imbalances of the past. Mineral rights are subject to legislation. The MPRDA and Mining Charter, create a framework for the transformation of the mining industry but increase the risk of non-compliance and handicap Sibanye’s ability to deliver value.</td>
<td>• Failure to deliver on the requirements, targets and related commitments could result in the suspension or withdrawal of Sibanye’s mining licences and prospecting rights • Ability to deliver on Sibanye’s strategic objectives can be impeded by unexpected and ill-considered legislative and regulatory changes • The new Mining Charter’s release date is unknown and compliance with new/amended provisions may be a challenge</td>
<td>• Maintaining sound relations with the regulator, the DMR, is important particularly regarding licensing conditions. Engagement relates to directives and instructions issued, suspensions and cancellation of mining rights • Awaiting outcome of declaratory order regarding ownership clause in the Mining Charter • Complying with the Mining Charter (2014) as it currently stands • Close monitoring, auditing of compliance and reporting on progress made in achieving targets agreed in the social and labour plans relating to transformation, mine community development among others</td>
<td>—View from the top—Chief Executive’s review —Performance review—Superior value for our workforce —Performance review—Health and safety focus —Performance review—Social upliftment and community development —Performance review—Minimising our environmental impact Annual Financial Report—Accountability—Corporate governance report</td>
</tr>
<tr>
<td>6. Operating cost management</td>
<td>Increasing costs – of power and labour in particular – affect operating margins, inhibit cash flow, profitability and consequently Sibanye’s ability to pay dividends.</td>
<td>Excessive increases in costs could have dire consequences for delivery on operational plans, operating margins and the profitability of individual shafts, resulting in closure, loss of jobs (retrenchments) and a reduction in reserves.</td>
<td>• Strategic and operational planning processes implemented • Strict management, monitoring and control of costs • Planning based on conservative assumptions • Frequent, regular review of costs, strategic and operational plans • Focused engagement with suppliers regarding costs and strategic procurement initiatives</td>
<td>—View from the top—Chief Executive’s review —View from the top—Chief Financial Officer’s review —Performance review—Creating value from our operations, projects and technology</td>
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<tr>
<td>Risk</td>
<td>Context and related opportunity</td>
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<td>7. Macro-economic trend management (commodity demand, price volatility, rand-dollar exchange rate and credit rating)</td>
<td>• Revenue earned is largely determined by commodity prices set in US dollars and the rand-dollar exchange rate. These prices are subject to global market fluctuations. Changes in these parameters can pose either a risk or an opportunity • The newly acquired platinum operations give commodity prices exposure to both gold and platinum</td>
<td>Operational and business planning could be based on unrealistic commodity prices and exchange rates leading to losses.</td>
<td>• To counter the effects of market volatility, Sibanye’s business and operating model focuses on: • Optimising capital expenditure • Reducing costs and pay limits • Optimising LoM plans • Closely monitoring commodity prices, exchange rates, the global economy and related events and trends likely to have an impact • Reviewing business and operational plans in line with global economic trends at monthly operational meetings</td>
<td>—View from the top—Chief Executive’s review —View from the top—Chief Financial Officer’s review</td>
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<tr>
<td>8. Political stability</td>
<td>As a company domiciled in South Africa, political uncertainty and volatility could have a negative impact on Sibanye’s investment and credit ratings.</td>
<td>• Increased legislative burden and related uncertainty can impact delivery on operational targets, profitability and capacity to meet socio-economic commitments • Accompanying demands for resource nationalisation and related politicisation have implications for the country’s ratings</td>
<td>• Comprehensive detailed compliance systems are in place to monitor regulatory and legislative changes • Related training and reviews undertaken to ensure compliance • Strategic planning processes in place • Regular engagement with the regulators and national authorities • Improved stakeholder relations through effective communication and engagement</td>
<td>—View from the top—Chief Executive’s review —The macro-economic environment</td>
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<tr>
<td>9. Labour relations environment</td>
<td>• Labour unrest can result in work stoppages, impact operational efficiency, company performance and negatively affect financial performance • Despite having experienced less labour unrest in 2016 than in 2015, it remains a material risk • Integration of the platinum workforce presents a new dynamic in this relationship • Good relations with employees and their unions help to minimise the risk of labour disputes and unrest, inter-union rivalry and work stoppages</td>
<td>Union rivalry and unrealistic wage demands lead to labour unrests and industrial action that affect Sibanye’s productivity, operational efficiencies and performance.</td>
<td>• Consistent, regular, honest engagement with employees and unions • Three-year wage agreement in place at gold operations, in effect until 2018 • Two-year wage agreement secured at Rustenburg operations • Kroondal’s wage agreement expires in 2017 • Continuous monitoring of industrial relations at Sibanye and within the broader mining sector to identify reasons for any discontent and potential labour unrest</td>
<td>—View from the top—Chief Executive’s review —Performance review—Creating value from our operations, projects and technology —Performance review—Superior value for our workforce</td>
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SOUTH AFRICA'S MACRO-ECONOMIC ENVIRONMENT

South African economic growth has contracted sharply over the past couple of years due to the underperformance of the primary and secondary sectors, the effect of the severe and prolonged drought on agricultural output, stagnation of manufacturing output, resulting in consolidation and rationalisation in the mining sector. GDP growth for 2016 was 0.4%, improving to 1.0% in 2017 and 1.5% in 2018.
STAKEHOLDER ENGAGEMENT AND RISK MITIGATION

Stakeholder engagement is a two-way process. While engagement is essential in identifying potential material issues, it is also a critical mitigation tool. Effective stakeholder engagement can mitigate many such issues facing the company by reducing their impact and likelihood. The optimising of opportunities depends on our maintaining good and credible relations with stakeholders. Constructive, meaningful relationships with stakeholders are critical to retaining our social licence to operate. Among others:

- Successful integration of our acquisitions depends on good relationships with employees, unions and the local community, among others (see issue 3)
- To minimise safety-related work stoppages in terms of section 54, we need to have positive relationships with the Department of Mineral Resources and health and safety inspectors (see issue 2)
- Good relations with employees and unions will enable us to better manage and limit any industrial action (see risk 9)
- Close collaboration with local municipalities and other community structures is an important aspect of socio-economic development project planning and implementation

Prioritising proactive, tailored and consistent engagement with concerned, key stakeholders helps to pre-empt any negative consequences. A comprehensive communications strategy is in place to oversee stakeholder engagement and manage expectations. As a responsible corporate citizen, Sibanye 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.

STAKEHOLDERS AND RELATED CONCERNS

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<th>Sibanye’s response and form of engagement</th>
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<td>Investors and market analysts</td>
<td>Stakeholder concerns:</td>
<td>• Regular, structured engagement, including six-monthly operational and financial updates at which investors can engage directly with management (webcast and conference calls). A biennial investor day was held during 2016</td>
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<tr>
<td></td>
<td>• Achievement of operational, financial and strategic targets, costs and</td>
<td>• Attendance at investor conferences and one-on-one meetings as and when necessary</td>
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<td></td>
<td>operational performance</td>
<td>• Also communicate by email and telephonically</td>
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<td></td>
<td>• Consistent and transparent growth strategy</td>
<td>• Regular site visits conducted</td>
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<td></td>
<td>• Acquisitions – progress made on their integration and optimisation of</td>
<td>• All investor-related engagement complies with the regulations of our exchange listings</td>
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<td></td>
<td>processes</td>
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<td></td>
<td>• Safety performance</td>
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<td>• Labour unrest and productivity</td>
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<td>• Mining licences – regulatory compliance and delivery on commitments</td>
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<td>• Infrastructure maintenance and related capital expenditure</td>
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<td>• Stillwater acquisition</td>
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<td>• Political and country risk and impact on Sibanye’s ability to conduct</td>
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<td>its business profitably and sustainably</td>
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<td>• Impact of global macro-economic trends</td>
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<td>• Impact of theft and illegal mining</td>
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<td>Sibanye’s concerns:</td>
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<td></td>
<td>• Achieving operational and growth targets</td>
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<td></td>
<td>• Maintaining premium rating and ability to create value and pay dividends</td>
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<tr>
<td>Suppliers and contractors</td>
<td>Stakeholder concerns:</td>
<td>Categorised into three groups:</td>
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<tr>
<td></td>
<td>• Long-term sustainability of Sibanye’s business which is a function of:</td>
<td>• Strategic, with whom engagement is high-level and interactive</td>
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<td></td>
<td>- Achieving operational, financial and strategic targets</td>
<td>• Tactical, where engagement is conducted at an operational level and managed by supply chain in line with our procurement policy</td>
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<td></td>
<td>- Operational and cost performance as they relate to the</td>
<td>• Local, includes SMMEs, and involves close, active engagement aimed at developing and supporting these suppliers to enable them to grow and play an active, sizeable role in our supply chain</td>
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<td>sustainability of the business</td>
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<td>Sibanye’s concerns:</td>
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<td></td>
<td>• Productivity, contractors specifically,</td>
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<td></td>
<td>• Containing increases in costs</td>
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<td>• Mining licence commitments in terms of preferential procurement and Mining</td>
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<td>Charter targets, especially as related to the development and growth of</td>
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<td>SMMEs and skills enhancement</td>
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Sibanye Integrated Annual Report 2016
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<th>Stakeholders</th>
<th>Related issues</th>
<th>Sibanye’s response and form of engagement</th>
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</table>
| Chamber of Mines and peers | Sibanye’s concerns:  
• Impending release of new Mining Charter, and in particular the ownership and other legislation that is pending such as the proposed carbon tax  
• Safety and health  
• Industry-wide labour relations  
• Community engagement  
• Wage negotiations  
• Illegal mining and theft, as an industry-wide issue | • A member of the Chamber of Mines, which expedites peer engagement, lobbies national government on behalf of industry and protects its collective interests  
• Co-operation with peers on non-competitive issues of common interest in the broader mining sector and with fellow gold and platinum mining companies in particular  
• On behalf of the industry, including Sibanye, the Chamber petitioned the High Court for a declaratory order on the empowerment clause in the Mining Charter  
• Sibanye participates in the mining aspect of government’s Mining Phakisa project |
| Employees and organised labour | Stakeholder concerns:  
• Increased wages and benefits  
• Sustainable employment and job security  
• Accommodation and living conditions  
• Skills development  
• Indebtedness | Engagement varies, based on the nature of the issue and level of employee and is generally constructive, values-based and collaborative  
• Great effort is made to ensure direct lines of communication  
• Allied to this is formal engagement with organised labour.  
• Care for Imali  
• Housing programme  
• Safety and Health policy and related framework |
| Communities and consultative forums | Stakeholder concerns:  
• Community expectations, especially those in the vicinity of our Rustenburg operations  
• Employment opportunities  
• Local procurement and enterprise development  
• Local economic development  
• Legacy health issues (silicosis)  
• Environmental impacts of mining | • Particular focus on engagement with the Rustenburg communities  
• Communities are a key partner in delivery on SLP commitments relating to mine community development and supply chain opportunities  
• Projects planned in consultation with local municipalities who are apprised of progress and updates  
• Identifying, discussing and resolving issues affecting communities  
• Establishing forums to engage with elected community representatives to address issues raised by the community |
<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Related issues</th>
<th>Sibanye’s response and form of engagement</th>
</tr>
</thead>
</table>
| Regulators, national, provincial and local government                     | Involves all levels of government and various government departments at a regional level - environmental affairs, water and sanitation, labour, health and education, among others. At national level, engagement is as-and-when-necessary. Stakeholder/Sibanye concerns:  
  • Employee safety and health  
  • Costs and operational performance – health of company  
  • Integration of acquisitions  
  • Labour relations, wage negotiations and productivity  
  • Regulatory compliance, specifically with SLP commitments and Mining Charter requirements targets, including among others, procurement, transformation, mine community development, housing and living conditions  
  • Legacy health issues  
  • Environmental compliance                                                                                                       | Maintaining regular, transparent engagement at all levels of interaction with the authorities and regulators                                                                                                                                                                                                                     |

**ENTERPRISE RISK MANAGEMENT**

Risk management is a continuous, proactive and dynamic process designed to identify, understand, manage and communicate risks that may have a negative impact on Sibanye’s ability to achieve its business objectives.

Sibanye’s risk-management policies, practices and systems are reviewed annually by the Board’s Risk Committee and approved by the Board. The risk management process is embodied in Sibanye’s enterprise risk management (ERM) framework, which is aligned with the King III code of corporate governance and International Organization for Standardization (ISO) 31000 standards, and are embedded within the operations of the company.

**BOARD RESPONSIBILITY**

The Board is satisfied that governance, risk management, compliance, internal control and compliance with the Sarbanes-Oxley Act (SOX) of 2002 as well as internal audit processes operated effectively for the period under review. Business activities were managed within approved risk-tolerance and risk-appetite levels. Primary controls have been implemented and continuous review undertaken to refine and improve them.

**RISK MANAGEMENT**

The risk management process is a systematic application of management policies, procedures and practices in communicating, consulting and establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk. The risk policy, plan and charter set out the requirements for effective oversight of risks, including the identification, assessment, evaluation, treatment and reporting of risks. Sibanye’s ERM process combines operational and strategic risk processes.
CREATING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

Mining is our core business activity. The performance of our operations is key to our vision to create superior value for all stakeholders. Our future lies in our reserves and resources while our investment in technology aims to deliver a profitable long-term future by allowing the safe extraction of previously inaccessible resources.

OPERATIONS

APPROACH

Efficient management of its operations has enabled Sibanye to pay industry-leading dividends to shareholders and deliver significant value to other stakeholders since it listed in 2013 (details on value add to other stakeholders is available in “—Performance overview—Social upliftment and community development—Highlights of 2016”). The integration of the platinum operations acquired in 2016 will enable sustainable delivery of further value and allow the Group to capitalise on further value-accretive opportunities in the mining sector.

Sibanye’s operating model is based on implementing fundamental mining practices and flat, cost-efficient structures designed to optimise and sustain operational performance. The Group has a proven operational track record of managing complex mines and is confident that, by applying its operating model and mining capability to new acquisitions and projects, it can continue to realise value for stakeholders.

PERFORMANCE

Sibanye has successfully restructured and optimised its gold operations since 2013, significantly extending their economic lives. Initial restructuring resulted in a meaningful increase in production and decrease in operating costs. Further cost reductions at these assets are likely to be more incremental.

Capital investment in the sustainability of our operations continues. The decline projects at Driefontein and Kloof will extend the life of these mines and sustain production in the longer term.

The integration of the platinum operations (Kroondal, Mimosa, Platinum Mile as well as the Rustenburg assets) is a primary focus. Our operating model is based primarily on initially reducing then managing those costs that are under our control, thereby lowering pay limits (or the break-even grade at which the operations can be profitably mined). This contributes to greater operational flexibility and improved cash margins. Key elements of the optimisation process include continuous re-engineering of the business, and the introduction and adherence to planned return cut-off, ore reserve-management principles.

The daily efforts of our workforce and other stakeholders are key to our success. Our focus on employee safety and health is set out in “—Performance overview—Health and safety focus” while our approach to employee engagement can be found in “—View from the top—Material risks and opportunities—Stakeholder engagement and risk mitigation—Stakeholder and related concerns—Employees and organised labour”.

GOLD DIVISION

Overall, operational performance in 2016 was solid. Gold production in 2016 remained stable year-on-year despite numerous safety stoppages in the first half of the year and the closure of the unprofitable Cooke 4 shaft after August 2016, which resulted in a 599kg reduction in gold produced by the Cooke operations year on year.

Kloof produced 1,142kg more gold than in 2015 by improving throughput and yield following a renewed focus on mining quality factors, which resulted in a 16% higher mine call factor. At Driefontein, production was 7% lower year-on-year due to safety stoppages, infrastructure issues and power outages. Beatrix production was lower due to the lower volumes from the higher-grade Beatrix 4 shaft being processed.

Annual gold production variance (kg)
Given the safety incidents, stoppages and engineering challenges that impacted performance at the gold operations during the year, Sibanye did not achieve its original targets for costs and gold production.

In the Gold Division, costs were well contained during the year with the division being the lowest cost gold producer in South Africa, with an average operating cost of R862/t and an average all-in sustaining cost of R450,152/kg (US$954/oz).

In the Gold Division, two thirds – R2,394 million (2015: R2,305 million) – of total capital expenditure by the division of R3,824 million (2015: R3,345 million) was spent on ore reserve development to maintain operational flexibility, in line with our operating model, while R694 million (2015: R669 million) was expended on sustaining operations and infrastructural maintenance (one of our material issues). Following a review of capital requirements, planned capital expenditure for Burnstone was reduced by around R300 million for 2017.

ESTABLISHING THE PLATINUM DIVISION

Since taking ownership, the platinum operations bought from Aquarius (Kroondal, Mimosa and Platinum Mile) continued to perform optimally as did the Rustenburg operations, for the two months of ownership in 2016. The Platinum Division posted an operating profit of R74 million for the two months.

The integration of the platinum assets has thus far been encouraging, with the Aquarius assets continuing to operate according to expectation since their acquisition. The Rustenburg Operations, acquired effective 1 November 2016, recorded a pleasing operational turnaround in the last quarter of the year after a difficult first nine months, prior to their acquisition.

Overall, the Platinum Division delivered attributable production of 420,763oz (4E) at an average operating cost of R10,260/4Eoz (US$701/4Eoz), or an average operating margin of 10%, for the nine months from April to December 2016. The division generated operating profit of R376 million (US$26 million) in 2016. Mimosa, which is equity-accounted, generated an operating profit of R254 million.

The Group has previously indicated that it expects to realise operational synergies of approximately R800 million annually from the combined Aquarius and Rustenburg operations over a three-year period. The first steps in achieving these synergies have begun with approximately R400 million in synergies expected to be achieved by 2017 year-end.

A Section 189 process at the Platinum Division was announced on 26 January 2017.

Steps taken at the Rustenburg Operation to achieve near-term profitability include:

- Aligning development to maintain current production levels
- Implementing operational and cost efficiency improvements
- Implementing previously identified synergies with shared services and breaking down mine boundaries

In the Platinum Division, R327 million of sustaining capital was spent. The division’s growth capital is being reviewed as we assess its requirements. Expenditure at the Rustenburg Operations has been reduced in line with planned production levels, with total planned capital expenditure for the division of R90 million estimated for 2017.

Attributable PGM production profile – 4E ounces

---

1. Excludes R254 million (US$17 million) equity-accounted operating profit from Mimosa
2. Estimated Rustenburg Platinum-4E production based on Anglo American Platinum’s public disclosure of refined Pt production at Rustenburg Operations
### Key statistics by operation

**Figures in million - SA rand**

<table>
<thead>
<tr>
<th>Group</th>
<th>Gold Division</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate and reconciling items</th>
<th>Platinum Division</th>
<th>Kroondal</th>
<th>Platinum Mine</th>
<th>Mimosa</th>
<th>Rustenburg Operations</th>
<th>Corporate and reconciling items</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### OPERATING RESULTS

- **Ore milled (000t)**
  - Total: 20,181
  - Underground: 12,097
  - Surface: 8,084
  - Underground: 2,982,000
  - Surface: 1,009,000

- **Yield (g/t)**
  - Underground: 5.21
  - Surface: 0.41

- **Gold produced (kg)**
  - Underground: 42,078
  - Surface: 4,956

- **Gold sold (kg)**
  - Underground: 41,960
  - Surface: 4,945

- **Revenue (R/kg)**
  - Underground: 287,339
  - Surface: -5,669

- **Total cash cost (R/kg)**
  - Underground: 355,416
  - Surface: -994

- **All-in cost (R/kg)**
  - Underground: 424,872
  - Surface: 16

#### FINANCIAL RESULTS (R million)

- **Revenue**
  - Total: 31,240.7
  - Underground: 28,026.5
  - Surface: 3,214.2

- **Operating costs**
  - Total: (20,709.1)
  - Underground: (18,800.6)
  - Surface: (1,908.5)

- **Operating profit**
  - Total: 10,531.6
  - Underground: 9,225.9
  - Surface: 1,305.7

- **Amortisation and depreciation**
  - Total: (2,394.4)
  - Underground: (832.2)
  - Surface: -425.0

- **Net operating profit**
  - Total: 6,497.7
  - Underground: (227.2)
  - Surface: 995.0

- **Capital expenditure - total**
  - Total: (4,151.2)
  - Underground: (2,394.4)
  - Surface: (746.3)

- **Sustaining capital expenditure**
  - Total: (1,010.5)
  - Underground: (683.5)
  - Surface: (746.3)

- **Ore reserve development**
  - Total: (2,394.4)
  - Underground: (779.0)
  - Surface: (474.3)

---

*The Platinum Division’s results for the year ended 31 December 2016 include the Aquarius assets for nine months following their acquisition in April 2016 and the Rustenburg Operations for two months, November and December 2016.*
Figures in million - SA rand

<table>
<thead>
<tr>
<th>Group</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
</tr>
</thead>
</table>

### OPERATING RESULTS

<table>
<thead>
<tr>
<th></th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore milled (000t)</td>
<td>19,861</td>
</tr>
<tr>
<td>Underground</td>
<td>8,584</td>
</tr>
<tr>
<td>Surface</td>
<td>11,277</td>
</tr>
<tr>
<td>Yield (g/t)</td>
<td>2.41</td>
</tr>
<tr>
<td>Underground</td>
<td>5.02</td>
</tr>
<tr>
<td>Surface</td>
<td>0.41</td>
</tr>
<tr>
<td>Gold produced/sold (kg)</td>
<td>47,775</td>
</tr>
<tr>
<td>Underground</td>
<td>43,109</td>
</tr>
<tr>
<td>Total cash cost (R/kg)</td>
<td>475,508</td>
</tr>
<tr>
<td>All-in cost (R/kg)</td>
<td>430,746</td>
</tr>
<tr>
<td>All-in cost margin (%)</td>
<td>9</td>
</tr>
<tr>
<td>Operating cost (R/t)</td>
<td>825</td>
</tr>
<tr>
<td>Surface</td>
<td>1,741</td>
</tr>
</tbody>
</table>

### FINANCIAL RESULTS (R million)

<table>
<thead>
<tr>
<th></th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>22,717.4</td>
</tr>
<tr>
<td>Underground</td>
<td>20,515.0</td>
</tr>
<tr>
<td>Surface</td>
<td>2,202.4</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(16,380.4)</td>
</tr>
<tr>
<td>Underground operating costs</td>
<td>(14,940.8)</td>
</tr>
<tr>
<td>Surface operating costs</td>
<td>(1,439.6)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>6,337.0</td>
</tr>
<tr>
<td>Underground</td>
<td>5,574.2</td>
</tr>
<tr>
<td>Surface</td>
<td>762.8</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>(3,636.6)</td>
</tr>
</tbody>
</table>

### FUTURE FOCUS

The operational focus in 2017 will be on ensuring that we achieve our production and safety targets. Integration of the Rustenburg assets into the Platinum Division, and implementation of Sibanye’s operating model and our values-based culture will continue.

### PROJECTS

We invest and consider investing in projects which meet or exceed a real internal rate of return of 15%.
As a result of the recent strength in the rand and its impact on operating margins for the gold industry, organic project capital expenditure has been reviewed. This includes a review of the planned 2017 capital profile at the UG2 project at Rustenburg, the Burnstone project and the West Rand Tailings Retreatment Project (WRTRP). Certain projects may be deferred or placed on care and maintenance until commodity prices sustainably improve and/or exchange rate volatility has subsided.

**BURNSTONE**

Burnstone is located in the South Rand Goldfield of the Witwatersrand Basin near the town of Balfour, approximately 75km east of Johannesburg in the Mpumalanga province of South Africa.

Sibanye acquired the Burnstone assets in April 2014, comprising two shaft complexes, namely the surface portal and mechanised vehicle access decline and the vertical shaft (shaft bottom at 495m below surface), as well as a 125,000tpm gold processing plant, the tailings storage facility and surface infrastructure to support a producing operation, albeit with areas still to be constructed.

Burnstone had previously produced approximately 38,000oz of gold before being placed on care and maintenance in mid-2012.

The Burnstone project feasibility study was approved by the Board for project execution in November 2015. The project is planned with a five-year build-up to steady-state production by 2021, then averaging 120,000oz annually for nine years till the end of 2029. Thereafter a 10-year period of decreasing but profitable production supports an initial 26-year life-of-mine plan, yielding 2.05Moz of gold production. This initial LoM plan was limited to approximately 60% of the total Burnstone resource as the mine design and schedule in the feasibility study were limited to mineable reserves within a 3km radius of the shaft infrastructure.

First gold production is planned in the second half of 2018 when there is sufficient on-reef development stockpiled (2.5 years) to start up the metallurgical plant, albeit at a reduced milling capacity. The full production run rate is planned to be achieved in 2021 and the total LoM project capital is estimated at R1,852 million (in 2015 terms).

In 2015, concurrent with completing the feasibility study, R272 million was spent on completing the mine-dewatering and permanent pumping infrastructure, re-aligning the shaft steelwork for rock-hoisting, and completing approximately 2km of development to commence accessing the orebody. The development was completed utilising the existing mechanised development machines which were first refurbished before being put back into production. Three development fleets of equipment were in production by year end.

In 2016, R531 million was spent in the first full year of the feasibility study build-up where the expenditure provided for:

- 4,950m of development. In the fourth quarter, with all development fleets in production, 1,915m of the planned 2,100m was produced and the team’s performance has steadily improved
- mine infrastructure running costs
- planned project capital infrastructure
- procurement of additional mechanised mining fleets and ancillary support vehicles

The budget for 2017 has been revised to R400 million – compared to an initial budget of R672 million – to deliver 6,000m of access development (this is a reduction from the feasibility study’s 8,300m of access development) and to run the mine in support of this revised plan and defer certain project infrastructure.

**KLOOF DECLINE**

The feasibility study for the Kloof below infrastructure decline project was approved by the Board for project execution in November 2015. The life-of-mine plan yields approximately 0.57Moz of gold in addition to that currently planned without the project and extends Kloof’s operating life by 2034.
During 2016, the project programme and capital expenditure were re-assessed and a specialist mining contractor was appointed to deliver an accelerated project programme to first ore production. The Board approved project capital of R904 million which made provision for the mining contractor, an increase from the previously approved R757 million (2015 base inflated to 2017 terms). The improved project programme generates earlier revenue and more than offsets the increased capital and drives improved project financial metrics. 

The reef-wide raises are now scheduled to begin mid-2020 on 46 level (same as the feasibility study) but significantly almost two years earlier on 47 level, commencing March 2021 (end 2022 in the feasibility study).

With project preparation and access development to the project site on 45 level, R55 million was spent in 2015 and R121 million in 2016, including the procurement of mechanised mining equipment and mobilisation of the mining contractor.

For 2017, project expenditure of R177 million is planned for the 900m of project development and associated infrastructure construction.

DRIEFONTEIN DECLINE

The feasibility study (2015) indicated this project has the potential to extend Driefontein’s operating life from 2028 to 2042, producing an additional 2.1Moz of gold in addition to that expected from the current life-of-mine plan, following the first reef intersection and raise development from mid-2020 on 52 Level and the end of 2023 on 54 Level. The feasibility study project capital is estimated at R1,126 million in 2017 terms (R1,061 million in 2015 terms).

The feasibility study for the Driefontein below infrastructure decline project was approved by the Board for project execution in November 2015. R34 million was spent on capital expenditure in 2016 with 370 metres developed.

For 2017, R125 million is approved to complete 700m of development and complete all flat conventional mine development in preparation to handover mining of the larger winder excavations, incline and the shaft-sinking project scope to a specialist mining contractor in 2018.

A similar process has been completed for the Driefontein decline project as for the Kloof project, where specialist mining and construction contractor tenders are being adjudicated. Improvements in the project schedule after accounting for significantly more stringent rock engineering design changes and mining extraction sequences indicate 52 level will be approximately nine months later than the feasibility study with 54 level 10 months ahead of schedule.

The potential to deliver robust financial returns, offsetting an increase in capital for a mining contractor to execute the project scope and develop the project is indicated by the tendered contractor rates and a full motivation for consideration and approval of this change of scope is to be considered in the third quarter of 2017. It is anticipated that contractor mobilisation on approval would commence in October 2017 with development starting in January 2018.

WEST RAND TAILINGS RETREATMENT PROJECT

The WRTRP is a large-scale, long-life surface tailings retreatment opportunity, the economic viability of which was secured through the acquisition of the Cooke assets by Sibanye in 2014. The combined WRTRP reserves amount to 677.3Mt of the historic Driefontein, Kloof and Cooke tailings storage facilities (TSFs), containing estimated gold and uranium mineral reserves of 6.2Moz and 97.2Mlb, respectively.

The definitive feasibility study for this project as well as the front-end engineering design was completed during the fourth quarter of 2016, rendering the WRTRP construction ready.

Key to the successful execution of this project is the permitting and construction of a high-volume capacity network of pipelines connecting reclamation stations, thickeners and processing plants for economical extraction of gold and uranium from the historical TSFs. In addition, the project must permit and construct a single large regional TSF covering 1,350ha in accordance with modern, sustainable deposition practices. Permitting for the WRTRP is well advanced, with the regulators due to award permits during the second quarter of 2017.

The scope of the initial ‘Get into Business’ strategy included the reclamation of four key anchor resources. The gold-rich Driefontein 3 and 5 TSFs and the Cooke 4 South tailings dams will be reclaimed sequentially at a rate of 1Mtpm concurrently with the uranium-rich Cooke tailings dam at a rate of 400,000tpm. The resultant tailings will be deposited onto the new regional TSF. Steady-state annual production of ~100,000oz of gold and 900,000lb of uranium is planned during the first phase, allowing for the recovery of ~2.7Moz of saleable gold and ~31.1Mlb of saleable uranium over the first 40 years of the project.

The project team will continue to drive and close out the required regulatory approvals and pilot plant implementation as we advance potential funding solutions.

A pilot plant is currently being constructed and a commissioning date of June 2017 has been proposed. The pilot plant will be established to optimise gold and uranium recoveries ahead of the large scale WRTRP implementation and substantially reduce any process related uncertainty. Execution of the WRTRP will therefore not take place until further notice.

SOUTHERN FREE STATE PROJECTS

The Southern Free State (SOFs) projects include Sibanye’s Wits Gold mining right and prospecting right holdings in the Free State goldfields of the Witwatersrand Basin.

The mining right consolidating the De Bron Merriespruit, Bloemhoek, Hakkies and Robijn projects into one mining right has been approved for a period of 23 years and is in the process of being executed. This mining right is contiguous to the north-east of the Beatrix mining right. Sibanye acquired the De Bron Merriespruit and Bloemhoek projects in December 2013 on its acquisition in full of Wits Gold.

The Beisa project at Beatrix West is now included in the Mineral Reserve with gold reserves of 0.7Moz and uranium reserves of 16.1Mlb. The prefeasibility study for this project was enhanced by implementing cut-off grades and leveraging synergies with the current Beatrix West Operation. The principle driver for the Beisa project remains an increase in future in the uranium price. The environmental permitting process for the project including the updating of the Beatrix Environmental Management Programme (EMP) will be progressed through 2017.
Gold Mineral Reserves for the De Bron Merriespruit project were reviewed in December 2015 with the mine design and schedule re-planned in line with revised geological and estimation models. The revised design and updated costing supports the Mineral Reserve for this project, which remains at 2.1 Moz.

The Bloemhoek project is adjacent to Beatrix North. A prefeasibility study to access the Mineral Resource below infrastructure at Beatrix North, and potentially a portion of this southerly Bloemhoek area with a decline system from Beatrix North, is due for completion mid-2017. Concurrently, an exploration-drilling programme designed to improve geological confidence in the immediate vicinity of the planned decline system will also be completed.

TECHNOLOGICAL INNOVATION AND MODERNISATION

APPROACH

Despite an illustrious multi-decade operating history in the West Wits gold mines, there is still substantial value to be unlocked through the development and adoption of new technologies. In recognition of this, Sibanye has committed to further advance various developments and projects initiated since June 2014.

Although the overall strategy – based on three pillars, namely “capitalising on legacy mining”, “optimising current mining horizons” and “developing the future state mining method” – remains unchanged, the team has revised its vision for the mine of the future and adjusted its direction to include projects that satisfy the requirements in the diagram below.

Achieving the mine of the future will have a number of value-adding benefits:

- First and foremost, safety performance will improve markedly as employees are removed from dangerous work areas
- High-efficiency, remote and low-cost mining systems will allow access to previously inaccessible mining areas such as white areas, low-grade areas, those below-infrastructure, stability pillars and sections that are inaccessible owing to seismicity and these advanced mining systems will enable a drastic increase in the convertibility and sustainability of Sibanye’s resources
- Operational transparency, greater insights, through digitisation, would enable informed, real-time decision making and dynamic responses to changing operating conditions
- Drastically reduced environmental impact through efficient and renewable energy consumption
- Upskilled job creation
• Generation of secondary industries to manufacture and service the mechanised mining equipment, and the associated need for highly skilled workers, will contribute to local community development and have an economic multiplier effect

INNOVATION IN MINING

In addition to the work done internally, Sibanye, as a leading producer in the sector, has actively participated and assisted with the innovation aspect of government’s Mining Phakisa. The Mining Phakisa encompasses several exciting developments, including the establishment of an innovation hub, which is a collaborative initiative involving the Chamber of Mines, government and our counterparts in the mining industry. This hub, supported by an initial R17 million grant from government, is based at the former (Chamber of Mines Research Organisation) COMRO facility. In addition, government has committed additional funding of R150 million, over three years, in support of this collaborative approach to innovation in mining.

The innovation hub has registered a number of quick win projects, facilitated by participating mining companies and illustrating the mining industry’s commitment to technological development. These projects are supported by resources from the overarching mining hub with information shared among participating companies. The aim is to maximise the value of the research and development funding committed.

AT SIBANYE

In order to derive maximum value from the resources committed, the organisational structure will form part of the resources function and facilitate cross-divisional technology project management and information sharing between the Platinum and Gold divisions, eliminating duplication of effort and propagating divisional successes throughout the Group. The Safe Technology department will also assist with safety-related project implementation that may not form part of the original strategy such as proximity detection systems on trackless mobile machinery.

In particular, our mining innovation projects include the following:

• **Mechanised pillar extraction** aimed at enabling us to extract resources that are contained within strike and stability pillars at our gold operations

• **Advanced transport programme** to develop more cost-efficient, environmentally friendly means of transport of ore and material in particular

• **Stopes mechanisation programme** to develop a suite of mechanised machinery, especially for the narrow tabular environments prevalent in both gold and conventional platinum mining, that is also capable of performing drilling and cleaning operations. Increased efficiency and accuracy of such units will improve the rate and quality of mining, reduce pay limits and allow for additional resource to reserve conversion. Most importantly, a significant advantage will be the removal of employees from dangerous work areas, thus contributing to greatly increased safety performance

• **Mine digitisation** involves capitalising on the increased availability of data to enable development of comprehensive asset and behavioural management tools to enhance the efficiency and safety of mobile machinery

• **Mining horizon improvement programme** involves several short-term projects aimed at improving current mining methods
SUPERIOR VALUE FOR THE WORKFORCE

OUR APPROACH

Key to the success of our organisation is putting our people at the centre of our business strategy. We endeavour to engender a sense of ownership and pride in the company to which we make a valuable strategy.

Our ‘People at Sibanye’ strategy is an integrated and solutions-based approach that seeks to address key employee-related issues. We recognise the importance of open, honest and regular communication with employees and our strategy seeks to win the hearts and minds of our people by, among others, facilitating home ownership and promoting health and wellbeing and skills development.

Our focus in the past year was on consolidating our financial wellbeing programme which provides financial education and support to free our employees and communities of the burden of debt.

PEOPLE AT SIBANYE

Sibanye’s employees play an integral part in successfully delivering on Sibanye’s operating model and strategy and the People at Sibanye strategy aims to develop a transformed, productive, skilled and engaged workforce. This is in the context of the intense labour relations challenges facing the South African mining industry, due to legacy issues as well as the difficult socio-economic environment, inequality and unemployment in the country. South Africa has well-developed industrial-relations processes and practices with strong trade unions representing employees.

As employees are key stakeholders in the business, aligning employees with Sibanye’s values and strategy will ensure the sustainability of the business and its ability to deliver superior value for all stakeholders.

Underpinned by our CARES values, the People at Sibanye strategy has as its main elements:

• personal wellbeing – encompasses employee safety, health, nutrition, housing and accommodation, financial wellness
• career development – includes training and skills development
• remuneration that is equitable and fair
• community development

These initiatives are backed by ongoing two-way communication between employees and line managers, supported by regular communication from the desk of the Chief Executive Officer at divisional and group level.

The ‘People at Sibanye’ approach is being rolled out at the platinum operations.

SAFE, PRODUCTIVE AND FAIR EMPLOYMENT

Our employment practices and policies are governed by South African labour legislation and regulations, as well as by collective bargaining and recognition agreements.

![Lost days due to absenteeism (%)](image)

**ABSENTEEISM**

Absenteism affects productivity and several initiatives implemented to address this issue have had a positive impact on the availability of employees at work. In 2016, a rate of 15.1% of days lost due to absenteeism was recorded, down from 17.2% in 2013 and 15.4% in 2015.

For further information, see “—Performance overview—Health and safety focus”.
PERFORMANCE

Sibanye’s total workforce as at 31 December 2016 was 74,351, including contractors. This compares with 46,269 for 2015. Of the 74,531 employed, 28,404 were employed in the Platinum Division.

Sibanye workforce numbers by operation as at 31 December

<table>
<thead>
<tr>
<th>Operation</th>
<th>Permanent employees</th>
<th>Contractors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrix</td>
<td>7,684</td>
<td>1,671</td>
<td>9,355</td>
</tr>
<tr>
<td>Cooke</td>
<td>3,788</td>
<td>1,624</td>
<td>5,412</td>
</tr>
<tr>
<td>Driefontein</td>
<td>10,941</td>
<td>1,648</td>
<td>12,589</td>
</tr>
<tr>
<td>Kloof</td>
<td>9,858</td>
<td>1,319</td>
<td>11,177</td>
</tr>
<tr>
<td>Burnstone</td>
<td>241</td>
<td>336</td>
<td>577</td>
</tr>
<tr>
<td>Gold Division – total</td>
<td>32,712</td>
<td>6,596</td>
<td>39,310</td>
</tr>
<tr>
<td>Kroondal (100%)</td>
<td>6,021</td>
<td>4,378</td>
<td>10,399</td>
</tr>
<tr>
<td>Rustenburg (100%)</td>
<td>14,891</td>
<td>3,114</td>
<td>18,005</td>
</tr>
<tr>
<td>Platinum Division – total</td>
<td>20,912</td>
<td>7,492</td>
<td>28,404</td>
</tr>
<tr>
<td>Corporate office²</td>
<td>2,966</td>
<td>1,340</td>
<td>4,306</td>
</tr>
<tr>
<td>Other³</td>
<td>2,054</td>
<td>457</td>
<td>2,511</td>
</tr>
<tr>
<td>Sibanye – total</td>
<td>58,644</td>
<td>15,887</td>
<td>74,531</td>
</tr>
</tbody>
</table>

1 Contractors excludes ‘free’ contractors (those who receive a fee for service irrespective of the number of contractor employees on site – they are not compensated on a fee-per-head basis but on a fee for the service or work performed)
2 Corporate Office includes executive management of the divisions
3 Other includes Protection Services, Shared Services, the Sibanye Academy, Health Services and Property

Our Recruitment Strategy

Since 2015, Sibanye’s recruitment strategy has given preference to the hiring of people in the vicinity of our operations. TEBA, a human resources and social services provider with whom we are in partnership, assists with recruitment and conducts the interviews in a transparent process with community leaders and unions invited to sit in on interviews.

Employment Equity and Recruitment from Local Communities

New employees are increasingly drawn from local communities. A number of operations have signed memoranda of understanding with local government and community leaders in respect of fair and transparent recruitment processes. We have extended this practice to our platinum operations. While we continue to employ more people from local communities, we strive to maintain support of labour-sending areas where mine remittances are often the sole source of income for impoverished communities.

At the end of 2016, 38% of our employees were recruited from traditional labour-sending areas in rural South Africa and 26% from the Southern African Development Community (2015: 39% and 30% respectively). The balance, 36%, reside locally.
### Local community recruitment

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gold Division</td>
<td>Corporate services and operations</td>
<td>Total</td>
<td>Gold Division</td>
</tr>
<tr>
<td></td>
<td>Contractors</td>
<td>Permanent</td>
<td>Contractors</td>
<td>Permanent</td>
</tr>
<tr>
<td>Total appointments</td>
<td>5,738</td>
<td>3,376</td>
<td>999</td>
<td>557</td>
</tr>
<tr>
<td>Recruited from local communities</td>
<td>2,036</td>
<td>1,159</td>
<td>306</td>
<td>213</td>
</tr>
<tr>
<td>Local community members employed (%)</td>
<td>35.48</td>
<td>34.33</td>
<td>30.63</td>
<td>38.24</td>
</tr>
</tbody>
</table>

Sibanye’s philosophy on recruitment is being carried through to our Platinum Division where we are reviewing current recruitment practices to – align with the rest of the company. We remain committed to creating a talent pipeline to enable us to recruit our general and specialist employees locally. A significant portion of employees in the platinum division is local. We will continue to work with the relevant stakeholders to ensure that we continue to sustain local employment.

There is currently a moratorium on recruitment. Only those positions requiring critical safety and production skills were filled during the year. With the cessation of mining operations at Cooke 4 during 2016, every effort was made to find alternative employment within Sibanye for those affected. Most of those affected were transferred to other Sibanye operations.

### WOMEN IN MINING

A strategy to attract, develop and retain women in mining was implemented at all operations in 2016. It was agreed that 30% of all vacant positions be allocated to female applicants and that gender-related restrictions be removed. Key focus areas include gender-neutral policies and procedures, the wellbeing of women (including safety and security in the workplace) and creating working environments conducive to the employment, placement and development of women.

In the Gold Division, 120 women were appointed to mining positions in 2016. While women made up 12% of our total workforce in 2016 (2015: 10%), 7% of the total workforce are women in operational (core and critical) positions. To increase the number of women in operations positions a target of 30% women is in place for all operational recruitment. Currently, women comprise 12% of management positions (2015:18%) and 6% (2015: 10%) of senior management.

Although progress has been made at junior and senior management levels, representation in middle management was below target in 2016. We will therefore focus on increasing female representation in middle management through our executive assessment and succession planning process in 2017.

Women in core mining occupations in 2016 was as follows: 8% at Kloof and Beatrix, 9% at Driefontein, 16% at Burnstone and 17% at Cooke. In the Platinum Division, women represented 12% of the workforce in 2016.

To increase the number of women employed in core and critical skills, changes have been made to our recruitment strategy.

In partnership with the Gordon Institute of Business Science of the University of Pretoria, Sibanye also presented a Women in Leadership Programme, aimed at women in key leadership positions in private and government institutions, in 2016.

Sibanye was one of two mining companies selected by the Commission for Gender Equality to participate in a gender barometer project in 2016 to assess gender mainstreaming in the private sector for the first time. Sibanye represented large mining companies in the survey. Kloof was chosen as a pilot site and the commission visited our corporate office at Libanon, Westonaria. The findings will be presented to Parliament and Sibanye will receive a copy of the report with recommendations on achieving optimal gender equity.

### ORGANISED LABOUR

The mining sector is highly unionised. At the end of 2016, around 92% (2015: 93%) of our total permanent workforce was unionised. Currently, four unions are recognised by Sibanye, namely AMCU, NUM, Solidarity and UASA.

An agreement signed by the gold operations with all unions in 2015 expires on 30 June 2018. At the former Anglo American Platinum assets, a three-year wage agreement was signed and became effective from 1 July 2016, prior to their acquisition. At Kroondal, the current wage agreement expires in July 2017 and negotiations for a new agreement will begin in April 2017.
Union representation

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gold Division</td>
<td>Platinum Division</td>
</tr>
<tr>
<td></td>
<td>Membership Representation (%)</td>
<td>Membership Representation (%)</td>
</tr>
<tr>
<td>AMCU</td>
<td>15,343</td>
<td>13,720</td>
</tr>
<tr>
<td>NUM</td>
<td>13,318</td>
<td>2,776</td>
</tr>
<tr>
<td>UASA</td>
<td>965</td>
<td>2,308</td>
</tr>
<tr>
<td>Solidarity</td>
<td>594</td>
<td>394</td>
</tr>
<tr>
<td>Non-unionised</td>
<td>2,492</td>
<td>1,714</td>
</tr>
<tr>
<td>Total employees</td>
<td>32,712</td>
<td>20,912</td>
</tr>
</tbody>
</table>

HUMAN RIGHTS

Our employees, including security personnel, are trained to uphold human rights and respect all cultures and customs. Regular refresher training at the training centre is provided in terms of our human rights policies and recruitment procedures or when employees return from leave.

Training of security employees was again included in our Workplace Skills Plan for 2016. Our approach to training and development needs in the workplace is guided by this strategic document, which is published annually, governed by the Skills Development Act, 1998 (Act No 97 of 1998) and the Labour Relations Act, 1995 (Act No 66 of 1995), and compiled jointly by the employer, employee representatives and non-unionised employees.

Our human capital policies also address human rights, as well as child/forced labour at all operations and among our suppliers, employment equity and employee relations, including discipline and recognition.

Addressing indebtedness

High levels of indebtedness are not unique to the mining industry but continue to be a challenge. The events at Marikana on the platinum belt in August 2012 highlighted the many extraneous factors impacting the lives of employees and which contributed to the resultant labour instability in the sector and beyond. While wages became a rallying point for the strikes, the situation was exacerbated by other issues, including dual families, poor living conditions, lack of service delivery and high levels of employee indebtedness, which tend to severely reduce employees’ take home pay.

To address this, in 2014, Sibanye launched a personal financial-education programme – CARE for iMali/Khathalel’imali/Hlokomela chelete (meaning ‘care for money’ in isiXhosa and Sesotho) – aimed at curbing indebtedness and providing financial planning and rehabilitation to employees. By end of 2016, more than 22,000 employees and community members had participated in CARE for iMali training.

Additional training on home ownership, debt counselling and coaching are provided by financial coaches at all our operations. All garnishee orders received are validated and managed, and employees are informed of new garnishee orders received. Excessive instalments deductions are negotiated to assist employees to take home at least 30% of their earnings.

Community members also participate in the programme and more than 200 people from communities in the Merafong and Rand West municipal areas benefited from the programme.

The roll-out of Care for iMali at the platinum operations began in September 2016, benefiting over 500 employees and over 300 community members.
Sibanye Academy

• Improving literacy levels in the Gold Division – employees at adult education and training level 3 and higher increased to 70% in 2016 from 58% in 2015

• Bursaries – bursaries are offered to dependants and children of employees

The Sibanye Academy, located in Westonaria, Gauteng, supports human capital, our employees and the broader community, by developing employees’ skills and knowledge through training and experiential learning. The academy is fully accredited by the Mining Qualifications Authority (MQA) and its programmes have been approved by a number of sector education and training authorities (SETAs). Satellite campuses, managed by the academy, are located at each operation.

HUMAN CAPITAL DEVELOPMENT

Our skills development initiatives are available to employees and people living in host communities. Our talent pipeline is aligned with our business objectives and maintained through adult education and training, portable skills training, learnerships, internships, study assistance, and core skills and leadership development. As we had come to the end of our second five-year SLP cycle in 2015, most commitments in terms of employee and community training had been met. Following an analysis of Sibanye’s internal human resource and skills requirements, training conducted in 2016 was rationalised to focus on and align with the needs of the business and to develop employees. This explains the decline in the number of employees and community members who received portable skills training between 2015 and 2016 in the table below. In line with the MPRDA, the DMR were advised of the revised approach.

In addition, funding was secured from the MQA for new leadership programmes in partnership with the Gordon Institute of Business Science in 2016.

Group: Portable skills training – number of attendees

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>204</td>
<td>828</td>
<td>1,109</td>
<td>865</td>
</tr>
<tr>
<td>Community</td>
<td>312</td>
<td>945</td>
<td>1,091</td>
<td>1,354</td>
</tr>
<tr>
<td>Total</td>
<td>516</td>
<td>1,773</td>
<td>2,200</td>
<td>2,219</td>
</tr>
</tbody>
</table>

Group: Learnerships – number of attendees

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>407</td>
<td>386</td>
<td>367</td>
<td>753</td>
</tr>
<tr>
<td>Mining</td>
<td>385</td>
<td>207</td>
<td>337</td>
<td>544</td>
</tr>
<tr>
<td>Total</td>
<td>792</td>
<td>593</td>
<td>704</td>
<td>1,297</td>
</tr>
</tbody>
</table>

In 2016, Sibanye spent R403 million (2015: R385 million) on education and training, of which the Platinum Division accounted for R81 million. This represented a total of 6.99 million hours of training for the year (2015: 7.93 million hours).

TRAINING AND DEVELOPMENT

Adult education and training is offered to employees and community members full time and after hours to advance literacy and numeracy. Learners are examined by the nationally recognised Independent Examinations Board. As most of the five-year social and labour plan targets for adult education and training were achieved in 2016, we did not accept new intakes but allowed learners enrolled in 2015 to continue with their adult education and training levels 1-3 studies. Some learners continued with level 4 in line with business needs. In 2016, 16 (2.47%) employees who attended adult education and training moved into the learnership pipeline.

Our portable skills training equips employees with practical skills that are transferable beyond the mining industry and will stand them in good stead for life after mining. We also equip community members with skills for employment and entrepreneurship. In addition to qualifications in mechanical, electrical and construction trades, recognised by the South African Qualifications Authority, training is also provided in agriculture, clothing and textile manufacturing.

To improve employees’ skills and to provide opportunities for community members to enter the mining industry, learnership programmes are offered as a combination of study and on-the-job training. Learnerships play an important role in advancing employees’ careers as they lead to recognised qualifications. In 2016, Sibanye invested R63 million (R3 million in the Platinum Division) in learnerships (2015: R81 million) with 20 (4%) learnerships taking up permanent employment.

Bursaries are also available to employees and members of surrounding communities who need assistance to study towards critical core mining qualifications, particularly specific skills needed by Sibanye. In 2016, we invested R14.2 million (R2.4 million in our Platinum Division) in bursaries (2015: R17.47 million) with 11 (6.43%) bursars taking up permanent positions within Sibanye. Given Sibanye’s strategic partnerships with the University of Johannesburg and the University of the Witwatersrand, a donation of R4 million was made to each institution in 2016.
Gold Division: Human capital development: SLP provision vs actual training spend (R million)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SLP financial provision</td>
<td>Actual training expenditure</td>
</tr>
<tr>
<td>Beatrix</td>
<td>25</td>
<td>59</td>
</tr>
<tr>
<td>Cooke</td>
<td>41</td>
<td>34</td>
</tr>
<tr>
<td>Driefontein</td>
<td>57</td>
<td>118</td>
</tr>
<tr>
<td>Kloof</td>
<td>53</td>
<td>109</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>176</td>
<td>320</td>
</tr>
</tbody>
</table>

Sibanye also invests in employees with potential to advance within the group, 15% of those successors were promoted from the talent pool in 2016.

**Gold Division: Current size of talent pool = 691 (A – D Upper bands)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successors promoted</td>
<td>108</td>
<td>45</td>
<td>43</td>
</tr>
</tbody>
</table>

**Group: Human capital development – 2016**

<table>
<thead>
<tr>
<th></th>
<th>Expenditure (R million)</th>
<th>Number of trainees</th>
<th>Total no. of training hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internships</td>
<td>35</td>
<td>130</td>
<td>262,080</td>
</tr>
<tr>
<td>Bursaries</td>
<td>14</td>
<td>325</td>
<td>655,200</td>
</tr>
<tr>
<td>Adult education and training (employees)</td>
<td>49</td>
<td>1,392</td>
<td>501,120</td>
</tr>
<tr>
<td>Adult education and training (community)</td>
<td>12</td>
<td>675</td>
<td>303,750</td>
</tr>
<tr>
<td>Engineering learnerships</td>
<td>33</td>
<td>397</td>
<td>820,512</td>
</tr>
<tr>
<td>Mining learnerships</td>
<td>30</td>
<td>385</td>
<td>776,160</td>
</tr>
<tr>
<td>Portable skills (employees)</td>
<td>1</td>
<td>204</td>
<td>9,792</td>
</tr>
<tr>
<td>Portable skills (community)</td>
<td>1</td>
<td>312</td>
<td>29,952</td>
</tr>
<tr>
<td>Leadership development</td>
<td>12</td>
<td>784</td>
<td>31,360</td>
</tr>
<tr>
<td>Core skills training</td>
<td><strong>188</strong></td>
<td><strong>53,654</strong></td>
<td><strong>3,433,856</strong></td>
</tr>
<tr>
<td>Coaches/mentors training</td>
<td>2</td>
<td>504</td>
<td>4,032</td>
</tr>
<tr>
<td>Employee indebtedness</td>
<td>4</td>
<td>17,959</td>
<td>143,672</td>
</tr>
<tr>
<td>Community Maths and Science</td>
<td>1</td>
<td>70</td>
<td>8,400</td>
</tr>
<tr>
<td>Support and research</td>
<td>9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>1,835</td>
<td>14,680</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>403</strong></td>
<td><strong>78,626</strong></td>
<td><strong>6,994,566</strong></td>
</tr>
</tbody>
</table>

**Additional employee benefits**

The Matshidiso Programme assists the dependants and families of employees who have died as a result of mine accidents and employees with permanent disability. In 2016, R685,600 was paid out in terms of this programme, bringing the total paid out since 2013 to R3.1 million.

In addition to the standard death in-service benefits paid to the families of employees, Sibanye, with the assistance of Teba, provides assistance in the form of a food hamper and grocery vouchers delivered at the home of the nominated beneficiary. Introduced in January 2016, 247 families have benefited from this scheme at an approximate cost of R1.3 million for the year.

**EXECUTIVE SUCCESSION PLANNING**

At the beginning of 2016, the Board tasked the Human Capital team with the development of an executive development and succession plan, the key objectives of which were to identify executive talent requirements and to implement strategies to attract and develop executives qualified to fill critical positions to enable Sibanye to deliver on its strategy. This also involved developing plans to ensure talent retention and engagement, and to facilitate the timely transfer of knowledge from current incumbents to successors.

In compiling the plan, it was necessary to understand the critical roles and competencies required, to assess existing competencies and the potential of internal candidates in terms of readiness as well as exposure and development, and to propose appropriate interventions. The plan incorporated a short-term (three to six months) contingency plan and permanent replacements, as well as an emergency plan.

A detailed plan was completed and implemented in three phases at executive, senior management and management level.

By the end of 2016, critical roles had been identified and competencies required for executive positions finalised and incorporated into the Sibanye Leadership Development Framework. Assessments to identify potential, readiness and development were completed for all executive and senior management. The process for management level employees has begun and is on track to be completed by the end of 2017.

An initial executive succession plan was developed and presented to the Chief Executive Officer and the Board for approval. The initial succession plan includes a pool of external of potential candidates to be considered as needed. The plan will be updated on an ongoing basis.
It is important that the executive development and succession process forms the basis of our Integrated talent management framework. All processes, including the leadership development and competency framework, the strategic workforce plan, training and transformation plans, succession planning as well as performance management, among others, will therefore be aligned with this process. With this in mind, starting in 2017, a talent review will be conducted biannually.

**AFFORDABLE HOUSING PROGRAMME**

- 427 company-owned houses sold (162 to employees and 265 private sales)
- Affordable home-ownership programme: 32 houses built to date of 120 planned
- Approximately R430 million spent on high-density residence upgrades over eight years

Affordable housing is key in enabling home ownership for all our employees. Our affordable housing model includes managing the construction in-house. A home ownership payment model was introduced in September 2016 to assist with registration costs, bond fees and fringe benefit tax. We have also donated available land and carry the costs of professional and legal services.

In all, 162 houses owned by Sibanye in the West Wits area have been sold to employees as part of the employee home-ownership programme, which began in 2015, to enable employees to own their houses. The houses are offered for sale to current occupants at a discount, based on years of service, with no obligation to buy. Alternatively, vacant houses in the higher grade levels are first offered to Sibanye employees before they are sold on the open market. To meet the demand for affordable housing, Sibanye has engaged with organised labour on the designs and layout of prototype show houses in Gauteng and the Free State. These houses are available to Category 4-8 employees who can use their living out allowances to pay for them with minimal subsidisation.

All single accommodation upgrades were completed. The focus in 2017 will be on cosmetic changes and maintenance, including painting. The provision of family accommodation will be addressed by the sale of houses to employees through the home-ownership programme.

Our housing programme has helped create employment as well as opportunities for local small, medium and micro enterprises (SMMEs) supporting youth and women. SMMEs also stand to benefit from planned incubation centres for our employee home ownership scheme, as well as housing programmes of local municipalities.

A brick manufacturing facility in Westonaria, employing 20 people from surrounding communities, is producing and stockpiling high quality bricks. Another 30 SMMEs have been selected and will be trained in carpentry, welding, spray painting, and the manufacture of roof trusses and roof tiles, in 2017 to enable them supply our housing programme. Once accredited, the SMMEs will be qualified to start their own businesses and operate in mainstream industries. Sibanye has spent R5.7 million on this project to date, mainly on refurbishing and equipping the incubation centre.

The provision of housing and accommodation in the Platinum Division is being reviewed, as part of the integration process into the company. This will be in line with our commitment to make affordable home ownership possible for all our employees.

**FUTURE FOCUS – HUMAN CAPITAL**

Formulation of a group-wide integrated human capital strategy which will take into account, from a holistic perspective, employee training, performance management and career development. As part of this, adult education and training, which is currently full time, is to be reviewed.

Sibanye will be implementing a new learner official programme in 2017 aimed at attracting top school leavers interested in pursuing a career in mining. Successful candidates will be paid a salary while receiving on-mine work integrated learning and occupational development together with tertiary education.

A pilot group of 24 matriculants will be chosen for this five-year programme, which will culminate in a national certificate in rock breaking, certified by the MQA, as well as a Bachelor of Engineering Technology degree from the University of Johannesburg.

**THE MINING CHARTER AND TRANSFORMATION**

**OUR APPROACH**

Sibanye is committed to playing a leading role in the transformation of the South African mining industry and the country as a whole. While the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry (the Mining Charter) has laid the foundation, we believe that real transformation depends on a deeper understanding and commitment. We strive to be the most empowering mining company in South Africa by creating superior value so that historically disadvantaged South Africans can participate meaningfully as employees, shareholders, suppliers and communities. Our goal on the journey towards transformation is the sustainability of our business.

All of our operations initially submitted their 2015 Mining Charter reports on 31 March 2016 and were resubmitted by the end of April 2016, with additional information as requested by the DMR.

Given the shifting transformation landscape, and the planned revision of the Mining Charter, we have ensured that Sibanye is well-positioned to embrace change. The release of the Mining Charter Assessment Report by the DMR in 2015 set the scene for the revision of the Mining Charter, which had expired in December 2014.
Following this review, a third draft of the amended Mining Charter, released for public comment in April 2016 and designed to strengthen its efficacy in bringing about meaningful transformation, sought to entrench the requirement for perpetual 26% black economic empowerment (BEE) ownership. This was contested by the industry, resulting in the DMR and the Chamber of Mines of South Africa approaching the High Court of South Africa to seek clarity on the interpretation of the “once empowered, always empowered” principle (ie that BEE ownership transactions in the mining industry concluded between 2004 and 2014 should continue to count towards BEE ownership, irrespective of whether the shareholding remained). The High Court has yet to rule although engagement on other aspects of the amended Mining Charter continued.

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

EMPLOYEE SHARE OWNERSHIP

By the end of 2016, 24,523 employees (2015: 26,444) were participants in our employee share ownership plan, the Thusano Trust, which was established in 2010 when employees of Gold Fields acquired 13,524,365 Gold Fields shares in line with a collective agreement between the NUM, UASA, Solidarity and Sibanye (previously GFI Mining South Africa Proprietary Limited). The shares were allocated to employees in Paterson employment bands A, B and C, according to their years of service. The Thusano Trust was registered as the vehicle to administer the share plan. In terms of the trust deed, the allocated shares are to be held in trust for a period of 15 years on behalf of employees. During this restrictive period, employees may not dispose of or otherwise encumber the shares. Although they cannot dispose of shares for a period of 15 years, employees acquired full rights of ownership in the shares, which entitles them to voting rights and dividends paid in relation to the shares. With the unbundling of Gold Fields and the creation of Sibanye, Sibanye employees were allocated an equal number of Sibanye and Gold Fields shares.
HEALTH AND SAFETY FOCUS

Re-energising the safety focus supported by our proactive health, safety and wellbeing strategy

OUR APPROACH TO SAFETY, HEALTH AND WELLBEING

Our employees are our most important asset. In order to keep our workforce safe and healthy, we focus on compliance and systematically reducing employees’ exposure to risk. We are therefore committed to:

- identifying and ranking risks
- finding technical and procedural engineering solutions in terms of a risk mitigation hierarchy to eliminate risk completely, if possible
- controlling risk at source
- minimising risk factors
- monitoring risk exposure
- providing personal protective equipment

To this end, it is essential to create alignment with relevant stakeholders. As required by the Mine Health and Safety Act, 1996 (Act No 29 of 1996), all employees are represented in formal joint management-worker health and safety committees to ensure that our occupational health and safety programmes are agreed and effective.

Our safety, health and wellbeing strategy, supported by our CARES values (commitment, accountability, respect, enabling and safety), is illustrated below.
SAFETY

PERFORMANCE OVERVIEW

It is with deep regret that Sibanye reports the death of 14 employees during the year under review – 12 employees within the Gold Division and two employees in the Platinum Division (during the period the assets were owned by Sibanye).

In memoriam

<table>
<thead>
<tr>
<th>Date</th>
<th>Full name</th>
<th>Age</th>
<th>Operation</th>
<th>Occupation</th>
<th>Cause of fatality</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 February 2016</td>
<td>Morerua Mahao</td>
<td>57</td>
<td>Cooke</td>
<td>Miner stoper</td>
<td>Fall of ground – gravity</td>
</tr>
<tr>
<td>12 February 2016</td>
<td>Tanki Sebolai</td>
<td>32</td>
<td>Cooke</td>
<td>Relieving team leader</td>
<td>Winches and rigging</td>
</tr>
<tr>
<td>12 March 2016</td>
<td>Elliot Kenosi</td>
<td>53</td>
<td>Beatrix</td>
<td>Scraper winch operator</td>
<td>Heat related</td>
</tr>
<tr>
<td>18 March 2016</td>
<td>Luis Alberto Massango</td>
<td>34</td>
<td>Kloof</td>
<td>Sweeping tool operator</td>
<td>Fall of ground – gravity</td>
</tr>
<tr>
<td>7 April 2016</td>
<td>Mzwandile Chitha</td>
<td>32</td>
<td>Cooke</td>
<td>Stope crew</td>
<td>Fall of ground – seismicity</td>
</tr>
<tr>
<td>21 May 2016</td>
<td>Pieter Janse van Rensburg</td>
<td>49</td>
<td>Driefontein</td>
<td>Fitter</td>
<td>Drowning</td>
</tr>
<tr>
<td>12 June 2016</td>
<td>Qamako Mpananyane</td>
<td>42</td>
<td>Beatrix</td>
<td>Team leader</td>
<td>Tramming</td>
</tr>
<tr>
<td>27 June 2016</td>
<td>Moeketsi Thaane</td>
<td>40</td>
<td>Cooke</td>
<td>Rock drill operator</td>
<td>Fall of ground – gravity</td>
</tr>
<tr>
<td>11 July 2016</td>
<td>Mongezi Bagege</td>
<td>37</td>
<td>Driefontein</td>
<td>Loco driver</td>
<td>Tramming</td>
</tr>
<tr>
<td>21 July 2016</td>
<td>Enock Dumisa Tsabedze</td>
<td>52</td>
<td>Kloof</td>
<td>Miner stoper</td>
<td>Fall of ground – gravity</td>
</tr>
<tr>
<td>27 July 2016</td>
<td>Johannes Masithela</td>
<td>33</td>
<td>Beatrix</td>
<td>Mining team</td>
<td>Tramming</td>
</tr>
<tr>
<td>19 August 2016</td>
<td>Simin Kabelo Rangwaga</td>
<td>38</td>
<td>Kroondal</td>
<td>Electrician</td>
<td>Trackless machinery</td>
</tr>
<tr>
<td>2 November 2016</td>
<td>Teboho Molise</td>
<td>44</td>
<td>Kloof</td>
<td>Assistant grade 1 construction</td>
<td>Material handling</td>
</tr>
<tr>
<td>17 November 2016</td>
<td>Cekiso Zamecebo</td>
<td>42</td>
<td>Kroondal</td>
<td>Spotter</td>
<td>Fall of ground – gravity</td>
</tr>
</tbody>
</table>

Safety performance statistics

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group</td>
<td>Platinum Division</td>
<td>Gold Division</td>
<td>Gold Division</td>
</tr>
<tr>
<td>Fatalities</td>
<td>14</td>
<td>2</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Fatal injury frequency rate *</td>
<td>0.10</td>
<td>0.09</td>
<td>0.11</td>
<td>0.06</td>
</tr>
<tr>
<td>Lost-time injury frequency rate *</td>
<td>6.62</td>
<td>4.84</td>
<td>6.99</td>
<td>6.74</td>
</tr>
<tr>
<td>Serious injury frequency rate *</td>
<td>4.16</td>
<td>2.80</td>
<td>4.42</td>
<td>4.68</td>
</tr>
<tr>
<td>Medically treated injury frequency rate **</td>
<td>3.85</td>
<td>5.72</td>
<td>3.47</td>
<td>3.60</td>
</tr>
<tr>
<td>No. of Section 54 work stoppages</td>
<td>226</td>
<td>55</td>
<td>171</td>
<td>109</td>
</tr>
<tr>
<td>No. of production shifts lost owing to Section 54 stoppages</td>
<td>402</td>
<td>245</td>
<td>157</td>
<td>70</td>
</tr>
<tr>
<td>No. of internal work stoppages ***</td>
<td>21,849</td>
<td>2,044</td>
<td>19,805</td>
<td>18,642</td>
</tr>
</tbody>
</table>

* Per million hours worked
** Also referred to as treat-and-return injury frequency rate (TRIFR). Includes certain minor injuries
*** Internal stoppages are an integral part of Sibanye’s risk management strategy (any person can stop a task or workplace until arrangements have been made to reduce high risk)

Note: Data for 2014 includes Cooke from March 2014 onwards and date for 2016 includes the former Aquarius operations from April 2016 and the Rustenburg operations from November 2016

Group – LTIFR (per million hours worked) Group – SIFR (per million hours worked) Group – FIFR (per million hours worked)

Note: Data for the Group for the years 2013 to 2015 is comparable with that of the Gold Division in 2016. Group data for 2016 includes the Gold Division as well as the platinum operations (Platinum Division) for the period of Sibanye’s ownership during the year
Despite a general improvement in the fatality rate prior to 2016, there was a disappointing regression in fatalities during the first six months of 2016 in the Gold Division. In the first half of the year, eight fatalities were recorded, raising serious concerns at executive level. A series of high-level safety workshops were held and an urgent 12-point safety plan devised. Following its implementation, safety performance improved with four fatalities recorded by the Gold Division in the second half of the year.

Regrettably, in 2016, the Gold Division’s fatal injury frequency rate (FIFR) deteriorated by 83% year on year and the lost-time injury frequency rate (LTIFR) by 4%. Most lost-time injuries in 2016 were caused by falls of ground as well as by tools and equipment, slip-trip-and-fall, and materials handling incidents. Intervention strategies have been put in place to rectify trends. A 6% improvement was recorded in the Gold Division’s serious injury frequency rate.
ADDRESSING OUR SAFETY PERFORMANCE – SHARP! SHARP!

A new safety campaign, known as “Sharp! Sharp!”, was rolled out in 2016 to encourage safe behaviour, address the regression in our safety performance, counter the decline in the FIFR in the first half of the year and to reintroduce a culture of continuous improvement. This campaign includes short, medium and long-terms plans.

**Short-term** plans initiated to refocus and re-energise our safety performance included:

- Restructuring the safety department by appointing a senior executive in the office of the CEO to spearhead our health and safety strategy
- Launching the new safety value now included in our CARES value system and the roll out of the “Sharp! Sharp!” campaign across the Group to reaffirm our commitment to safety
- Entrenching visible-felt leadership by executive and senior management at the operations to ensure close out of action plans and high potential hazards that warrant an immediate stop and fix
- Establishing an Executive Safety Subcommittee to ensure that our safety strategy is implemented accordingly and that operations are accountable
- Setting up a zero harm task team to investigate serious incidents and ensure that recommendations are implemented to prevent recurrence
- Reviews of all fatalities by the Office of CEO to ensure close outs are made to prevent recurrence.

**Medium-term** plans to ensure that safety is constantly top of mind include:

- Changing the hearts and minds of our employees to be more safety conscious in the workplace and adopt a safety first attitude as a way of life – training is provided to encourage accountability for safety incidents or substandard conditions (including a new slogan: “I am safe! We are safe! Phepha mina! Phepha zonke!”)
- Restructuring the entire safety department to ensure appropriate allocation of skills
- Implementing measures that ensure employees comply with the safety system to reduce non-compliances, substandard conditions and accidents.

**Long-term** safety plans (see 12-point plan below) include:

- Aligning systems in the safety department across both divisions to ensure common understanding and a single reporting system that enables the sharing of experiences and knowledge of best practice
- Documenting the new safety management system to guide management of safety
- Securing tripartite commitment from Sibanye, the Mine Health and Safety Council and the DMR in support of a more effective safety management process at all operations

### OUR 12-POINT SAFETY IMPROVEMENT PLAN

- Executive safety leadership
- Safety leadership structure
- CEO review of all fatal incidents
- Review serious incidents – zero harm task team appointed
- Safety awareness campaigns
- Safety systems compliance

**December 2016**

- Divisinal safety structures approved
- Safety risk management regarding A hazards*
- Aligned stakeholder approach to enhance safety management
- Training to enhance management capability
- Focus on safety mind-set and behaviour
- Consolidation of safety systems into combined Sibanye Safety Strategy

**June 2017**

- Action completed
- Action underway
- Action initiated

* A hazards are those with high potential to cause accidents. When identified, they must be rectified immediately.
EFFECTS OF S54 SAFETY STOPPAGES 2016

<table>
<thead>
<tr>
<th>Section</th>
<th>Gold Division</th>
<th>Platinum Division</th>
<th>Sibanye total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of stoppages</td>
<td>171</td>
<td>55</td>
<td>226</td>
</tr>
<tr>
<td>Revenue lost</td>
<td>R649 million</td>
<td>R223 million</td>
<td>R872 million</td>
</tr>
</tbody>
</table>

SECTION 54 NOTICES

Despite the improvement in the safety performance of the Gold Division following management’s proactive safety intervention in August 2016, the frequency of Section 54 safety stoppage notices (S54s) issued remained high. S54s are issued by the DMR, in terms of the Mine Health and Safety Act 29 of 1996, in instances of dangerous occurrences, practices and conditions. S54s are however only supposed to be issued in exceptional circumstances. Sibanye supports the application of S54s when safety transgressions occur, however, their application is frequently inconsistent and their scope unwarranted. The effects of such stoppages are severe and they may impact the future viability of our operations as well as employment. In addition, if S54 stoppages result in mining activity being suspended for an extended period of time, there are serious safety implications.

A total of 226 Section 54 notices were issued to Sibanye by the Department of Mineral Resources in 2016 – 171 to the Gold Division and 55 to the Platinum Division. These notices resulted in the loss of 402 production shifts – 157 in the Gold Division and 245 in the Platinum Division. The S54s were issued mostly in the wake of serious injury incidents where substandard safety conditions were identified due to non-compliance with standards.

FUTURE FOCUS

Having established our Safe Technology department in June 2014, and recognising that a step change in safety performance requires innovative technologies to engineer out risk, we continue to work towards eliminating inherent safety risks by developing and implementing systems, such as mechanised equipment, that reduce employees’ exposure to risk.

We continue to pursue technology projects that will greatly reduce our risk profile and thus improve our safety performance with concomitant cost and productivity gains. See “Performance overview—Creating value from operations, projects and technology—Technological innovation and modernisation”.

In the coming year, we will continue to roll out our “Sharp! Sharp!” campaign across the Group. This initiative is being led by our vice presidents and the Executive Safety Subcommittee under the guidance of our chief executive.

Zero harm task teams will also be responsible for investigating high-potential accident risks.

As industry stewards, we will also continue to play a leading role in supporting the development of technology and new generation mining through the Chamber of Mines.

SAFETY TARGETS

As we strive towards zero harm, executive management has set a safety improvement target of 10% (for all classes of injuries) at each operation for 2017 to ensure a consistent decline in the incidence of injuries, in line with our safety and health policy.

HEALTH AND WELLBEING

Moving from curative to preventative healthcare and promoting a healthy workforce

PERFORMANCE

Sibanye’s health model is based on the proactive management of employee health and wellbeing. It aims to provide accessible primary healthcare to support the prevention, early detection and management of disease, and also to prevent disabilities. Early identification of health risks together with intervention and stringent application of the mandatory code of practice on the minimum standards of fitness to perform work at a mine are critical.

Previously, the focus of healthcare was curative rather than preventive in nature. Healthcare was provided at centralised, company-owned mine hospitals which was time consuming to access, resulting in high rates of absenteeism at work. Since 2011, when we reported an average of 13.8 days lost per employee for the year, our average sick leave rate has improved by 9% to 12.6 days lost in 2016. We attribute this improvement to the provision of accessible primary healthcare to all employees at shaft clinics that serve as entry points to our extended network of service providers.

A sustainable healthcare system has been created so that employees can optimise their health throughout their working years and into retirement, with Sibanye assisting them to make informed healthcare decisions. Employees, their families and communities are encouraged to pursue healthy lifestyles. To this end, community infrastructure projects that enable access to affordable, quality healthcare have been developed. Strong interdependent relationships with local stakeholders, including the Department of Health, facilitate the integration of regional healthcare systems to ensure the effective use of resources.

Sibanye offers employees an array of healthcare products, including medical aid insurance and statutory insurance benefits for occupational injuries and diseases. Employees are given a choice in selecting their medical aid cover and can choose either the company-funded product or any of a number of designated medical schemes, including Sibanye’s own restricted (in-house) medical scheme. Medical schemes and options are chosen carefully in terms of strict criteria so that employees receive benefits at an affordable cost.

In the Gold Division, 81% of employees have chosen the company-funded option and 19% have opted for various other medical schemes. All employees in the Platinum Division are members of an external open (public) medical scheme.
The 2016 data reported for the Platinum Division has been annualised for the purposes of monitoring health trends, comparative analysis of both communicable, non-communicable and occupational diseases and the objective measurement of progress made with health programmes in the newly-acquired operations. The statistics reflect the disease burden at the platinum operations for the entire year and have not been disaggregated to reflect liability in terms of ownership.

**Healthcare funding (R million)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group</td>
<td>%</td>
<td>Platinum Division</td>
</tr>
<tr>
<td>Medical schemes</td>
<td>679</td>
<td>56</td>
<td>400</td>
</tr>
<tr>
<td>Company-funded</td>
<td>336</td>
<td>28</td>
<td>31</td>
</tr>
<tr>
<td>Compensation for occupational injuries and diseases* (Rand Mutual Assurance Company)</td>
<td>178</td>
<td>16</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>1,193</td>
<td>100</td>
<td>483</td>
</tr>
</tbody>
</table>

* In terms of the Compensation for Occupational Injuries and Diseases Act (COIDA)

Currently, seven schemes are recognised in the Gold Division, 10 at Kroondal and three at the Rustenburg operation. Alexander Forbes, a specialist service provider in medical scheme and employee benefits administration, was contracted to assist with the selection of suitable medical schemes and healthcare products with a view to aligning funders with our strategic objectives, formalising sustainable relationships with a select group of funders, and consolidating the number of schemes.

Sibanye continues to positively influence healthcare funders within the legal framework by working closely with them for the benefit of each employee. Case managers and clinical teams are assisted to provide on-site preventative services, including screening for and monitoring of communicable and non-communicable diseases in the workplace, through our disease management programmes.

Sibanye’s approach to healthcare has been acknowledged by the University of the Witwatersrand’s School of Public Health, as has its work on developing a primary healthcare delivery model with the Geisel School of Medicine, Dartmouth College, New Hampshire in the United States.

In the third year of a planned three-year roll out of our healthcare model, the following outcomes were achieved in 2016:

- **Improved wellbeing**: a result of the increased emphasis on education and awareness about key health topics as well as disease prevention. Tuberculosis (TB) screening increased to 122,842 screenings from a base of 47,269 in 2015 and HIV testing to more than 11,989 tests in 2016 (2015: 8,505 and 2014: 5,038)

- **Improved clinical metrics**: The total TB rate has decreased significantly from 19.19 per 1,000 employees in 2013 to 13.42 in 2016, due, in part, to improved delivery of the TB programme at shaft clinics and the greater active involvement of employees in the highly active anti-retroviral therapy (HAART) programme. Adherence to the HAART programme increased from 85% to 90% over the past year

- **Monitoring of financial performance**: Cost per employee in the Gold Division is R824.82 a month vs. R826.19 in 2015 for Cat 3-8 employees on the company-funded option

- **Reduced hospitalisations**: down by 20% and hospital-bed days declined by 15% in 2016 compared to 2015 for the company-funded option

Overall, significant progress was made in 2016 in embedding the health strategy and achieving efficiencies in the delivery of healthcare. The new healthcare model continues to be cost efficient with improved clinical outcomes, as evidenced by lower death and medical incapacity rates, fewer admissions and readmissions to hospital and improved TB and HAART programme performance.

All of the planned West Wits shaft clinics were completed and commissioned in 2016, which improved access to healthcare for all employees regardless of funding mechanism. The shaft clinics operate on a 12-hourly basis, providing trauma and emergency care. Case managers and clinical teams are assisted to provide on-site preventative services, including screening for and monitoring of communicable and non-communicable diseases in the workplace, through our disease management programmes. Employees diagnosed with communicable and non-communicable diseases are referred to the Sibanye healthcare network of selected specialists and centres of excellence.

**ABSENTEEISM**

Absenteeism, which includes mine accident sick leave, medical sick leave, occupational health, unpaid leave, absent without permission (AWOP), training, annual leave and other, has a significant effect on productivity and remains a major challenge. The decrease in the number of days lost due to sick leave within the Gold Division can be attributed to our proactive healthcare, and the provision of accessible, preventative, primary, healthcare at shaft level. The total percentage of unavailable days over the past few years has declined to 15.1%, of which medical sick leave has declined to around 3% (compared to 4-5% previously). The absenteeism rate (of unavailable labour) of 18% in the Platinum Division at the end of 2016 will be addressed in terms of Sibanye’s overall health strategy in 2017.

*Note: Absenteeism rate is the percentage of labour unavailable while absenteeism applies to medical sick leave, mine accident sick leave and absence from work for human resources reasons such as leave and leave without permission*
DISEASE AND CASE MANAGEMENT

All employees suffering from chronic diseases, such as hypertension, diabetes and asthma which are commonly known as lifestyle diseases, and from infectious diseases, such as HIV and TB, are encouraged to participate in disease management programmes provided by the medical scheme or funder to which they belong. Employees are encouraged to take greater responsibility for their health and quality of life. The number of medical conditions managed on the various programmes is captured in the table below and, as evidenced by the number of conditions and employees requiring such services, warrants investment in such programmes.

How employees are funded

<table>
<thead>
<tr>
<th>No. of employees</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum Division</td>
<td>28,555</td>
<td>20,624</td>
</tr>
<tr>
<td>Gold Division</td>
<td>7,931</td>
<td>8,416</td>
</tr>
<tr>
<td>Gold Division</td>
<td></td>
<td>32,677</td>
</tr>
<tr>
<td>Company-funded employees</td>
<td>32,677</td>
<td>31,419</td>
</tr>
</tbody>
</table>

Medical conditions under management

<table>
<thead>
<tr>
<th>Medical conditions under management</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum Division</td>
<td>13,242</td>
<td>8,451</td>
</tr>
<tr>
<td>Gold Division</td>
<td>4,791</td>
<td>4,700</td>
</tr>
<tr>
<td>Gold Division</td>
<td></td>
<td>9,790</td>
</tr>
<tr>
<td>Total</td>
<td>23,032</td>
<td>14,581</td>
</tr>
</tbody>
</table>

Overall, 23,032 medical conditions are managed by company-funded medical services and various medical schemes in the Group. The number reported refers specifically to the number of medical conditions registered on disease management programmes and includes employees who are registered for more than one condition.

CARE AND MANAGEMENT OF HIV/AIDS AND TB

VOLUNTARY COUNSELLING AND TESTING

In line with the Department of Health’s national initiative to screen 90% of the population for TB and HIV, we have increased access to screening by introducing voluntary annual testing for all employees following certificate-of-fitness examinations. In 2016, Sibanye offered voluntary counselling and testing (VCT) to 54,451 employees and contractors, of whom 28,717 were tested for HIV.

HIV/AIDS – voluntary counselling and testing and HAART

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum Division</td>
<td>54,451</td>
<td>27,226</td>
<td>23,538</td>
</tr>
<tr>
<td>Gold Division</td>
<td>27,225</td>
<td>11,989</td>
<td>8,505</td>
</tr>
<tr>
<td>HIV-positive</td>
<td>2,243</td>
<td>650</td>
<td>1,929</td>
</tr>
<tr>
<td>% of workforce tested</td>
<td>39</td>
<td>25</td>
<td>18</td>
</tr>
<tr>
<td>New recipients of HAART1</td>
<td>Unknown</td>
<td>Unknown</td>
<td>928</td>
</tr>
<tr>
<td>Category 3-8 employees on HAART</td>
<td>Unknown</td>
<td>Unknown</td>
<td>5,561</td>
</tr>
<tr>
<td>HAART patients employed by Sibanye (alive and on treatment)</td>
<td>9,925</td>
<td>3,545</td>
<td>5,023</td>
</tr>
<tr>
<td>Employees off HAART2 (left programme)</td>
<td>86</td>
<td>Unknown</td>
<td>127</td>
</tr>
<tr>
<td>HIV prevalence3 (%)</td>
<td>8</td>
<td>4</td>
<td>22</td>
</tr>
</tbody>
</table>

UNAIDS 90-90-90

The South African Department of Health has adopted the United Nations AIDS 90-90-90 targets aimed at reducing the incidence and management of HIV/AIDS. The department has rolled out a similar strategy to help achieve its new national development goals for 2020. In support of this, South Africa is also among the first countries in Africa to formally adopt a universal test and treat (UTT) approach in accordance with the new WHO new guidelines on HIV treatment.

UNAIDS 90-90-90 targets aim to ensure that by 2020:
• 90% of all people living with HIV know their status
• 90% of people with diagnosed HIV infection receive sustained ART
• 90% of all people receiving ART have viral suppression

Furthermore, the 90-90-90 target has been included in the department’s national TB development goals:
• 90% of the population to be screened
• 90% of people with TB to be diagnosed and begin treatment and
• 90% of those treated for TB should be cured

HIV/AIDS CARE

Sibanye is working towards compliance with the recommendations of the Department of Health, which are aligned with the United Nations target. This facilitates detection and treatment of affected employees, irrespective of funding mechanism, those employees testing positive for HIV/AIDS are offered highly-active antiretroviral therapy (HAART) and started immediately on HAART (universal test and treat) and compliance with treatment is monitored through viral suppression.

As a result, there was a 6% increase in the number of employees enrolled in the Group-funded HAART programme to 928 in 2016 from 875 in 2015. The number of active participants in the company-funded programme increased by 11% to 5,561 in 2016 from 5,023 in 2015. On a consolidated basis there are 9,925 employees on HAART programmes across the Group which represents 16% of all employees.

TB CARE

Given TB’s symbiotic relationship with HIV/AIDS and the Department of Health’s new TB targets, the same approach to TB has been adopted as with HIV. Consequently, the target is to screen 90% of all employees (see “—Performance overview—Health and safety focus—UNAIDS 90-90-90”) for TB as well as for HIV/AIDs.

In addition, the Mine Health and Safety Council encourages achievement of the Mining Charter milestone which is to reduce the TB rate to below the National TB rate by 2022. The current national TB rate is between 7.5 and 10 per 1,000 people however the National Strategic Plan outlines a TB target of 8.34 per 1,000 by 2015 and 5.84 per 1000 by 2022.

In 2016, a total of 122,834 (2015: 47,269) TB screenings were conducted across the Group and the total TB rate at Sibanye reduced to 13.42 per 1,000 employees at risk (2015: 15.79).

### TB – no. of new and retreatment cases

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TB</td>
<td>707</td>
<td>73</td>
<td>634</td>
</tr>
<tr>
<td>Cardiorespiratory</td>
<td>618</td>
<td>73</td>
<td>545</td>
</tr>
<tr>
<td>New cases of multi-drug resistant TB</td>
<td>16</td>
<td>Unknown</td>
<td>16</td>
</tr>
</tbody>
</table>

* Health data for the Platinum Division (Kroondal and the Rustenburg Operations) covers the entire 12 months of 2016. Tuberculosis has not been reported at the Rustenburg Operations and no data was available as it had been declared a non-controlled operation implying that TB is not recognised as an occupational disease. This will be reviewed and clarified by Sibanye and covered in the next reporting period

OCCUPATIONAL HEALTH MANAGEMENT

Sibanye’s occupational health programme focuses on preventing work-related injury and illness by engaging with stakeholders on occupational hygiene, safety and medicine, as well as formalised programmes, risk assessment, fitness to work and medical surveillance.

All employees undergo stringent medical testing annually, as part of a medical-surveillance programme aimed at monitoring the effects of occupational health hazards. The most significant occupational diseases monitored include silicosis, cardiorespiratory TB and noise-induced hearing loss.

Sibanye has made progress in reducing workplace exposure but, given the latency periods, a number of employees continue to present with occupation-related diseases.

### Occupational health management

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th>2015</th>
<th></th>
<th>2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical surveillance and certificate-of-fitness examinations – total</td>
<td>140,359</td>
<td>52,408</td>
<td>87,946</td>
<td>84,022</td>
<td>72,082</td>
<td></td>
</tr>
<tr>
<td>– Employees</td>
<td>108,135</td>
<td>39,145</td>
<td>68,990</td>
<td>69,294</td>
<td>63,338</td>
<td></td>
</tr>
<tr>
<td>– Contractors</td>
<td>32,219</td>
<td>13,263</td>
<td>18,956</td>
<td>14,738</td>
<td>8,744</td>
<td></td>
</tr>
<tr>
<td>Days lost due to health-related absenteeism</td>
<td>817,075</td>
<td>340,408</td>
<td>476,667</td>
<td>478,568</td>
<td>414,424</td>
<td></td>
</tr>
</tbody>
</table>
HEALTHY DIETS FOR EMPLOYEES

An average of 12,100 people (37% of our workforce) in the Gold Division and 1,756 people (15% of our workforce) in the Platinum Division are provided with four meals and a mid-shift snack daily.

In addition to achieving the Mining Charter’s nutritional guideline targets in both divisions, we have also standardised the menus and recalibrated portion sizes in all hostels to ensure nutritional value and contain costs.

The feeding scheme takes into account the dietary requirements of chronic diseases, such as hypertension, and omits salt from certain meals.

SILICOSIS

There was a reduction in the submitted silicosis rate for the Gold Division to 3.73 per 1,000 employees in 2016 (2015: 4.91). A total of 151 cases were submitted for the year compared to 186 in 2015, 264 cases in 2014 and 332 cases in 2013.

Within the Platinum Division, 89 cases of silicosis were submitted (39 from Kroondal and 50 cases from the Rustenburg operation) to the Medical Bureau of Occupational Diseases for adjudication in 2016. By way of comparison, the silicosis rate is 4.31 per 1,000 employees for Kroondal and 2.8 per 1,000 for the Rustenburg Operation, equivalent to a rate of 3.31 per 1,000 employees for the Platinum Division as a whole. The lower rate for the Platinum Division as compared to that for the Gold Division may be a reflection of the lower levels of crystalline silica present in platinum mining but there is significant movement of employees between the two industries. The effect of dust in the platinum industry however needs to be carefully monitored.

There appears to be an encouraging downward trend in the rates reported, which could be attributed to the adoption of the MOSH Best Practices on Dust Reduction Strategies and the target set by the Mine Health and Safety Council (MHSC) to lower the occupational exposure limit for silica to 0.5mg/m³. However, given the long latency period for the development of silicosis, there is reason to be cautious.

Continued focus on the various dust prevention mechanisms is required to prevent dust liberation at source and ultimately to reduce dust levels and the long-term incidence of silicosis and other occupational lung diseases.

NOISE-INDUCED HEARING LOSS

To reduce the incidence of noise-induced hearing loss (NIHL), which increased to 188 cases in 2016 across both divisions, from 105 in 2015, efforts to lessen noise in the workplace continue through the sourcing of quieter machinery and by providing more effective personal protective equipment.

Submissions of NIHL in the Gold Division increased to 3.12 per 1,000 employees in 2016 compared to 2.82 in 2015. A total of 126 cases were submitted for NIHL compensation compared to 105 cases in 2015 and 138 cases in 2014. Early NIHL, based on hearing loss of between 5% and 10%, declined to 63 cases in 2016 compared to 125 cases in 2015 and 332 cases in 2014.

NIHL in the Platinum Division is reported as 2.31 per 1,000 employees which is slightly less than that for the Gold Division – 2.08 per 1,000, for the Rustenburg Operation and 2.77 per 1000 employees for Kroondal.

The variance between the individual platinum operations will be investigated to identify opportunities to further reduce exposures. The introduction of customised hearing-protection devices for high-risk occupations is supported and is currently being rolled out.

The high submission rates of NIHL occur despite compliance with the new occupational exposure limit of less than 107dB (A), introduction of customised hearing-protection devices for high-risk occupations is supported and is currently being rolled out. Sibanye aims to fit all high-risk employees with customised hearing-protection devices which will include basic education on the harmful effects of noise, the responsibility of each employee and product orientation.

### Occupational diseases – no. of cases reported

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Platinum Division</th>
<th>Gold Division</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silicosis1</td>
<td>240</td>
<td>89</td>
<td>151</td>
<td>186</td>
<td>264</td>
<td></td>
</tr>
<tr>
<td>Chronic obstructive airways disease2</td>
<td>46</td>
<td>16</td>
<td>30</td>
<td>57</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Noise-induced hearing loss3</td>
<td>188</td>
<td>62</td>
<td>126</td>
<td>105</td>
<td>138</td>
<td></td>
</tr>
</tbody>
</table>
TRAUMA CARE

Partnerships with major trauma centres in the regions in which we operate continue to be developed. The Trauma Society of South Africa has assisted Sibanye in improving trauma care at each operation and in our host communities by auditing systems, healthcare providers and facilities.

HEALTH – FUTURE FOCUS

Further improvements in efficiencies in healthcare and the quality of care are planned by consolidating the efforts of funders and the alignment of providers. The platinum operations will be integrated along the principles of preventative healthcare and will include the establishment of shaft clinics to enhance the access and delivery of healthcare to all employees.

The number of medical schemes will be consolidated with the most beneficial options chosen and the current working partnership with the Department of Health enhanced for the benefit of the community at large. Cost efficiencies will be improved by eliminating duplication, and the delivery of healthcare and related outcomes in the communities in which we operate will improve.
SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT

HIGHLIGHTS OF 2016

• Socio-economic development spend on community development projects – spend by the Gold Division totalled R59.4 million which accounted for 1.3% of that division’s pre-tax profit and that by the Platinum Division (excluding Rustenburg) totalled R12 million, 3.3% of the division’s pre-tax profit
• The 2012 five-year social and labour plan (SLP) cycle came to an end in 2016
• Establishing relationships with communities and stakeholders in the vicinity of our platinum operations
• Distributed food hampers prior to the year-end break as a goodwill gesture in all host communities of our gold and platinum operations
• Assisted with resourcing the ante-natal unit at Leratong Hospital on the West Rand
• Optimised our learner support programme which benefits more than 1,000 learners in Merafong, Gauteng and in the Free State and Eastern Cape

APPROACH

Sibanye believes that meaningful socio-economic transformation is dependent on all stakeholders working together to build safe and sustainable communities and recognises its role as a responsible corporate citizen in the context of the current and legacy challenges facing the South African mining industry.

Employees and communities are key stakeholders and ensuring that they, along with other stakeholders, derive value from Sibanye’s business activities, is critical to the success and sustainability of the Group. This is captured in Sibanye’s stated core purpose, which is that its mining improves lives. While the responsibility for delivery of infrastructure and services remains a primary responsibility of Government, Sibanye recognises that it can play an important role in enabling the transformation of the South African economy and delivering employment and purpose to the people of South Africa. This transformation requires an emphasis on public-private partnerships in which participants work together to achieve maximum, sustainable socio-economic impact.

Communities, which often include many Sibanye employees, can and should play a significant support role to the mining companies, by supplying labour, services and products. Our communities can, however, disrupt and have a negative impact on the economic viability of operations, affecting safety, production and posing other societal risks. It is vital that we develop mutually-beneficial relationships with our communities.

Poverty and unemployment in South Africa are increasing, and these social ills bring with them the threat of socio-economic instability. While poverty, unemployment and lack of decent housing are common in many South African communities, they are more prominent in mining towns and surrounding villages, where growth has been rapid and outpaced the delivery of housing and infrastructure. Informal settlements continue to proliferate, with critical services not being provided or maintained. Although these social challenges seem daunting, especially when considered in isolation, experience to date has taught that such challenges can be managed by means of collaborative, directed and targeted interventions.

COMMUNITY DEVELOPMENT STRATEGY

Sibanye’s community development strategy is based on the principles of the United Nations’ Sustainable Development Goals and its own strategic objectives. The strategy aims to:

• maintain social licences to operate through effective engagement and mutually beneficial relationship building beyond compliance
• use resources appropriately and effectively to respond to identified and agreed community needs immediately and in the future
• actively identify key multi-sectoral partnership opportunities in order to leverage our contribution and associated impacts
• focus efforts on achieving tangible and sustainable impacts that will continue beyond the life of mine
• go beyond financial resources and consider the best use of other internal assets and resources
• build expertise and relationships through collaboration for the benefit of communities
• avoid dependency and encourage the creation of alternative economies that are independent of mining
• create long-term sustainability consistent with the closure strategies
• achieve the greatest impact by focusing on a few key areas that can be leveraged effectively
• continuously monitor and evaluate the impacts and social returns from investments

Sibanye’s community development strategy is based on two important components:

• Economic diversification
• Empowerment through skills development

While economic diversification is critical in terms of the long-term sustainability of communities, it is contingent upon our communities having been given the requisite skill sets.
The process of empowering our communities through skills development starts with basic education and progresses towards tertiary education and other more hands-on interventions like artisan training and learnerships. Sibanye believes that many of the issues currently faced by communities can be solved through a concerted effort in skills development and improved education levels. This approach will enable many to obtain employment in established industries and others to create local employment by creating sustainable enterprises. We thus focus on enabling empowerment and transformation within education.

The following infrastructure and education programme interventions were implemented during 2016:

- Plans compiled for the construction of Skenjana Senior Secondary School in the town of Idutywa in the Mbhashe District Municipality in the Eastern Cape
- Planning completed for the construction of Simunye Senior Secondary School in Westonaria, Gauteng
- Construction of a school hall at Taiwe Senior Secondary School Hall in Theunissen in the Free State
- Construction of a hall at Embonisweni Primary School in the Free State
- Establishment of a mathematics laboratory as well as renovations and a borehole for the school feeding scheme at Mamello Senior Secondary School near Welkom in the Free State
- Mathematics and science programme in partnership with the Free State Department of Education and the Kutlwanoing Centre for Maths, Science and Technology
- Construction input incubator hub being established in Westonaria, Gauteng
- Geotechnical investigations and land donation for the Westcol Technical, Vocational, Education and Training (TVET) College, Westonaria, Gauteng

GOVERNANCE

Aside from contributing to community development and upliftment as articulated above, Sibanye also carries out corporate social investment (CSI) in an effort to improve the conditions in communities and in response to requests for donations. These requests are reviewed by a Community Development Steering Committee which ensures accountability and responsibility for our CSI initiatives and donations and is governed by Sibanye’s mine community development and corporate social development policy. The committee is accountable to a higher level, executive-led Sustaining our Social Licence to Operate Committee.

The Sustaining our Social Licence to Operate Committee advises and makes regulatory compliance decisions on local economic development and on CSI projects that are above an investment threshold (R50,000) to be supported in host communities. It is also responsible for providing policy direction, overall project oversight and reviewing project impacts and effectiveness.

Both of these committees report to the relevant board committees, namely, the Social and Ethics Committee and the Safety, Health and Sustainable Development Committee. The Social and Ethics Committee monitors Sibanye’s activities to ensure compliance in relation to relevant legislation and codes of good practice while the Safety, Health and Sustainable Development Committee ensures that Sibanye adheres to sustainable development principles and practices.

PERFORMANCE IN 2016

Socio-economic development expenditure (R million)

<table>
<thead>
<tr>
<th></th>
<th>2016 Group</th>
<th></th>
<th>2015 Group</th>
<th></th>
<th>2014 Group</th>
<th></th>
<th>2013 Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gold Division</td>
<td></td>
<td>Platinum Division</td>
<td></td>
<td>Gold Division</td>
<td></td>
<td>Gold Division</td>
</tr>
<tr>
<td>Local economic development/social and labour plans</td>
<td>59</td>
<td>47</td>
<td>12</td>
<td>27</td>
<td>24</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>384</td>
<td>353</td>
<td>316</td>
<td></td>
</tr>
<tr>
<td>Sport, conservation and environment</td>
<td>0.4</td>
<td>0.4</td>
<td>0</td>
<td>1</td>
<td>10</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>181</td>
<td>181</td>
<td>0</td>
<td>197</td>
<td>649</td>
<td>699</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Enterprise development</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>393</td>
<td>321</td>
<td>72</td>
<td>62</td>
<td>10</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>15</td>
<td>12</td>
<td>3</td>
<td>14</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>656</td>
<td>569</td>
<td>87</td>
<td>691</td>
<td>1,055</td>
<td>1,050</td>
<td></td>
</tr>
</tbody>
</table>

Details of our local economic development projects, as well as housing and accommodation and agriculture projects, are available on our corporate website at www.sibanyegold.co.za

THE SIBANYE-GOLD FIELDS ALLIANCE PROJECT

Sibanye and Gold Fields have co-operated on the implementation of community-based projects in Westonaria. This alliance project will form the basis of our local economic development strategy to create jobs outside of mining, especially in agriculture.

This community development initiative is being rolled out in two phases:

- Phase 1 (completed in 2015) focused mainly on social aspects, such as mobilisation and communication, for the establishment of a fully representative community engagement platform as well as the creation of local small enterprises.
As well as the sustainability of the phase 1 enterprises, phase 2 is focused on agricultural activities. This phase involves establishing an AgriPark or hub to serve as an agri-processing centre to provide support and input to surrounding community farmers, known as “outgrowers”. Certain local commercial farmers will be involved in the AgriPark and will provide assistance, farming implements and advice. Two outgrowers with 20ha of land each were assisted in site preparation for the planting season through to mid-2016. Training of beneficiaries is due to be completed in 2017. Integration of the initiative into the social and labour plans of Driefontein, Kloof and Cooke Operations has begun as well as engagement with the regulator and other key stakeholders, including local and district municipalities. Successful implementation of phase 2 will determine the way forward towards economic viability.

Sibanye and Gold Fields are currently funding the project jointly and have committed a combined R12 million for phase 2. Sibanye committed funding of R6 million towards this project in 2016.

STAKEHOLDER ENGAGEMENT

A proactive approach to stakeholder engagement is critical in our quest to build credible relationships with our stakeholders and uphold our social licence to operate. We engage continually with the government and in particular, the Department of Mineral Resources, local municipalities, communities and organised labour on matters of mutual interest and benefit.

The most tangible benefits of our proactive approach towards stakeholder engagement in 2016 included:

- collaboration with key stakeholders, including municipalities, in key initiatives such as integrated development plans as well as launches, roll out and alignment of projects and assisting government in funding development opportunities
- enabling exploration of possible synergies in community development initiatives and co-funding
- facilitating alignment of the Sibanye Community Development Strategy with Gauteng’s provincial economic development strategy
- hosting empowerment workshops for unemployed youth with community forums
- averting planned marches and production stoppages by communicating clearly and unambiguously with interested and affected parties, including enabling safe routes for buses transporting employees to and from work, during labour disputes
- a community platform on recruitment processes
- support by municipalities during compliance inspections

We engaged with host communities and those in labour-sending areas to assess their expectations and perceptions of our community development projects. We also invited labour-sending communities to visit Sibanye to see the living conditions of their family members employed by us.

In 2016, many informal and official engagements took place in the Rustenburg area following our acquisition of the platinum operations in North West Province. Engagement structures and forums are being streamlined accordingly.

Extensive stakeholder engagement focused mainly on recruitment and procurement processes, which constitute two major concerns in these communities. We have appointed a dedicated community engagement and development team in the Platinum Division to deal with what we deem to be unique challenges in the platinum belt.

In the interests of sustainability, we have also engaged with the Department of Mineral Resources in North West Province and, as a result, have streamlined and aligned our social and labour plans for operations within the Platinum Division with those of the Gold Division and to meet commitments set by our predecessors.

Following government’s Mining Phakisa workshop in December 2015, held under the auspices of the Department of Planning, Monitoring and Evaluation, engagement continued with key stakeholders in 2016. This engagement related in particular to our agricultural projects, in which we participate as part of the Sibanye-Gold Fields Alliance and which are due to be fully incorporated into our social and labour plans in the next cycle, as part of a much larger project roll-out.

SOCIAL AND LABOUR PLANS

In 2016, we engaged with the Department of Mineral Resources (DMR) in North West Province to have the social and labour plan (SLP) cycles for our platinum operations amended so that they would align with those of the rest of the Group. All the 2015 annual SLP reports for our gold operations were submitted in July 2016.

Our five-year SLPs expired at the end of December 2016. Preparatory work for the following five-year SLP cycle was begun in good time, starting with an independent baseline study to inform our approach to community development projects for Burnstone, which is due to begin operating in 2017. This study will enable us to adequately address the needs of host communities in the vicinity of the operation. Completion of Burnstone’s draft SLP compiled in the past year is subject to finalisation of targets and cash flow projections that form part of the mine’s work programme, which was included in Burnstone’s bankable feasibility study.

Preparation for the SLPs for the remaining gold and Kroondal operations included appointing an external service provider to conduct independent impact assessment studies and evaluate the efficacy of previous SLP projects, to identify risks associated with project implementation, as well as to identify and recommend areas of focus for future socio-economic interventions. The final report provided invaluable guidance on the nature and extent of investments to be made in the new SLP cycle.

In preparing these SLPs for submission to the DMR, we realised that there would be challenges in aligning our activities with key transformational and developmental imperatives, such as the revised Mining Charter, which is currently under review and expected to be finalised early in 2017, and municipalities’ Integrated Development Plans. We therefore requested and were granted a six-month extension to the deadline for submission to end June 2017. Such a request was not granted to Beatrix, for which a draft SLP was submitted in December 2016. The extension will enable us to align with the requirements of the revised Mining Charter, and to participate fully in the development of municipalities’ new Integrated Development Plans following the August 2016 local government elections.

Among the challenges relating to our SLPs was construction of employee accommodation at Beatrix and the Cooke 1, 2 and 3 operations. At Beatrix, this was complicated by the fact that planned upgrades and conversions were located in isolated mining areas and not fully integrated into the local community, and thus not aligned with the government’s human settlement programme. Cooke 1,
2 and 3 operations on the other hand could not afford the construction costs given the production challenges being encountered. Formal requests were submitted to the DMR, in terms of the MPRDA, to amend the Housing and Living Conditions sections in the respective SLPs for Beatrix and for Cooke 1, 2 and 3. Both applications are being considered by the department and no formal response has been received to date.

Similarly, proposed changes to the Human Resources Development sections of the Beatrix and Cooke SLPs were also submitted to the DMR. Since most training targets had been met in the first four years of the SLPs, the operations sought to consider business-driven training requests or to reduce targets where possible. The regulator also requested that plans be submitted to address backlogs in adult education and training as well as learnerships.

Implementation plans for all operations were submitted to the DMR in February 2016, as required by each mining right. The implementation plans outline annual objectives set to meet SLP goals within the five-year cycle.

Following the submission of the 2015 annual Mining Charter reports on 31 March 2016, the DMR required completion and submission of a specific template by the end of April 2016. The detailed template was intended to aid the department in assessing the current Mining Charter which expired at the end of 2014. Revised reports for all Sibanye operations were submitted on 30 April 2016.

In terms of Section 92 of the MPRDA, inspections were conducted at Driefontein and Beatrix on 5 August 2016 and 17 November 2016, respectively, to assess compliance with the Mining Charter and implementation of SLP commitments. The DMR issued a directive to address shortcomings identified in certain aspects of human resource development and procurement at Beatrix. In its formal response to the directive, Beatrix undertook to incorporate these backlogs into its new SLP.

On 20 September 2016, Beatrix hosted the Parliamentary Portfolio Committee on Mineral Resources which conducted an oversight visit to assess our approach to silicosis, see “—Performance overview—Health and safety focus—Silicosis” for greater detail.

### PROCUREMENT AND ENTERPRISE DEVELOPMENT

In support of local entrepreneurs, an online registration system has been developed and implemented for all prospective suppliers. Sibanye assists local vendors in workshops organised by the Department of Mineral Resources and municipalities in collaboration with business and unemployment forums.

Of total Group procurement for the year, R9.9 billion was discretionary expenditure. The Gold Division’s total procurement spend with BEE entities was R4.9 billion (2015: R4.7 billion) in 2016 while the Platinum Division spent R2.7 billion since the effective acquisition of the relevant assets. Total BEE procurement spend amounted to R7.6 billion for the year. This was equivalent to 77% of total procurement spend for the year.

### BEE procurement² in 2016 (%)

<table>
<thead>
<tr>
<th>Division</th>
<th>Capital goods</th>
<th>Consumables</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gold Division</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beatrix</td>
<td>63</td>
<td>66</td>
<td>73</td>
</tr>
<tr>
<td>Cooke 4</td>
<td>80</td>
<td>58</td>
<td>89</td>
</tr>
<tr>
<td>Cooke 1, 2 and 3</td>
<td>64</td>
<td>62</td>
<td>80</td>
</tr>
<tr>
<td>Driefontein</td>
<td>71</td>
<td>56</td>
<td>77</td>
</tr>
<tr>
<td>Kloof</td>
<td>86</td>
<td>65</td>
<td>81</td>
</tr>
<tr>
<td><strong>Platinum Division</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kroondal</td>
<td>87</td>
<td>93</td>
<td>95</td>
</tr>
<tr>
<td>Rustenburg</td>
<td>80</td>
<td>73</td>
<td>86</td>
</tr>
</tbody>
</table>

Sibanye has an electronic portal that enables SMMEs to register as vendors. The portal includes the Burnstone project (currently under construction) and it will include the platinum operations in 2017. The portal facilitated participation of more SMMEs in tender processes in 2016 and has created more opportunities for local suppliers to be awarded contracts through closed tenders. As Sibanye does not import goods and services, it does not have any multinational companies on its supplier data base.

1 The procurement targets given by the Mining Charter apply to procurement that “excludes non-discretionary procurement expenditure”, which is defined as expenditure that cannot be influenced by a mining company, such as procurement from the public sector and state enterprises. The procurement targets thus apply to discretionary expenditure over which Sibanye has influence.

2 Excludes expenditure on the Burnstone project

### FUTURE FOCUS

Meaningful transformation is critical if we are to succeed as a company and as an industry to improve the lives of the communities around our operations. We believe that by building credible relationships and collaborating with all the relevant roles players, we will be able to ensure sustainable development.

We believe that by unlocking the local potential through skills development and acting as a catalyst for alternative economies that are not dependant on mining, we will be able to meet the aspirations of our communities.

Although specific local economic development projects have not been confirmed for the new SLP cycle, we have identified strategic focus areas and opportunities for collaboration that we believe are in line with the developmental aspirations of our stakeholders.

We are convinced that by implementing projects in the following critical areas we will realise our primary strategic objective, to create an economy within our communities that is aligned with the mainstream economy but independent of mining by:

- establishing a construction incubator hub for SMME development related to housing infrastructure requirements in the region e.g. the planned development of a settlement called Syferfontein. It is envisaged that this hub will support about thirty SMMEs during 2017 to 2018. Plans are for the incubation hub with its initial five work streams (brick making, roof trusses, welding, carpentry, spray painting) to
become a fully-fledged construction supplier park, based in Westonaria where up to 30 work streams (employing close to 1,000 people) will supply the construction industry with items such as tiles, roof tiles, sanitary ware, plumbing supplies, construction equipment, etc. The hub will also include a showroom and sales facility for planned settlements and the municipal housing backlog as well as the Sibanye employee housing programme.

- using impacted mine land (that is land that cannot be used for buildings owing to the risk of sink holes) and infrastructure such as warehouses and buildings to establish agri-infrastructure and create facilities for local SMMEs involved in agriculture for agri-processing and other forms of beneficiation. Some infrastructure will be converted into training centres so as to ensure the empowerment of our communities in terms of agriculture and its associated businesses. The use of mine land and infrastructure speaks to our social closure strategy and reduces our rehabilitation liabilities, while at the same time reducing the risk of land invasions and illegal occupation. The agri-infrastructure and agri-processing facilities will provide the offtake required for the regional farmer outgrower agriculture programme that was piloted by the Sibanye-Gold Fields Alliance.

- constructing education and health infrastructure
- constructing technical and vocational education and training colleges where needed
- donating land and formalising informal settlements – this is at an advanced stage at Bhongweni and Toekomsrus, near Westonaria, in Gauteng, where Sibanye is donating land to the municipality which will assist with the provision of infrastructure. Certain stands will be reserved for mine employees while the remainder will include zones for light industry, business and rental units. We are also investigating the urban farming settlement concept instead of the normal RDP townships. The urban farming will realise self-sustainable settlements and the first of these concepts has been approved in Mpumalanga. The mayor of the Rand West City Local Municipality has set up a special steering committee to assist with adopting this concept. Government departments and financial institutions are key stakeholders that have bought into this concept. This could be a huge-impact development project and could be rolled out to other informal settlements occupied by mineworkers which could be formalised – such as Silver City in Merafong.

The impact of these projects will be compounded through collaboration and the creation of partnerships with other role players to augment Sibanye’s investment. As a result, Sibanye has established a community trust and is inviting external sources including our major suppliers, to contribute on a voluntary basis and who will be involved as trustees in terms of where their contributions would have the highest impact. Other potential sources of funding have been approached, including the departments of Small Business Development, Agriculture and of Trade and Industry.

We have begun revising our supply chain strategy so that SMMEs in our host communities can benefit from our enterprise development programmes and participate meaningfully in our value chain so as to stimulate the local economy through the creation of enterprises that will eventually become independent of mining.
MINIMISING THE ENVIRONMENTAL IMPACT

OUR APPROACH

DUTY OF CARE

Sibanye adheres to the general environmental duty of care principle as outlined in Section 28(1) of the National Environmental Management Act, 1998 (Act No 107 of 1998) (NEMA). In addition, Sibanye strives to uphold the highest environmental standards and complies with all applicable legislation governing the use of resources, responsible waste management, conservation of biodiversity, and closure and post-mining land use. Employees are also kept informed about, and they are encouraged to adhere to and deliver on our water and environmental management policies.

AWARDS AND RECOGNITIONS RECEIVED

Sibanye achieved an A rating for its 2016 Carbon Disclosure Project (CDP) climate change submission and has been included in the global A list of leaders in climate change reporters.

ENVIRONMENTAL INCIDENTS

Sibanye considers any environmental incident to be serious but publicly reports on Level 3 (ongoing but limited impact), Level 4 (medium-term impact) and Level 5 (long-term impact) environmental incidents. All incidents are recorded, investigated and classified as they occur. Steps are taken to mitigate and prevent any recurrence. Incidents are monitored continuously and reported internally on a monthly and quarterly basis.

In 2016, the Gold Division reported six level 3 environmental incidents (2015: eight and 2014: nine). This comprised four level 3 incidents at the Cooke operations and two level 3 incidents at Driefontein. No level 4 or level 5 incidents were reported.

The Platinum Division reported 13 incidents, all at Kroondal – five level 3 and eight level 4 incidents – since its acquisition. It is important to note that the classification system used by the Platinum Division differed from that used by the Gold Division. A process to align and standardise the reporting, recording and classification of environmental incidents across the Group is underway and will be completed by June 2017.

PERFORMANCE

WATER MANAGEMENT

Total mine water consumption for the Group was 45,860Ml (Gold Division: 41,484Ml; Platinum Division: 4,376Ml) for 2016, of which 33% was purchased from water services authorities (2015: 36%).

Consistent water consumption in the Gold Division in 2016 was a result of the implementation of the SibanyeAMANZI water strategy, which seeks to reduce the quantity of water purchased by means of water conservation and demand management initiatives as well as deployment of Sibanye’s own water purification plants.

Water used* and discharged (Ml)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group</td>
<td>Division</td>
</tr>
<tr>
<td>Water withdrawal</td>
<td>111,693</td>
<td>4,376</td>
</tr>
<tr>
<td>Water discharged</td>
<td>65,833</td>
<td>0</td>
</tr>
<tr>
<td>Water used*</td>
<td>45,860</td>
<td>4,376</td>
</tr>
<tr>
<td>Total purchased</td>
<td>15,027</td>
<td>2,674</td>
</tr>
<tr>
<td>Volumes treated (Mt)</td>
<td>26.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Intensity (Ml/tonne treated)</td>
<td>0.00171</td>
<td>0.00066</td>
</tr>
</tbody>
</table>

Note: Water used = total abstracted – water discharged

* This year we report on the volume of water used rather than on the volume recycled and reused. Sibanye operates mines that generate almost zero effluent (100%) consumed and mines that must discharge certain volumes of water in terms of their water use licences to satisfy the requirements of the environmental reserve and/or to satisfy dewatering requirements. Nevertheless, Sibanye continues to practice effective water conservation and water demand management, in accordance with the requirements each of its water use licence.
Although Cooke is a smaller operation than Kroondal, its water consumption includes that by the hostels located at the Cooke Operation. In addition, Kroondal’s consumption is for nine months of the year, as opposed to a full year.

Sibanye’s Water Management Department has been structured to deliver on the following key functional areas:

- **Compliance** with water use licence requirements continued to improve as a result of increased specialist interventions. Structural compliance with specific requirements of water use licences has been challenging and remains the key obstacle to achieving 100% compliance with regard to water quality. In order to address the issue, it has been decided to apply for amendments to these water use licences.
  - Underground settler treatment systems converted into cold lime softening treatment plants at four mine shafts, to facilitate metals and uranium removal, and partial desalination, are delivering satisfactory results.
  - A new water use licence was received for Kloof, which resulted in compliance cost savings as well as improved compliance.
  - The Driefontein water laboratory has been upgraded and, from 2017, the use of external laboratories will be reduced as a result.
  - Sibanye experienced an increase in inspections by the Compliance and Enforcement section of the Department of Water and Sanitation (DWS) in 2016. Two letters of intent to issue a directive were received. However, no directives were ultimately issued.
  - The team is also responsible for water quality sampling at 868 points, monitoring and submission of results to the DWS as per the water use licence requirements, which stipulate that sample points should be monitored for frequencies of surface water, groundwater and discharges.

- **Innovation and projects:** Several projects were designed and implemented during 2016.
  - Trans-Caledon Tunnel Authority (TCTA) Western Basin acid mine drainage (AMD) treatment plant: successful commissioning of the 30Ml/d settler upgrade project and modification of the precipitation system, resulting in substantial cost savings and prevention of AMD discharges from an old decline mining shaft in Randfontein (17 winzes).
  - Kloof water treatment plants: design and specification of several potable water treatment plants as well as a demineralisation plant to reduce dependency on supplies from water services providers and to improve feed water quality.
  - Underground lime softening plants: modifications to dosing systems to facilitate the removal of metals and uranium from underground mine water at Cooke 1 and 2 shafts, Ezulwini and Kloof 8 Shaft.
  - Ezulwini shaft closure project: project management and facilitation of the basic assessment and water management closure – the current cost of the pump and treatment process is approximately R13 million per month. Full shaft closure is planned for the fourth quarter of 2017. Studies have shown that rewatering of the Gemsbokfontein West compartment will produce minor risks as far as ground stability, water quality and barrier plug safety are concerned.
  - Innovation: Sibanye received approval in terms of Section 11D of the Income Tax Act, 1962 (Act No 58 of 1962) to conduct four water management innovation projects, which include biological treatment of mine effluent and tailings, rare earth elements recovery, cyanide recovery from tailings and economical remediation of mining impacts through the recovery of minerals as part of rehabilitation.

- **Operational and maintenance support:** Sibanye continues to contract and administrate purchases of potable water, water resources charges, underground settler management, cooling water treatment contracts and the operation of the TCTA AMD treatment plant, the Driefontein North Shaft drinking water plant and the Ezulwini potable water treatment plant.

Sibanye continues to assess, optimise and document the water balance for each water use licence and submit the annual returns. We deployed a water conservation and demand management system in 2016, which provides real-time water consumption and alerts when leaks are detected. The system has already generated several real benefits, including reduced night flows, leak management and reconciliation of municipal and water board flow meters. The next phase of the system comprises the installation of instrument sensors at water plants, leak detection for tailings disposal and real time monitoring of water use licence discharges.

**Awareness and stewardship:** Sibanye hosted in an international investor conference and a technical tour for participants as well as several community visits to the Western Basin surface operation, and also participated in several stakeholder and water-management public forum meetings. Several students were assisted with post-graduate research and Sibanye participated in the Minerals Board meetings at the University of Cape Town, focusing on research and development within the mining industry.

**ACID MINE DRAINAGE**

Water management activities relating to the management of AMD include:
• Extensive water quality and salt load measurement and management
• Catchment-wide biomonitoring and toxicity assessments
• Ensuring that underground lime dosing plants and cold lime softening facilities operate within specifications
• Continuing research and pilot plant work to find ways to economically recover metals from AMD water
• Operating the Western Basin Trans-Caledon Tunnel Authority AMD treatment facility at the Cooke Operations

WATER USE LICENCES – STATUS
• Kloof received a new water use licence in 2016
• All operations, in the Gold and Platinum Divisions have current water use licences or authorisations
• Applications have been made for amendments to some of these licences and feedback from the DWS is pending
• Splitting of the single water use licence for the Rustenburg assets, in line with the new ownership of assets following the acquisition of certain of the Rustenburg assets from Anglo American Platinum, awaits feedback from the DWS

TAILINGS AND WASTE PROGRAMME
To reduce costly double handling of lower grade development or waste material, which was previously hoisted separately and stored on surface rock dumps for future processing through dedicated surface material plants, a decision was made in 2014 to mill and process development material with underground ore at all the gold operations. As a result there is no longer a need for rock dumps on surface and existing dumps are currently being processed and removed. Significant effort has also been made to improve the quality of mining factors, such as reducing dilution by lowering stoping widths. In addition, reducing dilution by minimising the amount of waste rock mined has significant cost and environmental benefits, including a smaller surface footprint, which results in lower dust emissions and more effective management of water pollution.

Gold Division

<table>
<thead>
<tr>
<th>Waste management (Mt)</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailings into TSFs</td>
<td>15.46</td>
<td>14.31</td>
<td>15.73</td>
<td>13.11</td>
</tr>
<tr>
<td>Tailings into pits</td>
<td>4.02</td>
<td>4.20</td>
<td>3.79</td>
<td>–</td>
</tr>
<tr>
<td>Waste rock</td>
<td>0.18</td>
<td>7.14</td>
<td>0.60</td>
<td>0.76</td>
</tr>
<tr>
<td>Recycled waste*</td>
<td>12.09</td>
<td>11.34</td>
<td>11.96</td>
<td>13.29</td>
</tr>
<tr>
<td><strong>Total mining waste</strong></td>
<td>19.69</td>
<td>25.65</td>
<td>20.12</td>
<td>13.87</td>
</tr>
</tbody>
</table>

* This gold-bearing material such as the waste rock dumps that is retreated at the plant

Platinum Division

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailings into TSFs</td>
<td>3.36</td>
<td>7.34</td>
<td>10.7</td>
</tr>
<tr>
<td>Tailings into pits</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Waste rock (including the Kroondal dense media separation dumps)</td>
<td>1.85</td>
<td>0.37</td>
<td>2.22</td>
</tr>
<tr>
<td>Recycled waste</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total mining waste</strong></td>
<td>5.21</td>
<td>7.71</td>
<td>12.92</td>
</tr>
</tbody>
</table>

CLIMATE CHANGE, EMISSIONS AND AIR QUALITY MANAGEMENT
Sibanye’s activities affecting ambient air quality, identified by the Department of Environmental Affairs (DEA) through the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004) (Air Quality Act), include the metallurgical smelting process, lead processes in the assay laboratories and waste incinerators at sewage works. To manage these processes, isokinetic sampling and analysis is used to determine the composition and concentration of emission gases and particulate matter. Results are used in impact assessments.

All of Sibanye’s operations with activities listed in terms of the Air Quality Act have the necessary authorisations (provisional atmospheric emissions licences or atmospheric emissions licences). All operations completed setup and initial reporting of emissions in 2015 in terms of the National Atmospheric Emissions Inventory System, as required, by 31 March 2016.

Sibanye is committed to global warming and climate change initiatives through the deployment of responsible strategies and actions. Identifying climate change risks includes:
• Financial (application of certain policies and measures such as carbon tax)
• Business risk (introduction of sector and Group carbon budgets, Eskom electricity supply constraints and impacts on production)
• Physical (extreme events such as heavy rainfall and severe storms, hail and tornadoes which damage infrastructure)
• Supply chain (disruption of key products such as timber support with concomitant cost increases)

In order to manage these risks, Sibanye participates actively in shaping the national response to climate change by lobbying National Treasury and the DEA on policies and measures to achieve a low carbon economy. In addition, Sibanye also lobbies through institutions such as the Chamber of Mines.

In 2016, Sibanye participated in the National Business Institute (NBI) survey of adaptation to climate change by companies. The information gathered from the survey is being used by the NBI to draft a report on adapting to climate change.
environment are addressed through mitigation and adaptation. Mitigation measures relating to water storage and pumping infrastructure are being considered to handle extreme events and green building design is considered for new buildings.

Sibanye has embarked on a programme to raise awareness and build the resilience of its supply chain to climate change and thus minimise supply disruptions while managing product costs. In this regard, a meeting was held with our key timber supplier. The timber supplier is aware of the potential effects of climate change and manages its climate change risk by diversifying the geographical spread of its timber growing areas and holding prepared timber inventories in strategic areas.

Climate change also offers opportunities which Sibanye plans to harness, including revenue recycling opportunities through projects aimed at integrated electricity demand management (formerly demand side management projects) either partially or fully funded by Eskom and through tax incentives for low carbon intensive processes such as those included in Section 12L of the Income Tax Act.

In order to actively manage its carbon emissions, Sibanye carries out a detailed assessment of its Scope 1, 2 and 3 emissions (carbon inventory). The inventory is compared to the established base year and to short-, medium- and long-term targets.

Sibanye has also undertaken to align targets using the science-based sectoral decarbonisation approach. Our emissions are summarised below.

**Scope 1 and Scope 2 (direct emissions) carbon inventory (000t CO2e)**

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased goods and services</td>
<td>116</td>
<td>18</td>
<td>99</td>
</tr>
<tr>
<td>Capital goods</td>
<td>596</td>
<td>596</td>
<td>650</td>
</tr>
<tr>
<td>Fuel- and energy-related emissions not included in Scope 1 or Scope 2</td>
<td>4,720</td>
<td>180</td>
<td>849</td>
</tr>
<tr>
<td>C02e intensity (tCO2e/tonne milled)</td>
<td>0.22</td>
<td>0.12</td>
<td>0.24</td>
</tr>
</tbody>
</table>

The 2016 carbon emissions include emissions from the acquisitions as of the time they became effective (i.e. Kroondal from April 2016 and the Rustenburg Operations from November 2016).

Reducing Energy Consumption

Energy-efficiency initiatives were implemented across the Group in 2016 in line with Eskom’s demand-side management programme and Sibanye funded projects to the value of around R50 million to reduce electricity consumption by 2% to 3% annually. Employees are encouraged to conserve energy and energy service companies were employed to assist with energy-saving measures, contributing to energy savings of 15.5MW in 2016 (2015: 15.8MW). The cost benefit totals approximately R76 million.

In agreement with Eskom, Sibanye continues load shifting to protect the national grid at peak times and to manage peak power costs.

Our energy and carbon footprints are measured, monitored and managed in terms of our integrated energy and carbon management strategy. It has been found that electricity consumption contributes approximately 87% to Sibanye’s total Scope 1 and Scope 2 emissions (carbon footprint). The balance comprises fugitive methane emissions at Beatrix, as well as diesel, petrol, liquid petroleum gas (LPG), oxyacetylene, blasting agents and coal.

Sibanye continues to design, develop and implement strategies that seek to reduce the energy consumption of operations and, thereby, reduce its carbon footprint while additional opportunities and energy-efficient technologies are pursued.

The Beatrix carbon-reduction project, which includes the use of methane gas to generate electricity, registered under the Clean Development Mechanism of the Kyoto Protocol to the United Nations Framework Convention on Climate Change in 2013, accrued 28,281 certified emission reductions in 2016 (2015: 89,290). Certified emission reductions (also known as carbon credits) are issued by the
Clean Development Mechanism to assist organisations in offsetting their emissions and complying with their targets. During 2016, the depletion of methane emissions from boreholes and vandalisation of flares contributed to a decrease in the number of certified emissions reductions.

Regarding the Platinum Division, we will assess existing projects and the way forward in 2017.

**Gold Division – Energy intensity (GJ/tonne milled)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrix</td>
<td>0.69</td>
<td>0.73</td>
<td>0.69</td>
<td>0.70</td>
</tr>
<tr>
<td>Cooke</td>
<td>0.43</td>
<td>0.76</td>
<td>0.77</td>
<td>-</td>
</tr>
<tr>
<td>Driefontein</td>
<td>0.89</td>
<td>1.03</td>
<td>1.09</td>
<td>1.08</td>
</tr>
<tr>
<td>Kloof</td>
<td>1.15</td>
<td>1.56</td>
<td>1.36</td>
<td>1.36</td>
</tr>
</tbody>
</table>

**Group emissions – NOx and SOx (t)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nitrogen oxides (NOx)</td>
<td>887</td>
<td>618</td>
<td>19,901</td>
<td>14,618</td>
</tr>
<tr>
<td>Sulphur oxides (SOx)</td>
<td>667</td>
<td>499</td>
<td>632</td>
<td>464</td>
</tr>
</tbody>
</table>

**SOLAR ENERGY**

A prefeasibility study completed in 2014 confirmed that solar photovoltaic power would be an economically competitive solution and could partially ameliorate the effects of interruptions in Eskom supply. A 150MW photovoltaic plant is planned for development on a site strategically placed between the Driefontein and Kloof mining complexes on the West Rand.

Photovoltaic generation from a site adjacent to Sibanye’s mining operations represents a partial solution to securing alternative electricity supply and allows the power generated to be directly injected into the mine’s electrical reticulation. The first phase of 50MW is planned to be operational in the second half of 2018. This technology can be implemented over a relatively short time while baseload solutions will be required to complement photovoltaic power for a more comprehensive approach. Once complete, it will be the single largest private offtake plant on the African continent.

Significant progress was made in 2016 with the project team completing many of the key milestones required to ensure commercial operation in 2018. All environmental authorisation applications, including an environmental impact assessment and a water-use general authorisation, were submitted to the relevant regulatory bodies for consideration – provisional approval was obtained from the Department of Environmental Affairs in January 2017 with approval from the Department of Water and Sanitation expected in the first quarter of 2017.

An engineering concept and basic design were completed, providing critical information required for the environmental permitting and financial modelling of the project. In support of the design, all the required geotechnical work was also conducted. Applications to Eskom, for technical approval, and the Department of Energy, for regulatory approval, have been submitted with the outcomes expected by April 2017. An application to the National Energy Regulator of South Africa for a generation licence will be made once approval has been received from the Department of Energy.

To execute the project, Sibanye has elected to run a competitive tender process to appoint a project developer who will build, own and operate the project, and sell power back to Sibanye through a power purchase agreement (PPA). This approach has no upfront capital requirement for the business and allows capital to be prioritised for core mining projects. The tender has been successfully run, enabling a significant forecast return to Sibanye over the course of the agreement. The preferred project developer will be announced in the first half of 2017.

In 2017, the final milestones will be reached, allowing the project to move to construction phase in the second half of the year. The most significant of these milestones will include the conclusion of the PPA negotiations with the preferred bidder and Board approval of the agreement. The final regulatory approvals will be required prior to financial close, at which stage construction may begin. Although the project team carefully manages these, external approvals remain the biggest threat to the implementation and timelines of the project.

The project team is confident that the project will be a success and provide a suitable solution to alternative energy supply while deriving commercial benefit. Initial estimates are that it will reduce our carbon consumption by around 128,000tCO2e per 50MW phase.

**DUST**

Three dust-related complaints were received during 2016 – two at the Cooke Operation and one at our Driefontein Operation. No air quality complaints made by the community to the Platinum Division in 2016, although there were several incidents of dust exceedances. Furthermore, the Platinum Division is not required to have an air emissions licence.

**GOLD DIVISION**

Dust control techniques deployed at various sources have been informed by site-specific conditions. For example, at certain dormant tailings dams, ridge ploughing and wind break netting have been installed and maintained and at certain operational areas dust suppression water sprays have been installed.

**PLATINUM DIVISION**

Surface dust levels at our operations were above legislated limits at the main mine road, K150 tailings dam, Klipfontein and the haul road in 2016. Exceedances were mainly due to extremely dry weather.

Although a sprinkler system has been installed at the K150 tailings dam, it is not entirely effective given the dry weather. Dust on the haul roads is suppressed by water tankers twice daily. At the Klipfontein tailings dam, trucks travelling near the dust bucket are causing dust
exceedances. The main mine road dust bucket is situated next to tanker services where dust suppression as well as monitoring has been recommended to determine the effectiveness of this action plan.

Air quality complaints

<table>
<thead>
<tr>
<th>Gold Division</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrix</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Cooke</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Driefontein</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Kloof</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>7</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

MATERIALS CONSUMED

Materials consumed (tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gold Division</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timber</td>
<td>110,524</td>
<td>163,722</td>
<td>104,468</td>
</tr>
<tr>
<td>Cyanide</td>
<td>11,967</td>
<td>11,924</td>
<td>11,758</td>
</tr>
<tr>
<td>Explosives</td>
<td>6,768</td>
<td>7,854</td>
<td>4,175</td>
</tr>
<tr>
<td>Hydrochloric acid</td>
<td>4,414</td>
<td>3,773</td>
<td>3,579</td>
</tr>
<tr>
<td>Caustic soda</td>
<td>2,674</td>
<td>3,421</td>
<td>2,947</td>
</tr>
<tr>
<td>Lime</td>
<td>76,556</td>
<td>68,128</td>
<td>39,843</td>
</tr>
<tr>
<td>Cement¹</td>
<td>42,865</td>
<td>41,101</td>
<td>38,579</td>
</tr>
<tr>
<td>Diesel (kl)</td>
<td>7,097</td>
<td>6,410</td>
<td>6,274</td>
</tr>
<tr>
<td><strong>Platinum Division</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timber</td>
<td>82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explosives</td>
<td>7,046</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alkali agents</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cement¹</td>
<td>1,513</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diesel (kl)</td>
<td>3,325</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lubricating and hydraulic oil (kl)</td>
<td>7,777</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grease (kl)</td>
<td>19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ The Platinum Division includes those operations under management. Kroondal (50%) is included for the nine months from April to December 2016 and the Rustenburg Operation for two months, November and December 2016

CYANIDE

The use of cyanide, the primary reagent for leaching gold from ore, has associated environmental and health risks. Sibanye has adopted the International Cyanide Management Code for the manufacture, transportation and use of cyanide in the production of gold. Sibanye purchased 11,967t of cyanide in 2016 (2015: 11,924t).

LAND MANAGEMENT AND REHABILITATION

Total land under Sibanye’s management in the Gold Division in 2016 was 50,316ha. The cumulative total of land disturbed by mining and related activities in 2016 was 17,359ha, equivalent to 34% of all the land managed by the Gold Division. Much of the land under management is agricultural where no mining takes place.

Kloof’s biodiversity management plan was finalised and the assessment for Beatrix was completed with the management plan due to follow in 2017. In addition to the Kloof plan, a karst/cave study was conducted on the Kloof property to identify and map possible new karst/cave systems. The study resulted in the discovery of three entirely new cave systems, the re-investigation of the known cave systems and inspection of 78% of all current sinkholes. The Kloof caves provide roosting and overwintering habitat for a number of bat species as well as an important nesting habitat for the barn and spotted eagle owls. Conservation important species identified include the Geoffroy’s horseshoe and Natal long-fingered bats.

Phase 2 of a potential soil contamination study for Kloof and Driefontein began during 2016. Soil samples were taken at areas identified during the first phase. The study is in its final stage and results of the analysis are currently being reviewed and incorporated into a management plan. Finalisation of the study is due by the end of March 2017, following which the management plans will be implemented.

In the interests of sustainable development, land management and legal requirements, alien vegetation is removed through local economic development projects at the Kloof, Driefontein and Cooke operations. Alien invasive permits for Kloof and Driefontein were renewed in 2016 and a detailed management plan was compiled for the eradication of alien invasive plants.

Focus will be on high priority areas, primarily the containment and eradication of Category 1 species, in terms of the Conservation of Agricultural Resources Act, 1983 (Act No 43 of 1983), and Category 1b species, in terms of the National Environmental Management: Biodiversity Act, 2004 (Act No 10 of 2004).

No protected areas were identified at any of the West Wits and Free State operations.

A detailed heritage resource assessment was conducted for Kloof and Driefontein, and a management plan compiled.

The Gold Division’s total closure liability is assessed annually by a recognised independent consultant, and is funded by trust funds and insurance guarantees. Closure liability as at 31 December 2016 was R4,120 million (2015: R3,817 million).
Total land under Sibanye’s management within the Platinum Division, and disturbed by mining and related activities at the respective mines, is 25,954ha.

All sites within the Platinum Division have completed biodiversity action plans as well as alien invader eradication programmes.

Total closure liability for our platinum assets is funded by trust funds and insurance guarantees closure liability as at 31 December 2016 for the platinum operations totalled R2,026 million and covers Kroondal, Marikana, Blue Ridge and the Rustenburg Operations.

ENVIRONMENTAL PERMITTING AND COMPLIANCE

In line with the environmental management system, each gold operation has an approved environmental management programme, which is a formal contract between Sibanye, as the holder of the mining right, and the regulator, the DMR, regarding impacts that may arise from mining operations, assessment of these impacts from a risk perspective, proposed measures to mitigate the impacts, and commitments or undertakings by the licence holder to implement mitigation measures.

The environmental management programmes are reviewed during monthly site inspections, quarterly internal and external audits by independent auditors, and in annual closure-liability assessments and site inspections by the DMR. Any shortcomings are addressed through appropriate action plans.

In addition to regulatory reporting processes and sustainable development assurance processes, Sibanye’s Internal Audit department monitors legal compliance, as well as performance against environmental management programme commitments.

During 2016, internal environmental management programme performance assessments were conducted at Kloof, Driefontein, Cooke and Beatrix. Overall, environmental management programme compliance was found to be, on average, 90%. Action plans have been put in place to address the gaps. A particular focus will be on finalising management plans for soil, land use and heritage with an emphasis on dust management, regular dam wall and pipeline inspections and completion of annual independent audits of historical environmental authorisations for fridge plants and diesel generators.

During 2016, the DMR conducted annual independent compliance audits at Kloof, Driefontein, Cooke and Beatrix. The department delivered a notice of intent to issue a compliance notice to our Kloof and Driefontein operations with regard to the addition of VAT to current closure provisions. A response has been drafted and submitted to the department, to which a final response is awaited.

During 2016, environmental impact assessments and associated permitting processes for the proposed WRTRP, and the proposed photovoltaic project, were completed and submitted to the relevant competent authorities/regulators for approval. In early January 2017, an environmental authorisation was received for the photovoltaic project and its associated transmission infrastructure.

During 2016 in the Platinum Division, external environmental management programme performance assessments were conducted at Kroondal, Marikana and related PSA areas.

The related reports were received in November 2016 noting compliance of at least 90%. Additional focus will be placed on those aspects highlighted in the reports that require attention in terms of compliance.

At Rustenburg, no external environmental management programme performance assessment had been conducted prior to 1 November 2016. Owing to time constraints, a formal request for an extension for the submission of the related report was made to the DMR on 9 December 2016.

FUTURE FOCUS

Sibanye has made significant strides in ensuring that environmental issues are fully integrated into its core business, and to remain legally compliant. Opportunities for optimisation will be identified and harnessed to reduce costs through innovation to offset our long-term closure liability. In 2017 and beyond, Sibanye will focus on:

- improved waste management practices
- renewal of environmental management systems
- readiness to deal with ongoing and emerging legal compliance issues, including conditions of approval for licences and permits
- playing a greater role in industry environmental forums to ensure that pertinent issues are addressed
- alignment of incident classification and reporting across the business to reduce environmental incidents

Sibanye plans to focus on four key areas in order to meet its water management objectives:

- Water management systems: expansion of the water management system will include real-time water quality data and flow metering for process control, further development and Group roll out of the Mine Environmental Management Decision Support System (MEMDSS)
- Water security and independence: amending water use licences in order to obtain regulatory approval to replace municipal potable water with our own production facilities
- Mine closure management: develop mine-based and regional closure plans, considering innovative approaches with regard to socio-economic closure, and determine the water management cost of mine closure
- Optimal water use licence compliance: review all water use licences in order to establish change required and/or treatment facilities to be considered in order to target 100% compliance
REMUNERATION REPORT

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 and executive management 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 reasonably consistent across the Group and appropriately 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 2016 was in compliance with remuneration policies set by the Remuneration Committee.

REMUNERATION POLICY AND PHILOSOPHY

The key principles of Sibanye’s remuneration policy and practices are to:

- support the execution of the Group’s business strategy by providing for the rewards to attract, motivate and retain those with the talent and skills necessary for Sibanye to deliver on its strategic vision, particularly at executive and senior management levels
- motivate and reinforce individual, team and operational performances and
- ensure Sibanye’s remuneration arrangements are reasonably equitable, both internally and externally, and to facilitate the deployment of people, as necessary, across the Group’s operations

At Sibanye, one of the critical drivers of performance is the Total Reward strategy. The Total Reward strategy is an integral part of the people strategy and promotes a holistic approach which combines all elements of cash remuneration (guaranteed and performance based) with other elements of reward (shares as well as non-financial motivators) to attract, retain and motivate employees. The principle of performance-based rewards is one of the cornerstones of the reward strategy. The reward and remuneration strategy and policies are also underpinned by sound remuneration management and governance principles which are promoted across Sibanye in order to ensure the consistent application of the strategy and its policies. We will endeavour to seamlessly entrench these policies at the newly-acquired platinum assets.

It is the primary role of the Remuneration Committee to oversee and ensure that these principles are applied and implemented so as to ensure that Sibanye is able to deliver on its strategic objectives.

The Remuneration Committee ensures that Sibanye’s remuneration policies and practices are market competitive to enable the attraction, retention and motivation of best-in-class talent and skills, especially at executive and senior management levels, to enable the company to deliver on its core purpose, vision and strategy.

The committee regularly reviews the skills profile of Sibanye’s executive leadership team in terms of the company’s requirements, and amends remuneration policies and practices accordingly. The policies set by the committee determine transformation and talent retention throughout the group.

The committee also reviews the performance of executive directors and the executive management team, and ensures that their remuneration remains competitive and is linked to the group’s performance, in terms of agreed indicators and targets.

At executive management level, the payment of incentives, both short- and long-term, is based on the achievement of performance targets, which include operational (for employees at an operational level) and strategic performance targets that are aligned with our strategic objectives.

REMUNERATION MIX

Sibanye’s remuneration model and practices are aimed at attracting and retaining motivated, high-calibre employees and aligning their interests with those 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 mix of guaranteed pay and variable pay differs according to the level of the employee within the Group. Typically, the remuneration of more senior employees consists of a higher portion of variable pay, which is performance-based, as a percentage of their total remuneration than that of junior employees.

The Group’s reward/pay/remuneration structure includes the following elements:

- guaranteed remuneration (cash)
- benefits
- cash bonus and bonus shares (short-term incentives) and
- performance shares (long-term incentives)

At executive management level, the following remuneration on-target performance mix for the period under review was approved by the Remuneration Committee.
GUARANTEED REMUNERATION

Sibanye endeavours to be fair and consistent in the reward of employees, in line with their roles and individual contributions to the Group. To achieve reasonable external parity and a competitive total remuneration position, Sibanye surveys the relevant data on comparable pay practices regularly. The Remuneration Committee also pays attention to the matter of internal parity of pay differentials across executives and role types within the Company.

The benchmark for guaranteed remuneration is the market median level by category for similar gold mining companies and other comparable mining companies, together with consideration of internal parity comparisons.

Guaranteed remuneration levels are reviewed annually by the Remuneration Committee, taking into account the Group’s performance, changes in responsibility, increases in remuneration based on market trends and inflation. The committee also considers the impact of any guaranteed remuneration increase on the total remuneration package. For prescribed officers, the annual bonus is 55% of guaranteed pay for on-target performance.

ANNUAL BONUS

Executive directors are able to earn bonuses of 60% (for the CFO) and 65% (for the CEO) of their guaranteed pay for on-target performance, which is determined by a combination of Group and individual performance outcomes. These annual bonuses could increase to more than 60% and 65% respectively if stretch targets are achieved whereby the maximum variable pay potential is capped at two times the on-target bonus percentage.

The targets for annual bonuses are set by the Remuneration Committee. In the case of the CEO and CFO, 90% of the annual bonus is based on Group objectives (i.e. corporate performance, including the outcome of the Gold Division at 87% weighting and the Platinum Division at 13%) and the remaining 10% on individual objectives.

For 2016, annual bonuses were based on targets approved in advance by the Remuneration Committee, comprising a combination of group and operational objectives, based on Sibanye’s business plans and operational targets. The group performance measures for the senior executives were set by the Remuneration Committee and the weightings were as follows:

- Safety 20%
- Volume 20%
- Cost 20%
- Quality (grade) 30%

The CEO and CFO performance assessments also take into account individual objectives. These are set annually for each executive director based on key performance areas and are approved at the beginning of each year by the Remuneration Committee. Typically, individual objectives are centred on two themes: strategic initiatives and stakeholder management.

For the year ended 31 December 2016, Group performance measures for executive directors and senior executives were:

<table>
<thead>
<tr>
<th>Corporate performance: Gold Division</th>
<th>Weight %</th>
<th>Actual</th>
<th>Target</th>
<th>Achieved %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety Reduce FIFR</td>
<td>10</td>
<td>0.108</td>
<td>0.059</td>
<td>0</td>
</tr>
<tr>
<td>Reduce LTIFR</td>
<td>5</td>
<td>6.99</td>
<td>5.28</td>
<td>0</td>
</tr>
<tr>
<td>Reduce SIFR</td>
<td>5</td>
<td>4.42</td>
<td>3.49</td>
<td>0</td>
</tr>
<tr>
<td>Volume Primary on-reef development (m)</td>
<td>10</td>
<td>14,252</td>
<td>16,155</td>
<td>21</td>
</tr>
<tr>
<td>Primary off-reef development (m)</td>
<td>10</td>
<td>43,765</td>
<td>45,816</td>
<td>70</td>
</tr>
<tr>
<td>Cost Cost of ore milled – underground (R/tonne)</td>
<td>20</td>
<td>1,929</td>
<td>1,844</td>
<td>69</td>
</tr>
<tr>
<td>Quality Grade and quality – gold produced (kg)</td>
<td>30</td>
<td>47,405</td>
<td>49,208</td>
<td>76</td>
</tr>
</tbody>
</table>

*Despite Sibanye’s commitment to Zero Harm, the bonus parameter for all safety targets is set at 10% below the lower rate achieved in the previous two years

2 The actual performance for 2016 includes an adjustment for 370kg additional gold which is the estimated lost production during the illegal AMCU strike in the second quarter considered to be outside direct management control. Production costs at Ezulwini have also been excluded from the target, from September 2016, due to a decision to terminate production at the unit.

3 The achieved percentage is based on the actual result compared with the set target. If the target is achieved a bonus of 100% is earned. At 15% below target no bonus is earned up to a maximum bonus of 200% at 5% above target. At actual performance between these levels, the bonus is proportional.
Corporate performance: Platinum Division

<table>
<thead>
<tr>
<th></th>
<th>Weight %</th>
<th>Actual</th>
<th>Target</th>
<th>Achieved %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce FIFR</td>
<td>10</td>
<td>0.116</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reduce LTIFR</td>
<td>5</td>
<td>4.53</td>
<td>2.27</td>
<td>0</td>
</tr>
<tr>
<td>Reduce SIFR</td>
<td>5</td>
<td>2.79</td>
<td>1.98</td>
<td>0</td>
</tr>
<tr>
<td>Volume</td>
<td>20</td>
<td>11,220</td>
<td>13,872</td>
<td>0</td>
</tr>
<tr>
<td>Cost</td>
<td>20</td>
<td>10,427</td>
<td>10,555</td>
<td>124</td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade and quality – 4E PGM produced (kg)</td>
<td>30</td>
<td>11,511</td>
<td>10,255</td>
<td>200</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>85</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In turn, the CEO develops specific individual objectives, aligned with the organisation’s strategic objectives, with those who report directly to him (executive management) at the beginning of each year. These objectives are then reviewed by the Remuneration Committee and, together with operational performance outcomes, form the basis upon which their performances are reviewed at the end of the year.

Based on the bonuses determined for each member of the executive management team for the year ended 31 December 2016, the annual bonus as a percentage of guaranteed pay paid to executive directors and prescribed officers in February 2017 was as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Annual incentive as percentage of guaranteed pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive directors</td>
<td></td>
</tr>
<tr>
<td>Neal Froneman</td>
<td>42.7</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>38.9</td>
</tr>
<tr>
<td>Prescribed officers</td>
<td></td>
</tr>
<tr>
<td>Hartley Dickale</td>
<td>34.0</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>34.5</td>
</tr>
<tr>
<td>Jean Nel1</td>
<td>41.6</td>
</tr>
<tr>
<td>Themba Nkos2,4</td>
<td>69.8</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>31.8</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>35.9</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>40.0</td>
</tr>
<tr>
<td>John Wallington3</td>
<td>34.5</td>
</tr>
</tbody>
</table>

1 Appointed as a prescribed officer on 13 April 2016 and resigned as a prescribed officer on 1 November 2016
2 Appointed as a prescribed officer on 4 July 2016
3 Appointed as a prescribed officer on 1 February 2016
4 As an attraction mechanism, it was agreed to award Themba an annual incentive for 2016 based on service for the full year

SCHEDULES OF FEES AND REMUNERATION

The tables below set out the various fees and remuneration of executive and non-executive directors, and prescribed officers.

DIRECTORS’ FEES

In terms of Sibanye’s Memorandum of Incorporation, the fees for services as non-executive directors are determined by the Company’s shareholders at a general meeting. The current applicable schedule of fees, effective from 1 June 2016 is set out below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Board</td>
<td>R1,653,750</td>
</tr>
<tr>
<td>Chairman of the Audit Committee</td>
<td>R316,418</td>
</tr>
<tr>
<td>Chairmen of the Nominating and Governance Committee, Risk Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)</td>
<td>R195,143</td>
</tr>
<tr>
<td>Members of the Board (excluding the Chairman of the Board)</td>
<td>R874,283</td>
</tr>
<tr>
<td>Members of the Audit Committee (excluding the Chairman of the Board)</td>
<td>R164,273</td>
</tr>
<tr>
<td>Members of the Nominating and Governance Committee, Risk Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)</td>
<td>R123,480</td>
</tr>
</tbody>
</table>

EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS’ REMUNERATION, AND NON-EXECUTIVE DIRECTORS’ FEES

For the executive directors and prescribed officers’ remuneration, and non-executive directors’ fees, see “Annual Financial Report—Annual financial statements—Notes to the consolidated financial statements—Note 32: Related-party transactions”.

SIBANYE GOLD LIMITED 2013 SHARE PLAN

For details of the Sibanye Gold Limited 2013 Share Plan, see “Annual Financial Report—Annual financial statements—Notes to the consolidated financial statements—Note 6: Share-based payments”.

Sibanye Integrated Annual Report 2016
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 can also terminate the 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 entered into employment contracts that provide for any compensation for severance because of change of control.

The service agreements of the two current 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 two current 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:

- payment of an amount equal to twice his gross remuneration package, or two and a half times in the case of the CEO;
- 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 Gold Limited 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 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 concerned 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 audited consolidated financial statements for the year ended 31 December 2016 have been prepared by Sibanye’s group financial reporting team headed by Alicia Brink. This process was supervised by the Group’s CFO, Charl Keyter and authorized for issue by Sibanye’s Board of Directors on 30 March 2017.
## FIVE-YEAR FINANCIAL PERFORMANCE

### GROUP OPERATING STATISTICS

#### GOLD DIVISION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold produced</td>
<td>47,034</td>
<td>47,775</td>
<td>49,432</td>
<td>44,474</td>
<td>38,059</td>
</tr>
<tr>
<td>'000oz</td>
<td>1,512</td>
<td>1,536</td>
<td>1,589</td>
<td>1,430</td>
<td>1,224</td>
</tr>
<tr>
<td>Gold sold</td>
<td>46,905</td>
<td>47,775</td>
<td>49,432</td>
<td>44,474</td>
<td>38,059</td>
</tr>
<tr>
<td>'000oz</td>
<td>1,508</td>
<td>1,536</td>
<td>1,589</td>
<td>1,430</td>
<td>1,224</td>
</tr>
<tr>
<td>Ore milled</td>
<td>20,181</td>
<td>19,861</td>
<td>18,235</td>
<td>13,624</td>
<td>12,185</td>
</tr>
<tr>
<td>'000t</td>
<td>319</td>
<td>325</td>
<td>34</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Total cash cost1</td>
<td>377,034</td>
<td>347,613</td>
<td>295,246</td>
<td>273,281</td>
<td>285,851</td>
</tr>
<tr>
<td>US$/oz</td>
<td>799</td>
<td>848</td>
<td>894</td>
<td>885</td>
<td>1,086</td>
</tr>
<tr>
<td>Total capital expenditure</td>
<td>3,824</td>
<td>3,345</td>
<td>3,251</td>
<td>2,902</td>
<td>3,107</td>
</tr>
<tr>
<td>All-in sustaining cost2</td>
<td>450,152</td>
<td>422,472</td>
<td>372,492</td>
<td>354,376</td>
<td>382,687</td>
</tr>
<tr>
<td>US$/oz</td>
<td>954</td>
<td>1,031</td>
<td>1,071</td>
<td>1,148</td>
<td>1,453</td>
</tr>
<tr>
<td>All-in cost2</td>
<td>472,585</td>
<td>430,746</td>
<td>375,854</td>
<td>354,376</td>
<td>382,687</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,002</td>
<td>1,051</td>
<td>1,080</td>
<td>1,148</td>
<td>1,453</td>
</tr>
<tr>
<td>All-in cost margin3</td>
<td>19</td>
<td>9</td>
<td>15</td>
<td>18</td>
<td>12</td>
</tr>
</tbody>
</table>

#### PLATINUM DIVISION

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Platinum produced</td>
<td>7,423</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>'000oz</td>
<td>239</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PGM 4E production</td>
<td>13,087</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>'000oz</td>
<td>421</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ore milled</td>
<td>11,612</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Average basket price</td>
<td>12,209</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R/4Eoz</td>
<td>832</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>US$/4Eoz</td>
<td>10,296</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating cost</td>
<td>373</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating margin</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating cost</td>
<td>701</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>US$/4Eoz</td>
<td>327</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total capital expenditure</td>
<td>327</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### GROUP FINANCIAL STATISTICS

#### INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>31,241</td>
<td>22,717</td>
<td>21,781</td>
<td>19,331</td>
<td>16,554</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>4,042</td>
<td>3,637</td>
<td>3,259</td>
<td>3,104</td>
<td>2,363</td>
</tr>
<tr>
<td>Net operating profit</td>
<td>6,490</td>
<td>2,700</td>
<td>4,215</td>
<td>4,254</td>
<td>3,367</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>3,271</td>
<td>538</td>
<td>1,507</td>
<td>1,688</td>
<td>2,986</td>
</tr>
<tr>
<td>Profit for the year attributable to owners of Sibanye</td>
<td>3,702</td>
<td>717</td>
<td>1,552</td>
<td>1,692</td>
<td>2,980</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>402</td>
<td>79</td>
<td>186</td>
<td>260</td>
<td>297,960,000</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>401</td>
<td>78</td>
<td>182</td>
<td>255</td>
<td>297,960,000</td>
</tr>
<tr>
<td>Headline earnings per share</td>
<td>270</td>
<td>74</td>
<td>170</td>
<td>355</td>
<td>297,970,000</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>175</td>
<td>72</td>
<td>125</td>
<td>37</td>
<td>73,130,000</td>
</tr>
<tr>
<td>Weighted average number of shares</td>
<td>912,733</td>
<td>912,038</td>
<td>835,936</td>
<td>650,621</td>
<td>1</td>
</tr>
<tr>
<td>Diluted weighted average number of shares</td>
<td>923,894</td>
<td>917,709</td>
<td>854,727</td>
<td>664,288</td>
<td>1</td>
</tr>
</tbody>
</table>

#### STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>27,240</td>
<td>22,132</td>
<td>22,704</td>
<td>15,151</td>
<td>16,376</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>968</td>
<td>717</td>
<td>563</td>
<td>1,492</td>
<td>292</td>
</tr>
<tr>
<td>Total assets</td>
<td>41,721</td>
<td>28,266</td>
<td>27,922</td>
<td>19,995</td>
<td>19,698</td>
</tr>
<tr>
<td>Net assets/(liabilities)</td>
<td>16,697</td>
<td>14,987</td>
<td>14,986</td>
<td>9,423</td>
<td>(9,673)</td>
</tr>
<tr>
<td>Stated share capital</td>
<td>21,735</td>
<td>21,735</td>
<td>21,735</td>
<td>21,735</td>
<td>21,735</td>
</tr>
<tr>
<td>Borrowings5</td>
<td>8,974</td>
<td>3,804</td>
<td>3,170</td>
<td>1,991</td>
<td>4,220</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>25,024</td>
<td>13,281</td>
<td>12,936</td>
<td>10,572</td>
<td>29,371</td>
</tr>
</tbody>
</table>
FIVE YEAR FINANCIAL PERFORMANCE

STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Cash from operating activities</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,406</td>
<td>3,515</td>
<td>4,053</td>
<td>6,360</td>
<td>2,621</td>
</tr>
<tr>
<td>Cash used in investing activities</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(9,444)</td>
<td>(3,340)</td>
<td>(4,309)</td>
<td>(3,072)</td>
<td>(3,126)</td>
</tr>
<tr>
<td>Cash from/(used in) financing activities</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,446</td>
<td>(21)</td>
<td>(673)</td>
<td>(2,088)</td>
<td>434</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>408</td>
<td>155</td>
<td>(930)</td>
<td>1,201</td>
<td>(71)</td>
</tr>
</tbody>
</table>

OTHER FINANCIAL DATA

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA(^6)</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,532</td>
<td>6,337</td>
<td>7,469</td>
<td>7,358</td>
<td>5,730</td>
</tr>
<tr>
<td>Net debt(^7)</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,293</td>
<td>1,362</td>
<td>1,506</td>
<td>499</td>
<td>3,928</td>
</tr>
<tr>
<td>Net debt to EBITDA(^8)</td>
<td>ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.60</td>
<td>0.21</td>
<td>0.20</td>
<td>0.07</td>
<td>0.69</td>
</tr>
<tr>
<td>Average exchange rate(^9)</td>
<td>R/US$</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13.69</td>
<td>15.54</td>
<td>11.56</td>
<td>10.34</td>
<td>8.57</td>
</tr>
</tbody>
</table>

SHARE DATA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary share price – high</td>
<td>R</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>70.23</td>
<td>32.26</td>
<td>29.52</td>
<td>16.30</td>
<td>n/a(^11)</td>
</tr>
<tr>
<td>Ordinary share price – low</td>
<td>R</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21.98</td>
<td>13.66</td>
<td>12.34</td>
<td>6.73</td>
<td>n/a(^11)</td>
</tr>
<tr>
<td>Ordinary share price at year end</td>
<td>R</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25.39</td>
<td>22.85</td>
<td>22.55</td>
<td>12.30</td>
<td>n/a(^11)</td>
</tr>
<tr>
<td>Average daily volume of shares traded</td>
<td>'000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,165</td>
<td>3,024</td>
<td>2,869</td>
<td>4,755</td>
<td>n/a(^11)</td>
</tr>
<tr>
<td>Market capitalisation at year end</td>
<td>Rbn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23.6</td>
<td>20.9</td>
<td>20.3</td>
<td>9.04</td>
<td>n/a(^11)</td>
</tr>
</tbody>
</table>

1 Sibanye presents the financial measures “total cash cost”, “total cash cost per kilogram” and “total cash cost per ounce” which have been determined using industry standards promulgated by the Gold Institute and are not IFRS measures. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The Gold Institute has now been incorporated into the National Mining Association. The guidance was first adopted in 1996 and revised in November 1999. An investor should not consider these items in isolation or as alternatives to cost of sales, net operating profit, profit before tax, profit for the year, cash from operating activities or any other measure of financial performance presented in accordance with IFRS. While the Gold Institute provided definitions for the calculation of total cash costs, the calculation of total cash cost per kilogram and the calculation of total cash cost per ounce, these may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. Total cash costs is defined as cost of sales as recorded in profit or loss, less amortisation and depreciation and off-site (i.e. central) general and administrative expenses (including head office costs) plus royalties and production taxes. Total cash cost per kilogram is defined as the average cost of producing a kilogram of gold, calculated by dividing the total cash costs in a period by the total gold sold over the same period. Management considers total cash cost and total cash cost per kilogram to be a measure of the on-going costs of production. For a reconciliation of operating costs to total cash cost, see Overview–Management’s discussion and analysis of the financial statements–2016 financial performance compared with 2015 and 2014–Cost of sales–Operating costs – Cost of sales less amortisation and depreciation.

2 Sibanye presents the financial measures “All-in sustaining cost”, “All-in cost”, “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 current member of the Council, Sibanye 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 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 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 sustaining cost, All-in cost, All-in sustaining cost per kilogram, All-in sustaining cost per ounce, All-in cost per kilogram and All-in cost per ounce metrics are meant to provide investors 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 cost, All-in cost, All-in sustaining cost per kilogram, All-in sustaining cost per ounce. 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 expenditures based upon each company’s internal policies. Total 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, being the cost to sustain current operations, given as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure growth.

For a reconciliation of operating costs to All-in cost, see Overview–Management’s discussion and analysis of the financial statements–2016 financial performance compared with 2015 and 2014–Cost of sales–All-in cost.

3 All-in cost margin is defined as revenue minus All-in cost divided by revenue.

4 The selected historical consolidated financial data set out above have been derived from Sibanye’s consolidated financial statements for those periods and as of those dates which have been prepared in accordance with IFRS.

5 Borrowings of R7,221 million that have recourse to Sibanye excludes the Burnstone Debt. Borrowings also exclude related-party loans.

6 Earnings before interest, taxes, depreciation and amortisation (EBITDA) is defined as net operating profit before depreciation and amortisation. EBITDA may not be comparable to similarly titled measures of other companies. Management believes that EBITDA is used by investors and analysts to evaluate companies in the mining industry. 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 in accordance with IFRS.

7 Net debt represents borrowings and bank overdraft less cash and cash equivalents. Borrowings are only those borrowings that have recourse to Sibanye and therefore exclude the Burnstone Debt. Borrowings also exclude related-party loans. Net debt excludes Burnstone cash and cash equivalents.

8 Net debt to EBITDA ratio is defined as net debt as at the end of a reporting period divided by EBITDA of the last 12 months ending on the same reporting date.
The average exchange rate during the relevant period as reported by I-Net Bridge. The average exchange rate for the period through 28 March 2017 was R13.21/US$. The following table sets forth the high and low exchange rates for each month during the previous six months.

<table>
<thead>
<tr>
<th>Month ended</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 September 2016</td>
<td>14.58</td>
<td>13.44</td>
</tr>
<tr>
<td>31 October 2016</td>
<td>14.35</td>
<td>13.46</td>
</tr>
<tr>
<td>30 November 2016</td>
<td>14.42</td>
<td>13.24</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>14.13</td>
<td>13.45</td>
</tr>
<tr>
<td>31 January 2017</td>
<td>13.79</td>
<td>13.24</td>
</tr>
<tr>
<td>28 February 2017</td>
<td>13.45</td>
<td>12.87</td>
</tr>
<tr>
<td>Through 28 March 2017</td>
<td>13.31</td>
<td>12.42</td>
</tr>
</tbody>
</table>

The closing exchange rate at period end. The closing exchange on 28 March 2017, as reported by I-Net Bridge, was R12.98/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 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.

Sibanye was previously a wholly owned subsidiary of Gold Fields Limited (Gold Fields). The Company separated from Gold Fields in February 2013 to become an independent and publicly traded company.
MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

The following discussion and analysis should be read together with Sibanye’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

The Sibanye Group is an independent, South African domiciled precious metals mining group, which currently owns and operates gold and uranium operations and projects throughout the Witwatersrand Basin in South Africa, as well as PGM operations in the Bushveld Igneous Complex in South Africa and the Great Dyke in Zimbabwe. The Group currently owns and operates four underground and surface gold operations, namely Driefontein, Kloof and Cooke in the West Witwatersrand region and Beatrix in the southern Free State province. The Group also owns and operates underground and surface PGM operations, including the Rustenburg Operations in South Africa, a 50% interest in the Kroondal Operations in South Africa and a 50% interest in the Mimosa Operations, a PGM joint venture in Zimbabwe.

In addition to its mining activities, the Group owns and manages significant extraction and processing facilities at its gold and uranium operations, where gold-bearing ore is treated and processed to produce gold doré.

According to estimates based on the best information available to its management, Sibanye is the largest producer of gold in South Africa and one of the ten largest globally, and Sibanye’s PGM operations (which were acquired during 2016), taken together, were the fifth largest producer of PGM in the world, based on annual production in 2016.

In 2016, Sibanye produced 47,034kg (1.51Moz) (2015: 47,775kg (1.54Moz) and 2014: 49,432kg (1.59Moz)) of gold and delivered attributable production of 420,763oz (4E).

During the year, Sibanye recognised profit of R3,271 million (2015: R538 million and 2014: R1,507 million), of which R3,702 million (2015: R717 million and 2014: R1,552 million) is attributable to the owners of Sibanye.


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’S PERFORMANCE

COMMODITY PRICES

Sibanye’s revenues are primarily derived from the sale of the gold and PGMs that it produces. Sibanye 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. As a result it is normally fully exposed to changes in commodity prices. Gold and PGM hedging however could be 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 note 29.2: Risk management activities to the consolidated financial statements.

The market price of gold has historically been volatile and is affected by numerous factors over which Sibanye has no control, such as general supply and demand, speculative trading activity and global economic drivers. Further, over the period from 2014 to 2016, the gold price has declined from an average price of US$1,265/oz to US$1,250/oz. Should the gold price decline below Sibanye’s unit production cost the Group may experience losses and, should this situation remain for an extended period, Sibanye may be forced to curtail or suspend some or all of its projects, operations and/or reduce operational capital expenditure. Sibanye 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’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>2011</td>
<td>1,695</td>
<td>1,319</td>
<td>1,571</td>
</tr>
<tr>
<td>2012</td>
<td>1,792</td>
<td>1,540</td>
<td>1,669</td>
</tr>
<tr>
<td>2013</td>
<td>1,694</td>
<td>1,192</td>
<td>1,409</td>
</tr>
<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 (through 28 March 2017)</td>
<td>1,258</td>
<td>1,151</td>
<td>1,218</td>
</tr>
</tbody>
</table>

*Rounded to the nearest US dollar.

On 28 March 2017, the London afternoon fixing price of gold was US$1,257/oz.
Historically, platinum, palladium and rhodium prices have been subject to wide fluctuations and are affected by numerous factors beyond Sibanye’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, actions of participants in the commodities markets and currency exchange rates, particularly the rand to the US dollar. Further, between 2014 and 2016, the average platinum price has decreased from US$1,385/oz to US$990/oz.

In addition, the introduction of 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, as investors may purchase shares in ETFs at times of rising prices, adding to the upward pressure on prices, and sell during periods of falling prices, potentially increasing the fall in prices. The market prices of platinum, palladium, rhodium and other PGMs have been, and may in the future be, subject to rapid short-term changes.

<table>
<thead>
<tr>
<th>Platinum</th>
<th>US$/oz</th>
<th>High</th>
<th>Low</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,906</td>
<td>1,372</td>
<td>1,720</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>1,726</td>
<td>1,385</td>
<td>1,552</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1,736</td>
<td>1,304</td>
<td>1,487</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>1,514</td>
<td>1,181</td>
<td>1,385</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1,287</td>
<td>831</td>
<td>1,053</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1,178</td>
<td>821</td>
<td>990</td>
<td></td>
</tr>
<tr>
<td>2017 (through 28 March 2017)</td>
<td>1,028</td>
<td>934</td>
<td>982</td>
<td></td>
</tr>
</tbody>
</table>

* Rounded to the nearest US dollar.

On 28 March 2017, the London market price of platinum was US$952/oz.

**EXCHANGE RATE**

Sibanye’s operations (with the exception of Mimosa) are all located in South Africa and its revenues are equally sensitive to changes in the US dollar gold and PGM (4E) basket prices and the rand/US dollar exchange rate (the exchange rate). Depreciation of the rand against the US dollar results in Sibanye’s revenues and operating margins 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 has no control. The relationship between currencies and commodities, which includes the gold and PGM (4E) basket prices, is complex and changes in exchange rates can influence commodity prices and vice versa.

As a general rule, Sibanye does not enter into long-term currency hedging arrangements and is exposed to the spot market exchange rate. Sibanye’s operating costs are primarily denominated in rand 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. No foreign exchange hedging contracts were entered into in 2016.

**COSTS**

Sibanye’s operating costs (being cost of sales less 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 expects that its operating costs, 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, have been specifically successful.

The South African inflation rate or Consumer Price Index (CPI) was 6.6% in 2016 (2015: 4.5% and 2014: 6.1%). Mining inflation has historically been higher than CPI driven by above inflation wage increases and more recently increases in electricity tariffs, which increased 12.69% effective 1 April 2015.

Sibanye’s operations are labour intensive. Labour represented 45%, 45% and 47% of operating costs during 2016, 2015 and 2014, respectively.

An agreement signed by the gold operations with all unions in 2015 expires on 30 June 2018. At the assets acquired from Anglo American Platinum Limited (Anglo American Platinum) (the Rustenburg Operations), a three-year wage agreement was signed and became effective from 1 July 2016, prior to their acquisition. At Kroondal, the current wage agreement expires in July 2017 and negotiations for a new agreement is expected to begin in April 2017.

Despite above inflation increases in electricity tariffs, power and water comprised 18%, 19% and 19% of operating costs in 2016, 2015 and 2014, respectively. During 2013 Eskom applied to the National Energy Regulator of South Africa for an average annual tariff increase of 16% for a five-year period as of 1 April 2013, of which an increase of 8% was approved. However, in addition to the 8%, a further increase of 4.69% was approved effective from 1 April 2015 and further increases are expected in the future to meet the growing cost of the service provider, Eskom.

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’s operations. Further, Sibanye’s operating costs are primarily denominated in rand, while revenues from gold and PGM 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’s revenues are driven by its production levels and the price it realises from the sale of gold, PGMs and associated co- and by-products, as discussed above. Production can be affected by a number of factors including industrial action, safety related work stoppages, mining grades and other mining related incidents. These factors could have an impact on production levels in the future.

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. Sibanye’s gold operations experienced very little disruption to production as a result of industrial action during 2014, 2015 and 2016. In the first half of 2014, however, the South African platinum majors experienced a five month wage strike, which impacted among others the South African operations acquired by Sibanye as part of the Rustenburg Operations Acquisition.

Sibanye’s operations are also subject to South African health and safety laws and regulations that impose various duties on Sibanye’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 2016, Sibanye’s gold operations experienced 171 work stoppages (2015: 109 and 2014: 77). The platinum operations experienced 35 work stoppages.

Sibanye’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 note 8.1: Royalties to the consolidated financial statements.

Under South African tax legislation, gold mining companies and non-gold mining companies are taxed at different rates. Sibanye’s gold operations are subject to the gold tax formula on their respective mining incomes. The formula calculating tax payable, which is detailed in note 8.2: Mining and income tax to the consolidated financial statements, 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.

**CAPITAL EXPENDITURE**

Sibanye 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 may investigate the potential exploitation of mineralisation below its current infrastructure limits as well as other capital-intensive projects. Management expects that Sibanye’s dividend policy will not, however, be affected by its capital expenditure.

In 2016, Sibanye’s total capital expenditure was R4,151 million (2015: R3,345 million and 2014: R3,251 million). Sibanye expects to spend approximately R4.9 billion on capital in 2017, excluding any 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.

**RECENT PLATINUM ACQUISITIONS**

**AQUARIUS ACQUISITION**

On 6 October 2015 Sibanye announced a cash offer of US$0.195 per share for the entire issued share capital of Aquarius Platinum Limited (Aquarius) (the Aquarius Transaction), valuing Aquarius at US$294 million. The transaction was subject to the fulfilment of various conditions precedent which were completed on 12 April 2016, when Sibanye paid R4,301.5 million to the Aquarius shareholders and obtained control (100%) of Aquarius.

Results of Aquarius are presented for the nine months ended 31 December 2016 following the completion of the acquisition, see note 12.1: Aquarius acquisition to the consolidated financial statements.
THE RUSTENBURG OPERATIONS ACQUISITION

On 9 September 2015, Sibanye 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 Thembelan i (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 Operations) (the Rustenburg Operations Transaction).

The purchase consideration comprises an upfront payment of R1.5 billion at the closing of the Rustenburg Operations Transaction (Closing) and a deferred payment calculated as being equal to 35% of the distributable free cash flow generated by the Rustenburg Operations 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 Operations 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 obtained consent in terms of section 11 of the Mineral and Petroleum Resources Development Act for the transfer of the mining right and prospecting right pursuant to the Rustenburg Operations Transaction, and control of the Rustenburg Operations on this date.

Results of the Rustenburg Operations are presented for the two months ended 31 December 2016 following the completion of the acquisition, see note 12.2: The Rustenburg Operations acquisition to the consolidated financial statements.

ACQUISITION COSTS


Sibanye 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 may incur acquisition and integration related costs with regard to any operations or entities that it acquires or seeks to acquire in the future.

2016 FINANCIAL PERFORMANCE COMPARED WITH 2015 AND 2014

Group profit increased by 508% to R3,271 million in 2016 from R538 million in 2015 (2014: R1,507 million). The reasons for this increase are discussed below.

The primary factors explaining the movements in net profit are set out in the table below.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>31,241</td>
<td>22,717</td>
<td>38</td>
<td>4</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(24,741)</td>
<td>(20,017)</td>
<td>(24)</td>
<td>(14)</td>
</tr>
<tr>
<td>Net operating profit</td>
<td>6,490</td>
<td>2,700</td>
<td>140</td>
<td>(36)</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(903)</td>
<td>(562)</td>
<td>(36)</td>
<td>(30)</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(496)</td>
<td>(274)</td>
<td>(81)</td>
<td>(16)</td>
</tr>
<tr>
<td>Loss on financial instruments</td>
<td>(1,033)</td>
<td>(230)</td>
<td>(349)</td>
<td>(108)</td>
</tr>
<tr>
<td>Gain/(loss) on foreign exchange differences</td>
<td>220</td>
<td>(359)</td>
<td>161</td>
<td>(470)</td>
</tr>
<tr>
<td>Share of results of equity-accounted investees after tax</td>
<td>13</td>
<td>116</td>
<td>(89)</td>
<td>(471)</td>
</tr>
<tr>
<td>Impairments</td>
<td>(1,381)</td>
<td>-</td>
<td>(100)</td>
<td>100</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td>2,428</td>
<td>-</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Transaction costs</td>
<td>(157)</td>
<td>(26)</td>
<td>(504)</td>
<td>(112)</td>
</tr>
<tr>
<td>Net loss on derecognition of financial guarantee asset and liability</td>
<td>-</td>
<td>(158)</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of impairment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>474</td>
</tr>
<tr>
<td>Net other movements</td>
<td>(120)</td>
<td>109</td>
<td>(210)</td>
<td>(76)</td>
</tr>
<tr>
<td>Profit before royalties and tax</td>
<td>5,061</td>
<td>1,316</td>
<td>289</td>
<td>2,788 (52)</td>
</tr>
<tr>
<td>Royalties</td>
<td>(547)</td>
<td>(401)</td>
<td>(36)</td>
<td>(431)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>4,514</td>
<td>915</td>
<td>393</td>
<td>2,335 (61)</td>
</tr>
<tr>
<td>Mining and income tax</td>
<td>(1,243)</td>
<td>(377)</td>
<td>(230)</td>
<td>(828)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>3,271</td>
<td>538</td>
<td>508</td>
<td>1,507 (64)</td>
</tr>
</tbody>
</table>
REVENUE

Revenue increased by 38% to R31,241 million in 2016 from R22,717 million in 2015. This included first time revenue of R3,739 million from the platinum operations, Aquarius and the Rustenburg Operations, acquired during 2016. Revenue from the Gold Division increased by 21% to R27,501 million in 2016 from R22,717 million in 2015 driven by the average rand gold price, which increased by 23% partly offset by the level of gold sold, which decreased by 2%. The decrease in the gold sold to 46,905kg in 2016 from 47,775kg in 2015, was mainly due to the cumulative impact of operational disruptions relating to engineering issues, power outages and more significantly as a result of the closure of the Cooke 4 shaft in September 2016, due to continued poor production performance. Gold production from the operations is shown in the graph below. The increase in the average rand gold price was due to an increase in the average realised US dollar gold price to US$1,242/oz in 2016 from US$1,160/oz in 2015 and the 15% weaker rand of R14.68/US$ in 2016 compared with R12.75/US$ in 2015.

Revenue increased by 4% to R22,717 million in 2015 from R21,781 million in 2014 driven by the average rand gold price, which increased by 8% partly offset by the level of gold produced and sold, which decreased by 3%. The decrease in the gold produced to 47,775kg in 2015 from 49,432kg in 2014 was mainly due to the cumulative impact of operational disruptions and underground fires at Kloof during the quarter ended 31 March 2015, as well as the disruptive effect of periodic load curtailments by the state utility, Eskom during the quarters ended 31 March and 30 June 2015. Productivity and cost trends improved throughout the remainder of the year but it was not possible to recoup the production lost earlier in the year. The increase in the average rand gold price was due to the 18% weaker rand of R12.75/US$ in 2015 compared with R10.82/US$ in 2014. However, this was partly offset by the decrease in the average realised US dollar gold price to US$1,160/oz in 2015 from US$1,267/oz in 2014.

COST OF SALES

Cost of sales, which consist of operating costs and amortisation and depreciation, increased by 24% to R24,751 million in 2016 from R20,017 million in 2015, with the incorporation of Aquarius and the Rustenburg Operations for nine and two months respectively, which together accounted for R3,591 million of this increase. Cost of sales increased by 14% to R20,017 million in 2015 from R17,566 million in 2014, with the incorporation of Cooke for 12 months, which accounted for R3,883 million of this increase.

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>9,276</td>
<td>7,345</td>
<td>(26)</td>
<td>6,665</td>
<td>(10)</td>
</tr>
<tr>
<td>Consumable stores</td>
<td>5,243</td>
<td>3,996</td>
<td>(31)</td>
<td>3,481</td>
<td>(15)</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,709</td>
<td>3,128</td>
<td>(19)</td>
<td>2,753</td>
<td>(14)</td>
</tr>
<tr>
<td>Mine contracts</td>
<td>2,105</td>
<td>1,458</td>
<td>(44)</td>
<td>1,136</td>
<td>(28)</td>
</tr>
<tr>
<td>Other</td>
<td>2,770</td>
<td>2,758</td>
<td>1</td>
<td>2,403</td>
<td>(15)</td>
</tr>
<tr>
<td>Ore reserve development (ORD) costs capitalised</td>
<td>(2,394)</td>
<td>(2,305)</td>
<td>(4)</td>
<td>(2,127)</td>
<td>(6)</td>
</tr>
<tr>
<td>Operating costs</td>
<td>20,709</td>
<td>16,380</td>
<td>(26)</td>
<td>14,311</td>
<td>(14)</td>
</tr>
<tr>
<td>- Gold Division, excluding Cooke</td>
<td>14,351</td>
<td>13,402</td>
<td>(7)</td>
<td>12,618</td>
<td>(6)</td>
</tr>
<tr>
<td>- Cooke</td>
<td>2,985</td>
<td>2,978</td>
<td>-</td>
<td>1,693</td>
<td>(76)</td>
</tr>
<tr>
<td>- Platinum Division</td>
<td>3,363</td>
<td>-</td>
<td>(100)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>4,042</td>
<td>3,637</td>
<td>(11)</td>
<td>3,255</td>
<td>(12)</td>
</tr>
<tr>
<td>- Gold Division, excluding Cooke</td>
<td>3,043</td>
<td>2,932</td>
<td>(4)</td>
<td>2,947</td>
<td>1</td>
</tr>
<tr>
<td>- Cooke</td>
<td>771</td>
<td>705</td>
<td>(9)</td>
<td>308</td>
<td>(129)</td>
</tr>
<tr>
<td>- Platinum Division</td>
<td>228</td>
<td>-</td>
<td>(100)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cost of sales</td>
<td>24,751</td>
<td>20,017</td>
<td>(24)</td>
<td>17,566</td>
<td>(14)</td>
</tr>
<tr>
<td>- Gold Division, excluding Cooke</td>
<td>17,404</td>
<td>16,334</td>
<td>(7)</td>
<td>15,566</td>
<td>(5)</td>
</tr>
<tr>
<td>- Cooke</td>
<td>3,756</td>
<td>3,683</td>
<td>(2)</td>
<td>2,001</td>
<td>(84)</td>
</tr>
<tr>
<td>- Platinum Division</td>
<td>3,591</td>
<td>-</td>
<td>(100)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</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.
OPERATING COSTS – COST OF SALES LESS AMORTISATION AND DEPRECIATION

Operating costs increased by 26% to R20,709 million in 2016 from R16,380 million in 2015, or just less than 6% excluding operating costs at the platinum operations of R3,363 million, and increased by 14% in 2015 from R14,311 million in 2014, or just over 6% excluding Cooke. The increase in operating costs excluding the platinum operations in 2016 was due to above inflation wage and electricity tariffs, increased maintenance costs and consumable stores, and additional crews and contractors to improve productivity. These increases were partly offset by ongoing cost-saving initiatives and further restructuring across the group which included the closure of Cooke 4 shaft in September 2016.

The increase in operating costs excluding Cooke in 2015 was due to above inflation wage increases, increased electricity tariffs, increased maintenance costs and inflationary increases in consumable stores, as well as additional crews to improve productivity. These increases were partly offset by ongoing cost-saving initiatives, which included further restructuring across the group – including reduced number of contractors, improved efficiencies and programmes aimed at reducing electricity costs.

The table below presents a reconciliation from cost of sales at the gold operations to total cash cost.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Gold</td>
<td>Driefontein</td>
<td>Kloof</td>
<td>Beatrix</td>
<td>Cooke</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>Rm</td>
<td>21,161</td>
<td>6,580</td>
<td>6,232</td>
<td>4,571</td>
</tr>
<tr>
<td>Deduct: Amortisation and depreciation</td>
<td>Rm</td>
<td>(3,815)</td>
<td>(1,013)</td>
<td>(1,191)</td>
<td>(818)</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Rm</td>
<td>17,346</td>
<td>5,567</td>
<td>5,041</td>
<td>3,753</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and admin costs</td>
<td>Rm</td>
<td>(189)</td>
<td>(68)</td>
<td>(64)</td>
<td>(35)</td>
</tr>
<tr>
<td>Royalties¹</td>
<td>Rm</td>
<td>528</td>
<td>205</td>
<td>194</td>
<td>113</td>
</tr>
<tr>
<td>Total cash cost²</td>
<td>Rm</td>
<td>17,685</td>
<td>5,704</td>
<td>5,171</td>
<td>3,831</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>
</tr>
<tr>
<td></td>
<td>'000oz</td>
<td>1,508.0</td>
<td>515.9</td>
<td>487.9</td>
<td>322.8</td>
</tr>
<tr>
<td>Total cash cost²</td>
<td>Rm/kg</td>
<td>377,034</td>
<td>395,416</td>
<td>340,762</td>
<td>381,625</td>
</tr>
<tr>
<td></td>
<td>Rm/oz</td>
<td>799</td>
<td>753</td>
<td>722</td>
<td>809</td>
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<table>
<thead>
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<tbody>
<tr>
<td></td>
<td>Total Gold</td>
<td>Driefontein</td>
<td>Kloof</td>
<td>Beatrix</td>
<td>Cooke</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>Rm</td>
<td>20,017</td>
<td>6,377</td>
<td>5,806</td>
<td>4,130</td>
</tr>
<tr>
<td>Deduct: Amortisation and depreciation</td>
<td>Rm</td>
<td>(3,637)</td>
<td>(1,143)</td>
<td>(1,029)</td>
<td>(739)</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Rm</td>
<td>16,380</td>
<td>5,234</td>
<td>4,777</td>
<td>3,381</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and admin costs</td>
<td>Rm</td>
<td>(174)</td>
<td>(57)</td>
<td>(53)</td>
<td>(36)</td>
</tr>
<tr>
<td>Royalties¹</td>
<td>Rm</td>
<td>401</td>
<td>197</td>
<td>98</td>
<td>89</td>
</tr>
<tr>
<td>Total cash cost²</td>
<td>Rm</td>
<td>16,607</td>
<td>5,374</td>
<td>4,822</td>
<td>3,444</td>
</tr>
<tr>
<td>Gold sold</td>
<td>kg</td>
<td>47,775</td>
<td>17,350</td>
<td>14,068</td>
<td>10,105</td>
</tr>
<tr>
<td></td>
<td>'000oz</td>
<td>1,536.0</td>
<td>557.8</td>
<td>452.3</td>
<td>324.9</td>
</tr>
<tr>
<td>Total cash cost²</td>
<td>Rm/oz</td>
<td>347,613</td>
<td>309,784</td>
<td>342,764</td>
<td>340,792</td>
</tr>
<tr>
<td></td>
<td>Rm/oz</td>
<td>848</td>
<td>756</td>
<td>836</td>
<td>831</td>
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</table>

<table>
<thead>
<tr>
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<th></th>
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<tbody>
<tr>
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<td>Total Gold</td>
<td>Driefontein</td>
<td>Kloof</td>
<td>Beatrix</td>
<td>Cooke</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>Rm</td>
<td>17,566</td>
<td>6,041</td>
<td>5,824</td>
<td>3,673</td>
</tr>
<tr>
<td>Deduct: Amortisation and depreciation</td>
<td>Rm</td>
<td>(3,255)</td>
<td>(1,129)</td>
<td>(1,322)</td>
<td>(469)</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Rm</td>
<td>14,311</td>
<td>4,912</td>
<td>4,502</td>
<td>3,204</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td>Rm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and admin costs</td>
<td>Rm</td>
<td>(147)</td>
<td>(56)</td>
<td>(55)</td>
<td>(36)</td>
</tr>
<tr>
<td>Royalties¹</td>
<td>Rm</td>
<td>431</td>
<td>166</td>
<td>175</td>
<td>82</td>
</tr>
<tr>
<td>Total cash cost²</td>
<td>Rm</td>
<td>14,595</td>
<td>5,022</td>
<td>4,622</td>
<td>3,250</td>
</tr>
<tr>
<td>Gold sold</td>
<td>kg</td>
<td>49,432</td>
<td>17,735</td>
<td>17,038</td>
<td>10,354</td>
</tr>
<tr>
<td></td>
<td>'000oz</td>
<td>1,589.3</td>
<td>570.2</td>
<td>547.8</td>
<td>332.9</td>
</tr>
<tr>
<td>Total cash cost²</td>
<td>Rm/kg</td>
<td>395,168</td>
<td>359,129</td>
<td>371,088</td>
<td>360,888</td>
</tr>
<tr>
<td></td>
<td>Rm/oz</td>
<td>849</td>
<td>814</td>
<td>780</td>
<td>902</td>
</tr>
</tbody>
</table>


¹ Royalties are included as part of total cash cost but are reflected below operating profit in profit or loss.
² For information on how Sibanye has calculated total cash cost, total cash cost per kilogram and total cash cost per ounce, see Overview–Five year financial performance–Footnote 1.
Total cash cost per kilogram for the Gold Division increased by 8% to an average of R377,034/kg in 2016 from R347,613/kg in 2015, and increased by 18% in 2015 from R295,246/kg in 2014. The increase in 2016 was mostly due to the 2% decrease in production and inflationary increases from the operations as detailed above. In US dollar terms, total cash cost per ounce decreased by 6% to US$799/oz from US$848/oz primarily due to the 15% weaker rand/US dollar exchange rate partly offset by the decrease in production and increase in costs, mentioned above.

The increase in 2015 was mostly due to the 3% decrease in production and an increase in unit costs at Cooke. In US dollar terms, total cash cost per ounce decreased marginally to US$848/oz from US$849/oz primarily due to the 18% weaker rand/US dollar exchange rate partly offset by the decrease in amortisation and depreciation at Kloof due to the lower production in 2015 and a reduction stemming from the impairment of the Python plant in 2014.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation increased by 11% to R4,042 million from R3,637 million in 2015, increased by 12% to R3,637 million in 2015 from R3,255 million in 2014. The increase in 2016 was due to the inclusion of the platinum operations, which added R228 million, and amortisation and depreciation at Kloof due to the increased production in 2016.

The increase in 2015 was due to the inclusion of Cooke for 12 months, which added R397 million, and amortisation and depreciation at Beatrix, which increased by R270 million due to accelerated depreciation of 2 shaft of R65 million and an increase in the mine’s overall rate of depreciation due to the reversal of the R474 million impairment at the West Section late in 2014. These increases were partly offset by a decrease in amortisation and depreciation at Kloof due to the lower production in 2015 and a reduction stemming from the impairment of the Python plant in 2014.

ALL-IN COST

All-in cost per ounce, was introduced in 2013 by the members of the World Gold Council. Sibanye 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 new metric.

Total 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, being the cost to sustain current operations, given as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth.

The table below presents a reconciliation from operating costs at the gold operations to All-in sustaining cost and All-in cost.

<table>
<thead>
<tr>
<th>2016</th>
<th>Total Gold</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating costs Rm</td>
<td>17,346</td>
<td>5,567</td>
<td>5,041</td>
<td>3,753</td>
<td>2,985</td>
<td>-</td>
</tr>
<tr>
<td>Plus: Community costs1 Rm</td>
<td>80</td>
<td>16</td>
<td>20</td>
<td>27</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>Share-based payments2 Rm</td>
<td>39</td>
<td>16</td>
<td>14</td>
<td>9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Royalties3 Rm</td>
<td>528</td>
<td>205</td>
<td>194</td>
<td>113</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>Rehabilitation4 Rm</td>
<td>141</td>
<td>(29)</td>
<td>44</td>
<td>23</td>
<td>100</td>
<td>3</td>
</tr>
<tr>
<td>ORD5 Rm</td>
<td>2,394</td>
<td>779</td>
<td>913</td>
<td>543</td>
<td>159</td>
<td>-</td>
</tr>
<tr>
<td>Sustaining capital expenditure6 Rm</td>
<td>614</td>
<td>219</td>
<td>261</td>
<td>85</td>
<td>49</td>
<td>-</td>
</tr>
<tr>
<td>Less: By-product credit7 Rm</td>
<td>(28)</td>
<td>(9)</td>
<td>(7)</td>
<td>(8)</td>
<td>(4)</td>
<td>-</td>
</tr>
<tr>
<td>All-in sustaining cost8 Rm</td>
<td>21,114</td>
<td>6,764</td>
<td>6,480</td>
<td>4,545</td>
<td>3,322</td>
<td>3</td>
</tr>
<tr>
<td>Plus: Group exploration growth and other capital expenditure Rm</td>
<td>1,052</td>
<td>54</td>
<td>130</td>
<td>5</td>
<td>41</td>
<td>822</td>
</tr>
<tr>
<td>All-in cost8 Rm</td>
<td>22,166</td>
<td>6,818</td>
<td>6,610</td>
<td>4,550</td>
<td>3,363</td>
<td>825</td>
</tr>
<tr>
<td>Gold sold kg</td>
<td>46,905</td>
<td>16,046</td>
<td>15,176</td>
<td>10,041</td>
<td>5,642</td>
<td>-</td>
</tr>
<tr>
<td>‘000oz</td>
<td>1,508.0</td>
<td>515.9</td>
<td>487.9</td>
<td>322.8</td>
<td>181.4</td>
<td>-</td>
</tr>
<tr>
<td>All-in sustaining cost8 Rk/kg</td>
<td>450,152</td>
<td>421,501</td>
<td>427,036</td>
<td>452,754</td>
<td>588,745</td>
<td>-</td>
</tr>
<tr>
<td>US$/oz</td>
<td>954</td>
<td>893</td>
<td>905</td>
<td>960</td>
<td>1,248</td>
<td>-</td>
</tr>
<tr>
<td>All-in cost8 Rk/kg</td>
<td>472,585</td>
<td>424,872</td>
<td>435,609</td>
<td>453,232</td>
<td>595,959</td>
<td>-</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,002</td>
<td>901</td>
<td>923</td>
<td>961</td>
<td>1,263</td>
<td>-</td>
</tr>
</tbody>
</table>
### MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

#### Total Gold

<table>
<thead>
<tr>
<th></th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating costs</td>
<td>Rm 16,380</td>
<td>5,234</td>
<td>4,777</td>
<td>3,391</td>
<td>2,978</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community costs</td>
<td>Rm 41</td>
<td>14</td>
<td>9</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>Rm 274</td>
<td>35</td>
<td>27</td>
<td>24</td>
<td>- 188</td>
</tr>
<tr>
<td>Royalties^3</td>
<td>Rm 401</td>
<td>197</td>
<td>98</td>
<td>89</td>
<td>17</td>
</tr>
<tr>
<td>Rehabilitation^4</td>
<td>Rm 138</td>
<td>23</td>
<td>23</td>
<td>17</td>
<td>75</td>
</tr>
<tr>
<td>ORD^5</td>
<td>Rm 2,305</td>
<td>727</td>
<td>841</td>
<td>510</td>
<td>227</td>
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<tr>
<td>Sustaining capital expenditure^6</td>
<td>Rm 654</td>
<td>249</td>
<td>226</td>
<td>86</td>
<td>93</td>
</tr>
<tr>
<td>On-mine exploration</td>
<td>Rm 18</td>
<td>14</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By-product credit^7</td>
<td>Rm (27)</td>
<td>(8)</td>
<td>(6)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
<tr>
<td>All-in sustaining costs^8</td>
<td>Rm 20,184</td>
<td>6,485</td>
<td>5,996</td>
<td>4,127</td>
<td>3,388</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group exploration and other</td>
<td>Rm 9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>- 9</td>
</tr>
<tr>
<td>Corporate cost and growth capital</td>
<td>Rm 386</td>
<td>18</td>
<td>64</td>
<td>-</td>
<td>17 287</td>
</tr>
<tr>
<td>All-in cost^9</td>
<td>Rm 20,579</td>
<td>6,503</td>
<td>6,060</td>
<td>4,127</td>
<td>3,405</td>
</tr>
<tr>
<td>Gold sold</td>
<td>kg 47,775</td>
<td>17,350</td>
<td>14,068</td>
<td>10,105</td>
<td>6,252</td>
</tr>
<tr>
<td>`000oz</td>
<td>1,536.0</td>
<td>557.8</td>
<td>452.3</td>
<td>324.9</td>
<td>201.0</td>
</tr>
<tr>
<td>All-in sustaining cost^8</td>
<td>R/kg 422,472</td>
<td>373,752</td>
<td>426,223</td>
<td>408,422</td>
<td>541,843</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,031</td>
<td>912</td>
<td>1,040</td>
<td>996</td>
<td>1,322</td>
</tr>
</tbody>
</table>

#### 2015

<table>
<thead>
<tr>
<th></th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating costs</td>
<td>Rm 14,311</td>
<td>4,912</td>
<td>4,502</td>
<td>3,204</td>
<td>1,918</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community costs</td>
<td>Rm 37</td>
<td>12</td>
<td>11</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>Rm 418</td>
<td>69</td>
<td>58</td>
<td>46</td>
<td>- 245</td>
</tr>
<tr>
<td>Royalties^3</td>
<td>Rm 431</td>
<td>166</td>
<td>175</td>
<td>82</td>
<td>8</td>
</tr>
<tr>
<td>Rehabilitation^4</td>
<td>Rm 138</td>
<td>39</td>
<td>33</td>
<td>18</td>
<td>48</td>
</tr>
<tr>
<td>ORD^5</td>
<td>Rm 2,127</td>
<td>684</td>
<td>880</td>
<td>446</td>
<td>117</td>
</tr>
<tr>
<td>Sustaining capital expenditure^6</td>
<td>Rm 975</td>
<td>465</td>
<td>356</td>
<td>102</td>
<td>52</td>
</tr>
<tr>
<td>On-mine exploration</td>
<td>Rm 18,579</td>
<td>6,337</td>
<td>6,008</td>
<td>3,914</td>
<td>1,985</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By-product credit^7</td>
<td>Rm (24)</td>
<td>(10)</td>
<td>(7)</td>
<td>(7)</td>
<td>-</td>
</tr>
<tr>
<td>All-in sustaining costs^8</td>
<td>Rm 18,413</td>
<td>6,337</td>
<td>6,008</td>
<td>3,905</td>
<td>1,918</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group exploration and other</td>
<td>Rm 16</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Corporate cost and growth capital</td>
<td>Rm 150</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>61 89</td>
</tr>
<tr>
<td>All-in cost^9</td>
<td>Rm 18,579</td>
<td>6,337</td>
<td>6,008</td>
<td>3,914</td>
<td>1,985</td>
</tr>
<tr>
<td>Gold sold</td>
<td>kg 49,432</td>
<td>17,735</td>
<td>17,038</td>
<td>10,354</td>
<td>4,305</td>
</tr>
<tr>
<td>`000oz</td>
<td>1,589.3</td>
<td>570.2</td>
<td>547.8</td>
<td>332.9</td>
<td>138.4</td>
</tr>
<tr>
<td>All-in sustaining cost^8</td>
<td>R/kg 372,492</td>
<td>357,333</td>
<td>352,624</td>
<td>377,101</td>
<td>445,645</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,071</td>
<td>1,027</td>
<td>1,014</td>
<td>1,084</td>
<td>1,281</td>
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<tr>
<td>All-in cost^9</td>
<td>R/kg 375,854</td>
<td>357,333</td>
<td>352,624</td>
<td>378,008</td>
<td>461,045</td>
</tr>
<tr>
<td>US$/oz</td>
<td>1,080</td>
<td>1,027</td>
<td>1,014</td>
<td>1,087</td>
<td>1,325</td>
</tr>
</tbody>
</table>


1 Community costs includes costs related to community development.

2 Share-based payments includes share-based payments compensation cost to support Sibanye’s corporate structure not directly related to current gold 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 is the royalty on refined minerals payable to the South African government.

4 Rehabilitation includes 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 gold 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 avail gold production or reserves.

6 Sustaining capital expenditure are those capital expenditures that are necessary to maintain current gold 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’s current operations and provide improved transparency related to Sibanye’s ability to finance these expenditures.
MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

All-in sustaining cost, a sub-set of All-in cost increased by 7% to R450,152/kg (US$954/oz) in 2016 from R422,472/kg (US$1,031/oz) in 2015, and increased by 13% to R422,472/kg (US$1,031/oz) in 2015 from R372,492/kg (US$1,071/oz) in 2014. The increase in 2016 was as a result of the effect of fixed costs on the lower production at Driefontein but more significantly due to continued underperformance at Cooke 4 shaft, subsequently closed, which increased 9% year on year from an already high cost of R541,843/kg in 2015. The increase in 2015 was as a result of the effect of fixed costs on the lower production at Driefontein and Beatrix but more significantly due to the 17% decrease at Kloof, together with increased labour costs and the increase in the electricity tariff, as well as the full year impact of higher cost Cooke production, which was 45% higher in 2015 than in 2014, primarily due to the fact that 2014 had only seven months of production.

All-in cost increased by 10% to R472,565/kg (US$1,002/oz) in 2016 from R430,746/kg (US$1,051/oz) in 2015, and increased by 15% to R430,746/kg (US$1,051/oz) in 2015 from R375,854/kg (US$1,080/oz) in 2014. The increase in 2016 was mainly due to the doubling of expenditure to R746 million on growth projects at Driefontein and Kloof as well as the Burnstone project. The increase in 2015 included corporate expenditure of R287 million, which relates to capital expenditure at Burnstone of R272 million and corporate expenditure of R15 million.

NET OPERATING PROFIT

As a result of the factors discussed above, net operating profit increased by 140% to R6,490 million in 2016 from R2,700 million in 2015 and decreased by 36% in 2015 from R4,215 million in 2014.

FINANCE EXPENSE


The increase in interest on borrowings in 2016 was due to the increase in the average indebtedness and effective interest rate year-on-year. Sibanye’s average gross debt outstanding, excluding the Burnstone Debt, was approximately R4.8 billion in 2016 compared with approximately R2.2 billion in 2015. The increase in environmental rehabilitation liability accretion expense was primarily due to the inclusion of the platinum operations, which added R62 million.

The increase in interest on borrowings in 2015 was due to the increase in the average indebtedness and effective interest rate year-on-year. Sibanye’s average gross debt outstanding, excluding the Burnstone Debt, was approximately R2.2 billion in 2015 compared with approximately R2.0 billion in 2014. The increase in environmental rehabilitation liability accretion expense was primarily due to the incorporation of Cooke and Burnstone for 12 months, which added R25 million, and new disturbances.

SHARE-BASED PAYMENTS


The increase in the share-based payment expense in 2016 was due to the increase in the SGL Share Plan expense as a result of the fair value of each option granted under the scheme increasing with the appreciation of Sibanye’s share price, and the share-based payment on BEE transaction, which was recognised as part of the Rustenburg Operations acquisition which represents the BEE shareholders attributable value over the expected life of mine partly offset by the decrease in the SGL Phantom Scheme expense as a result of the number of performance shares that vested on 1 March 2015, with no new allocations in 2015 or 2016. The decrease in the share-based payment expense in 2015 was mainly due to the number of performance shares that vested on 1 March 2015, with no new significant allocations in 2015.

LOSS ON FINANCIAL INSTRUMENTS

The cash-settled share instruments are valued at each reporting date based on the fair value of the instrument at that reporting date. The difference between the reporting date fair value and the initial recognition fair value of these cash settled share options is included in loss/gain on financial instruments in profit or loss. The appreciation in Sibanye’s share price for the six months ended 31 December 2016 of approximately 120%, resulted in a fair value loss of R1,181 million. The depreciation in the share price for the six months ended 31 December 2016 of approximately 49%, resulted in a fair value gain of R111 million.

GAIN/LOSS ON FOREIGN EXCHANGE DIFFERENCES

The gain on foreign exchange differences of R220 million in 2016 compared with a loss of R359 million in 2015 and a loss of R63 million in 2014. The gain on foreign exchange differences in 2016 was mainly due to exchange rate gains on the Burnstone Debt of R224 million (2015: R412 million loss and 2014: R89 million loss) and US$350 million revolving credit facility of R192 million, partly offset by the effect of exchange rate fluctuation on other financial assets and financial liabilities of R196 million (2015: R53 million and 2014: R26 million).

SHARE OF RESULTS OF EQUITY-ACCOUNTED INVESTEES AFTER TAX

The profit from share of results of associates of R13 million in 2016 (2015: R116 million and 2014: R471 million loss) was primarily due to share of profits of R115 million relating to Sibanye’s attributable share in Mimosa and losses of R117 million relating to its 33.1% interest in Rand Refinery.

IMPAIRMENTS

Impairments were R1,381 million in 2016, Rnil in 2015 and R275 million in 2014. Despite joint efforts of stakeholders, the Cooke 4 underground mine and Ezulwini Gold and Uranium processing plant (the Cooke 4 Operation) was unable to meet required production and cost targets, and continued to operate at a loss. 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 R817 million. Due to 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 goodwill allocated to the Cooke cash-generating unit (CGU) by R201 million and the Cooke 1, 2 and 3 mining assets by R355 million. For additional information on the impairments, see note 7: Impairments to the consolidated financial statements.

The impairment in 2014 related to a R155 million impairment of the Python plant at Kloof, which was decommissioned in July 2014 due to process design flaws, and the R120 million impairment of investment in Rand Refinery.

GAIN ON ACQUISITION

A gain on acquisition of R2,428 million arose on the acquisition of the Rustenburg Operations and is attributable to the fact that Anglo American Platinum has repositioned its portfolio by among others exiting certain assets. The Rustenburg Operations Transaction represented an attractively priced entry for Sibanye into the PGM sector. For additional information on the Rustenburg Operations acquisition and related gain on acquisition, see note 12.2: The Rustenburg Operations acquisition to the consolidated financial statements.

TRANSACTION COSTS

The transaction costs were R157 million in 2016 compared with R26 million in 2015 and R112 million in 2014. The transaction costs in 2016 related to the Aquarius and Rustenburg Operations acquisitions of R93 million (2015: R16 million) and R64 million (2015: R10 million), respectively. The transaction costs in 2014 related to the finalisation of the Cooke and Burnstone acquisitions of R82 million and R30 million, respectively.

NET LOSS ON DERECOGNITION OF FINANCIAL GUARANTEE ASSET AND LIABILITY

On 24 April 2015, Sibanye was released as guarantor by the note holders of Gold Fields’ US$1 billion bond, resulting in a net loss on derecognition of the financial guarantee asset and financial guarantee liability of R158 million.

REVERSAL OF IMPAIRMENT

Due to the positive results of a restructuring process at the Beatrix West Section it has subsequently returned to profitability. As a result a decision was taken at 31 December 2014 to reverse the impairment by R474 million.

ROYALTIES

Royalties increased by 36% to R547 million in 2016 from R401 million in 2015 and decreased by 7% in 2015 from R431 million in 2014. The increased royalty in 2016 was mainly due to the increase in gold revenue. The decreased royalty in 2014 was mainly due to the decrease in earnings before interest and taxes. The rate of royalty tax payable as a percentage of revenue is set out in the table below.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

MINING AND INCOME TAX

Mining and income tax increased by 230% to R1,243 million in 2016 from R377 million in 2015 and decreased by 54% in 2015 from R828 million in 2014. The table below indicates Sibanye’s effective tax expense rate in 2016, 2015 and 2014.

<table>
<thead>
<tr>
<th>%</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driefontein</td>
<td>2.2</td>
<td>2.4</td>
<td>2.1</td>
</tr>
<tr>
<td>Kloof</td>
<td>2.2</td>
<td>1.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Beatrix</td>
<td>1.9</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Cooke</td>
<td>0.5</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Kroondal</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rustenburg Operations</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Average for Group</td>
<td>1.7</td>
<td>1.8</td>
<td>2.0</td>
</tr>
</tbody>
</table>

In 2016, the effective tax expense rate of marginally lower than the South African statutory company tax rate of 28% mainly due to the tax effect of the following:

- R161 million reduction related to the mining tax formula rate adjustment;
- R680 million non-taxable gain on acquisition;

The above were offset by the following:

- R116 million non-deductible charges related to share-based payments;
- R52 million non-deductible loss on foreign exchange differences;
- R35 million non-deductible amortisation and depreciation;
- 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
- R61 million net non-taxable income and non-deductible expenditure.

In 2015, the effective tax expense rate of 41% was higher than the South African statutory company tax rate of 28% mainly due to the tax effect of the following:

- R33 million non-deductible charges related to share-based payments;
- R26 million non-taxable amortisation and depreciation;
- R29 million deferred tax charge on increase of long-term expected tax rate; and
- R267 million assessed losses and other deductible temporary differences not recognised.

The above were offset by the following:

- R130 million reduction related to the mining tax formula rate adjustment;
- R18 million non-taxable gain on foreign exchange differences;
- R33 million non-taxable share of results of equity-accounted investees; and
- R55 million non-taxable gain on derecognition of financial guarantee liability.

In 2014, the effective tax expense rate of 36% was higher than the South African statutory company tax rate of 28% mainly due to the tax effect of the following:

- R49 million non-deductible charges related to share-based payments;
- R132 million non-taxable share of results of equity-accounted investees;
- R19 million non-deductible amortisation and depreciation;
- R34 million non-deductible impairments; and
- R66 million assessed losses and other deductible temporary differences not recognised.

The above was offset by the following:

- R112 million reduction related to the mining tax formula rate adjustment; and
- R14 million net non-taxable income and non-deductible expenditure.

PROFIT FOR THE YEAR

As a result of the factors discussed above, the profit in 2016 was R3,271 million compared with R538 million in 2015 and R1,507 million in 2014. Of this, R3,702 million (2015: R717 million and 2014: R1,552 million) is attributable to the owners of Sibanye.

The following table depicts contributions from various segments to the profit.
MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driefontein</td>
<td>1,744</td>
<td>1,089</td>
<td>938</td>
</tr>
<tr>
<td>Kloof</td>
<td>1,615</td>
<td>510</td>
<td>839</td>
</tr>
<tr>
<td>Beatrix</td>
<td>760</td>
<td>356</td>
<td>870</td>
</tr>
<tr>
<td>Cooke</td>
<td>(1,957)</td>
<td>(699)</td>
<td>(188)</td>
</tr>
<tr>
<td>Corporate (and reconciling items)</td>
<td>(976)</td>
<td>(718)</td>
<td>(952)</td>
</tr>
<tr>
<td>Platinum</td>
<td>2,085</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kroondal</td>
<td>91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum Mile</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mimosa</td>
<td>115</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rustenburg Operations</td>
<td>2,278</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate (and reconciling items)</td>
<td>(417)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW ANALYSIS

Net cash generated in 2016 was R408 million compared with R154 million in 2015 and R930 million utilised in 2014.

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>4,406</td>
<td>3,515</td>
<td>25</td>
<td>4,053</td>
<td>(13)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(1,612)</td>
<td>(658)</td>
<td>(145)</td>
<td>(1,005)</td>
<td>(34)</td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(4,151)</td>
<td>(3,345)</td>
<td>(24)</td>
<td>(3,251)</td>
<td>(3)</td>
</tr>
<tr>
<td>Free cash flow1</td>
<td>1,866</td>
<td>829</td>
<td>125</td>
<td>1,807</td>
<td>(54)</td>
</tr>
<tr>
<td>Net borrowings raised/(repaid)</td>
<td>5,446</td>
<td>(21)</td>
<td>(26,033)</td>
<td>(873)</td>
<td>97</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. Free cash flow is defined as net cash from operating activities before dividends, less additions to property, plant and equipment.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash from operating activities increased to R4,406 million in 2016 from R3,515 million in 2015 and decreased in 2015 from R4,053 million in 2014. The items contributing to the increase in 2016 and decrease in 2015 are indicated in the table below.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(decrease) in cash generated by operations1</td>
<td>3,706</td>
<td>(951)</td>
</tr>
<tr>
<td>(Increase)/decrease in cash-settled share-based payments paid2</td>
<td>(1,476)</td>
<td>124</td>
</tr>
<tr>
<td>Decrease/increase in investment in working capital</td>
<td>430</td>
<td>(882)</td>
</tr>
<tr>
<td>Increase in interest paid</td>
<td>(161)</td>
<td>(66)</td>
</tr>
<tr>
<td>(Increase)/decrease in royalties paid3</td>
<td>(161)</td>
<td>255</td>
</tr>
<tr>
<td>(Increase)/decrease in tax paid4</td>
<td>(520)</td>
<td>691</td>
</tr>
<tr>
<td>(Increase)/decrease in dividends paid4</td>
<td>(954)</td>
<td>347</td>
</tr>
<tr>
<td>Other</td>
<td>46</td>
<td>(55)</td>
</tr>
<tr>
<td>Increase/(decrease) in cash flows from operating activities</td>
<td>890</td>
<td>(537)</td>
</tr>
</tbody>
</table>

1 The increase in cash generated by operations in 2016 was mainly due to the increase in the average realised US dollar gold price to US$1,242/oz in 2016 from US$1,160/oz in 2015 and the 15% weaker rand of R14.68/US$ in 2016 compared with R12.75/US$ in 2015. The decrease in cash generated by operations in 2015 was mainly due to higher operating costs.
2 Approximately 70% of cash-settled instruments vested during the year resulting in an increase in the cash-settled share-based payments paid.
3 The increase in royalties and tax paid in 2016 was due to increased revenue.
4 The dividend declared and paid in 2016 related to the final dividend of 90 cents per share (cps) or R825 million in respect of the six months ended 31 December 2015 (2014: 62cps or R567.1 million) and the interim dividend of 85cps or R785 million in respect of the six months ended 30 June 2016 (2015: 10cps or R91.3 million).

CASH FLOWS FROM INVESTING ACTIVITIES

Cash used in investing activities increased to R9,444 million in 2016 from R3,340 million in 2015 and decreased in 2015 from R4,309 million in 2014. The increase in cash from investing activities in 2016 was mainly due the acquisitions of Aquarius and the Rustenburg Operations in 2016 for R5,802 million. The decrease in cash from investing activities in 2015 was mainly due the acquisitions of Wits Gold, Cooke and Burnstone in 2014 for R616 million and the loan advanced to Rand Refinery in 2014 of R385 million.

Capital expenditure increased by 24% to R4,151 million in 2016 from R3,345 million in 2015 and increased by 3% in 2015 from R3,251 million in 2014. Capital expenditure at the individual mines is shown in the table below.
Figures in million - SA rand

<table>
<thead>
<tr>
<th>Location</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>3,824</td>
<td>3,345</td>
<td>3,251</td>
</tr>
<tr>
<td>Driefontein</td>
<td>1,052</td>
<td>994</td>
<td>1,149</td>
</tr>
<tr>
<td>Kloof</td>
<td>1,304</td>
<td>1,130</td>
<td>1,236</td>
</tr>
<tr>
<td>Beatrix</td>
<td>628</td>
<td>597</td>
<td>548</td>
</tr>
<tr>
<td>Cooke</td>
<td>249</td>
<td>337</td>
<td>230</td>
</tr>
<tr>
<td>Corporate</td>
<td>591</td>
<td>287</td>
<td>88</td>
</tr>
<tr>
<td>Platinum</td>
<td>327</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kroondal</td>
<td>176</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rustenburg Operations</td>
<td>149</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Platinum Mile and Corporate</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash from financing activities increased to R5,446 million in 2016 from R21 million used in 2015 and cash used in financing activities decreased in 2015 from R673 million in 2014.

On 4 April 2016, Sibanye drew down R1,330 million under the R4.5 billion Facilities and US$145 million (R2,218 million) under the US$350 million revolving credit facility (RCF) to fund the acquisition of Aquarius. On various dates during 2016, Sibanye made further additional drawdowns of R606 million and repaid R650 million under the R4.5 billion Facilities, and repaid US$45 million (R653 million) under the US$350 million RCF. On 15 November 2016, Sibanye cancelled and refinanced the R4.5 billion Facilities by drawing R3.2 billion under the R6.0 billion RCF. Sibanye made additional drawdowns of R1.9 billion under the R6.0 billion RCF to fund the upfront cash payment for the acquisition of the Rustenburg Operations and for other working capital requirements.

On various dates during 2015, Sibanye made additional drawdowns of R1,000 million and repaid R1,021 million under the R4.5 billion Facilities.

In 2014, Sibanye repaid R656 million debt assumed through the acquisitions of Wits Gold and Cooke. On various dates during 2014, Sibanye made additional drawdowns of R500 million and repaid R900 million under the R4.5 billion Facilities. On 18 December 2014, Sibanye borrowed a further R385 million to fund its portion of the Rand Refinery loan, increasing its debt under the facility to just below R2.0 billion.

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

As a result of the above, net cash generated in 2016 amounted to R408 million compared with R155 million in 2015 and R930 million utilised in 2014.


STATEMENT OF FINANCIAL POSITION

BORROWINGS

Total debt (short- and long-term) excluding R1,753 million attributable to the Burnstone project, which has no recourse to Sibanye’s balance sheet, increased to R7,221 million at 31 December 2016 from R1,995 million at 31 December 2015 (2014: R2,036 million).

At 31 December 2016, Sibanye had committed unutilised banking facilities of R4.3 billion available under the R6.0 billion RCF and US$350 million RCF.

For a description of borrowings, see note 23: Borrowings to the consolidated financial statements.

WORKING CAPITAL AND GOING CONCERN ASSESSMENT

As at 31 December 2016, the Group’s current assets exceeded its current liabilities by R1,466.6 million (2015: current liabilities exceeded current assets by R2,596.6 million) and during the year then ended Sibanye generated cash from operating activities of R4,405.5 million (2015: R3,515.3 million).

Sibanye has entered into a definitive agreement to acquire all of the outstanding common stock of Stillwater Mining Company (Stillwater) for US$18.00 per share, or US$2,200 million (approximately R30 billion) in cash (the Stillwater Transaction). The consideration represents a premium of 23% to Stillwater’s prior day closing share price, and 20% to Stillwater’s 20-day volume-weighted average closing share price. Sibanye has obtained a US$2,650 million bridge loan facility from a syndicate of banks initially led by Citibank and HSBC which will be utilised only to fund the Stillwater acquisition, refinance existing indebtedness at Stillwater, and pay certain related fees, costs and expenses (see note 23.6: Acquisition bridge facilities to the consolidated financial statements). Together with cash on hand, the bridge loan facility is sufficient to fully fund the Stillwater Transaction and is expected to close in the second quarter of 2017.

Post-closing of the Stillwater Transaction, Sibanye expects to raise in the capital markets new equity (of between US$750 million and US$1,300 million) and long-term debt (of between US$1,600 million and US$1,050 million), primarily through a proposed rights offer and a bond issue. Both the rights offer and bond issue are envisaged to be underwritten by some of the bridge facility arranging and funding banks, negotiation of which is ongoing, with the objective of maintaining a strong balance sheet and its dividend policy, and preserving its long-term financial flexibility. To enhance its capital structure and financing mix, Sibanye will also evaluate additional financing structures,
which may include, among others, streaming facilities and the issuance of warrants and convertible bonds, all of which will be assessed considering prevailing market conditions, exchange rates and commodity prices. Consistent with its long-term strategy, Sibanye plans to deleverage over time to its targeted leverage (net debt to EBITDA ratio) of no greater than 1.0x EBITDA.

The bridge loan facility currently provides for the equity refinancing to be concluded by 31 October 2017 with the balance to be refinanced within 1 year of closing of the Stillwater Transaction. The bridge loan facility, as well as Sibanye’s existing facilities, permit a leverage ratio of 3.0x through to 31 October 2017, and 2.5x thereafter. The leverage ratio provides for pro forma adjustments to include EBITDA from acquired businesses in the calculation.

Sibanye’s leverage ratio post the conclusion of the Stillwater Transaction and prior to the proposed rights offer is expected to peak at no more than 2.2x EBITDA. Cash generated from operations and the proceeds of the proposed rights offer is expected to reduce Sibanye’s leverage ratio to below 2.2x by 31 December 2017, with the targeted leverage ratio of no greater than 1.0x EBITDA achieved shortly after 31 December 2018.

Aside from the bridge loan facility, the Group has further committed unutilised debt facilities of R4.3 billion at 31 December 2016 (2015: R6.2 billion).

The directors believe that the cash generated by its operations, the Stillwater Transaction bridge loan facility and the remaining balance of the Group’s revolving credit facilities will enable the Group to continue to meet its obligations as they fall due. If the Stillwater Transaction is not successful, the directors believe that the cash generated by its operations and the remaining balance of the Group’s revolving credit facilities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2016, therefore, have been prepared on a going concern basis.

OFF BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL COMMITMENTS

At 31 December 2016, Sibanye had no off balance sheet items. For a description of Sibanye’s contractual commitments, see the following notes to the consolidated financial statements.

<table>
<thead>
<tr>
<th>Contractual commitments</th>
<th>Note per the consolidated financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>24 – Environmental rehabilitation obligation</td>
</tr>
<tr>
<td>Commercial commitments</td>
<td>30 – Commitments</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>31 – Contingent liabilities</td>
</tr>
<tr>
<td>Debt</td>
<td></td>
</tr>
<tr>
<td>– capital</td>
<td>23 – Borrowings</td>
</tr>
<tr>
<td>– interest</td>
<td>29.2 – Risk management activities</td>
</tr>
</tbody>
</table>

These contractual commitments for expenditure, together with other expenditure and liquidity requirements, will be met from internal cash flow and, to the extent necessary, from the existing facilities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Sibanye’s significant accounting policies are fully described in the various notes to its consolidated financial statements. Some of Sibanye’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’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 per the consolidated financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basis of preparation</td>
<td>1 – Accounting policies</td>
</tr>
<tr>
<td>Consolidation</td>
<td>1 – Accounting policies</td>
</tr>
<tr>
<td>Revenue</td>
<td>3 – Revenue</td>
</tr>
<tr>
<td>Royalties, mining and income tax, and deferred tax</td>
<td>8 – Royalties, mining and income tax, and deferred tax</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>11 – Property, plant and equipment</td>
</tr>
<tr>
<td>Business combinations</td>
<td>12 – Acquisitions</td>
</tr>
<tr>
<td>Goodwill</td>
<td>13 – Goodwill</td>
</tr>
<tr>
<td>Equity-accounted investments</td>
<td>14 – Equity accounted investments</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds</td>
<td>16 – Environmental rehabilitation obligation funds</td>
</tr>
<tr>
<td>Financial assets and financial liabilities</td>
<td>17 – Financial assets and financial liabilities</td>
</tr>
<tr>
<td>Inventories</td>
<td>18 – Inventories</td>
</tr>
<tr>
<td>Borrowings</td>
<td>23 – Borrowings</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>24 – Environmental rehabilitation obligation</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>31 – Contingent liabilities</td>
</tr>
</tbody>
</table>
STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements of Sibanye, comprising the consolidated statement of financial position at 31 December 2016, and consolidated income statement and consolidated statements of 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 South African Institute of Chartered Accountants (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.

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 2016. 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 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 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 and its subsidiaries will not be going concerns in the year ahead.

Sibanye has adopted a Code of Ethics, applicable to all directors and employees, which is available on Sibanye’s website.

The Group’s external auditors, KPMG Inc. audited the consolidated 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
30 March 2017

COMPANY SECRETARY’S CONFIRMATION

In terms of section 88(2)(e) of the Companies Act 71 of 2008, 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.

Cain Farrel
Company Secretary
30 March 2017
CORPORATE GOVERNANCE REPORT

The Group has adopted high standards of accountability, transparency and integrity in the running of the business and reporting to shareholders and other stakeholders.

The approach to corporate governance is guided by the principles of fairness, accountability, responsibility and transparency. Special attention has been given to providing stakeholders and the financial investment community with clear, concise, accurate and timely information about the Group’s operations and results; reporting to shareholders on an integrated basis on Sibanye’s financial and sustainable performance; ensuring appropriate business and financial risk management; ensuring that no director, management official or other employee of the Sibanye Group deals directly or indirectly in Sibanye shares on the basis of unpublished price-sensitive information regarding the Sibanye Group, or otherwise during any prohibited period; and recognition of the Group’s social responsibility to provide assistance and development support to the communities in which it operates and to deserving institutions at large.

Our governance structures, processes and policies support our strategy execution and underpin our business model. Sibanye views good corporate governance as being fundamental to the long-term sustainability of the company and to value creation for all stakeholders. It is essential too in establishing relationships with stakeholders that are based on respect and goodwill.

ROLE OF THE BOARD

The Sibanye Board of Directors, which has overall accountability for the long-term sustainability of the business, ensures that our corporate governance is aligned with best practice guidelines, and is aligned with our commitment to enabling the improvement of lives through our business activities, and that we our business activities are conducted with integrity, in line with Sibanye’s CARES values and Code of Ethics.

Collectively, the 13-member Board provides sound, independent, strategic guidance and leadership, with due consideration for the interests of all stakeholders. It is ultimately responsible for achievement of the Group’s strategic objective, and for overseeing Sibanye’s operating and financial performance, and for Sibanye’s corporate governance framework which guides the business. In so doing, it advises on the setting of strategic objectives and targets and reviews and monitors progress.

The Board oversees the governance framework and its integration within the company in order to achieve an ethical culture, effective internal controls, strategic outcomes, policy approval and disclosure.

COMPLIANCE

Sibanye has its primary listing on the JSE. It is registered with the Securities and Exchange Commission (SEC) in the United States of America (US) where its ordinary shares are listed on the New York Stock Exchange (NYSE) in the form of an American Depositary Receipt (ADR) programme administered by Bank of New York Mellon (BNYM). As a result, the Group is subject to compliance with the JSE Listings Requirements, and the disclosure and corporate governance requirements of the NYSE. In 2016, the Group complied with all applicable governance requirements as well as with all the mandatory specific governance requirements contained in paragraph 3.84 of the JSE Listing Requirements.

The Group applies the principles contained in King III and has implemented the King III principles and recommendations across the Group. All 75 King III principles are recorded in the compliance schedule on Sibanye’s website, detailing the principles and the corresponding explanations. The one exception is the King III recommendation that employment contracts should not compensate executives for severance because of change of control (although this does not preclude payments for retaining key executives during a period of uncertainty).

BOARD

The Board of Directors’ Charter (Charter) outlines the objectives and responsibilities of the Board, see “Board of director’s charter”. Likewise, all Board sub-committees operate in accordance with written terms of reference, which are regularly reviewed on an annual basis by the various sub-committees. The Board takes ultimate responsibility for the Group’s adherence to sound corporate governance standards and sees to it that all business judgements are made with reasonable care, skill and diligence.

The Company’s Memorandum of Incorporation (MOI) requires no fewer than four and no more than 15 members on the Board of Directors. The Board currently comprises 13 members – eight of these are independent non-executive directors, three non-independent non-executive directors and the two executive directors holding the positions of Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The Board, advised by the Nominating and Governance Committee, ensures that the candidates for election as independent non-executive directors are reputable, competent and experienced and are willing to devote the necessary time to the role.

Sibanye has a stable and diverse Board with appropriate and strong skill sets. The Company’s policy aims to promote gender diversity at Board level. Currently, out of thirteen Board members, one is a woman. The Board, through the Nominating and Governance Committee, is currently interviewing black female candidates to fill a vacant position.

The roles of the Chairman of the Board and the CEO are separate. Independent non-executive director Sello Moloko was the Chairman of the Board and Neal Froneman the CEO for the period under review.

The executive directors and the Company Secretary keep the Board informed of all developments in the Group.

For additional information on the Board and its members see Accountability–Board and executive committee.
MEMBERSHIP AND ATTENDANCE OF BOARD MEETINGS

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KEY AREAS OF BOARD DELIBERATION IN 2016

As we execute our strategy and respond to mitigate our material issues, we are cognisant of the governance aspects that can enable or impede our progress. The strength of our leadership team lies in its agility and ability to respond to market opportunities, such as recently diversifying our portfolio to include platinum group metals. In developing Sibanye’s strategy, the Board takes into account associated risks and ensures alignment with Sibanye’s CARES values and the overall purpose of superior value creation for all. The Board ensures that the strategy is cascaded and managed through specialised teams such as our Gold Executive Committee, Platinum Executive Committee and the Safe Technology team.

The following were among the most important topics considered by the Board and the sub-committees during the course of the year.

Safety: As employee safety is of critical importance to Sibanye, the regression in safety performance in the first half of 2016 after several years of consistent improvement caused grave concern to the Board. As a result, a full review of Sibanye’s safety strategy and procedures was undertaken to improve safety performance and prevent accidents. More assertive safety leadership structures were put in place and “safety” was launched as a separate and distinct value. In so doing, Sibanye reaffirmed its commitment to the health and safety of employees.

Mining Charter revisions: A revised draft Mining Charter was unexpectedly gazetted by the then recently appointed Minister of Mineral Resources in April 2016. There had been no significant prior consultation and the draft Charter contained several amendments which were of significant concern to the mining industry. While a 30-day period for public comment typically follows gazetting of regulations such as this, in the wake of significant stakeholder resistance, the final version of the amended Charter has still to be passed. Although the ownership aspect of the Charter remained prominent, subsequent consultations took place on all elements of the Charter. The process was led by the Chamber of Mines on behalf of the mining industry. Business inputs into consultations were being marginalised with pressure to promulgate a final version prior to 31 October 2016 when the Department of Trade and Industry’s generic broad based black economic empowerment (BBBEE) codes came into force in the absence of a mining sector specific charter. Legal challenges were pursued to ensure that vested rights were maintained from previous Mining Charter cycles, in relation to the continued consequences of historical empowerment as well as to address the legal validity of a new Charter that may be promulgated. Limited progress had been achieved in developing the revised Mining Charter into a form that would not inhibit business competitiveness while providing a framework for effective empowerment through transformation.

Acquisitions: The Board played a key role in advising, monitoring and approving the repositioning of Sibanye as a multi-commodity miner with the acquisitions of the Aquarius and certain Anglo American Platinum assets in 2016. These were followed by the proposed acquisition of Stillwater, the successful completion of which will position Sibanye among the top global precious metals companies with a Tier 1 asset in a stable mining jurisdiction.

Purpose statement: The Board oversaw and approved an all-encompassing statement encapsulating Sibanye’s reason for operating and purpose. This statement, “Sibanye’s mining improves lives”, links our vision and values and is in line with our concept of an inclusive, modernised mining industry, founded on humanity and recognised as a key contributor to socio-economic development.

 Cooke 4: Given the unprofitability of the Cooke 4 Operation, the Board approved it being placed on care and maintenance in July 2016. The suspension of operations at Cooke 4 did however contribute to reduced production for the group as a whole in 2016. The majority of the workforce was transferred to fill vacancies at other Sibanye operations with retrenchments being minimised as far as possible.

Section 54 stoppages: Having noted the high number of Section 54 notices issued to the Platinum Division’s Kroondal mine by the Mines Health and Safety Inspectorate (MHSI) in 2016, the Board approved the issuing of a legal claim against the DMR, the Minister of Mineral Resources and officials in the MHSI for financial losses incurred as a result of what were unjustified Section 54 stoppages.

Silicosis: The Board reviewed the judgement of the High Court of South Africa, Gauteng Division on 31 May 2016, in the class action proceedings that had been brought by a number of applicants against a number of mines relating to silicosis and tuberculosis. The Court granted certification of a consolidated class action comprising two separate classes, namely silicosis and pulmonary tuberculosis.

Operational plan for 2017: Having reviewed and assessed the 2017 operational plan and vision for 2018, these were approved by the Board.
CORPORATE GOVERNANCE REPORT

Strategy: The Board had a strategy session in 2016 and was satisfied with the progress made by the company in becoming a multi-commodity resources company.

BOARD EFFECTIVENESS AND PERFORMANCE MANAGEMENT

In line with King III's recommendations, the Board conducted a rigorous evaluation of the independence of directors and an internal assessment of the effectiveness of the Board and its sub-committees. An external consultant was also appointed to independently review the Board's effectiveness. The outcome of the independent assessment revealed that all the necessary structures and processes for an effective Board are established and functioning well. The Board had fulfilled its role and responsibilities and had discharged its accountability to the company and its shareholders and other stakeholders in an exemplary manner.

The Chairman is appointed annually by the Board which, with the assistance of the Nominating and Governance Committee, carried out a rigorous review of the Chairman's performance and independence during 2016. The Board concluded that there were no factors that impaired his independence and appointed the Chair for another year.

The performance of the Company Secretary was evaluated by the Board. The Board was satisfied with his competence, qualifications, experience and maintaining an arms-length relationship with the Board.

SUCCESSION MANAGEMENT

At Sibanye, succession planning is based on the strategic direction of the company, business requirements and readiness of the candidate. Sibanye favours an integrated approach to succession management. For this reason, a phased approach to succession planning was adopted, starting with evaluations of the executive vice presidents followed by evaluations of senior vice presidents.

Following these evaluations, critical roles were identified and the competencies required for executive positions finalised. These were then incorporated into the Sibanye Leadership Development Framework.

Assessments to identify potential, readiness and development areas have been completed for all executive vice presidents, senior vice presidents and vice presidents.

ROTATION AND RETIREMENT FROM THE BOARD

In accordance with the MOI, one third of the directors shall retire from office at each Annual General Meeting (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.

Chris Chadwick, Robert Chan, Tim Cumming, Charl Keyter and Sello Moloko retire by rotation at the upcoming AGM to be held on 23 May 2017, and have indicated that they are available for election or re-election.

Barry Davison, Neal Froneman, Rick Menell, Keith Rayner and Jerry Vilakazi retire by rotation in 2018.

REMUNERATION

The Board obtains independent advice before making recommendations to shareholders for the remuneration of non-executive directors. The remuneration is paid in accordance with a special resolution approved by the shareholders within the previous two years.

Non-executive directors only receive remuneration due to them as members of the Board. Directors serving on Board sub-committees receive additional remuneration. For details of the directors' remuneration packages as well as those of the prescribed officers, see Annual financial statements–Notes to the consolidated financial statements–Note 32: Related-party transactions.

BOARD OF DIRECTORS’ CHARTER

In 2016, the Board reviewed and re-assessed the adequacy of the Charter. This document compels directors to promote the vision of the Group, while upholding sound principles of corporate governance. Directors’ responsibilities under the Charter include:

- determining the Group’s Code of Ethics and conducting the Group’s affairs in a professional manner, upholding the core values of integrity, transparency and enterprise;
- evaluating, determining and ensuring the implementation of corporate strategy and policy;
- determining compensation, development, skills development and other relevant policies for employees;
- developing and setting best-practice disclosure and reporting practices that meet the needs of all stakeholders;
- authorising and controlling capital expenditure and reviewing investment capital and funding proposals;
- constantly updating the risk management systems, including setting management expenditure authorisation levels and exposure limit guidelines; and
- reviewing executive succession planning and endorsing senior executive appointments, organisational changes and general remuneration policies.

In this regard, the Board is guided by the Audit Committee, the Risk Committee, the Nominating and Governance Committee, the Remuneration Committee, and Safety, Health and Sustainable Development Committee.

The Board considers that this annual financial report and associated reports comply in all material respects with the relevant statutory requirements of the various regulations governing disclosure and reporting by Sibanye; and that the consolidated financial statements
comply in all material respects with IFRS, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listings Requirements. As such, the Board has approved the content of the annual financial report, including the consolidated financial statements on 30 March 2017.

BOARD SUB-COMMITTEES

The Board has formed the following committees in compliance with good corporate governance:

- Audit Committee;
- Risk Committee;
- Remuneration Committee;
- Nominating and Governance Committee;
- Safety, Health and Sustainable Development Committee; and
- Social and Ethics Committee (to comply with the statutory requirements of the Companies Act).

All these committees are composed of a majority of independent non-executive directors except for Risk Committee of which Chris Chadwick, Robert Chan and Jiyu Yuan are also members. All these committees are exclusively composed of non-executive directors except the Safety, Health and Sustainable Development Committee of which the CEO is also a member. The committees are all chaired by an independent non-executive director and operate in accordance with written terms of reference which have been approved by the Board.
AUDIT COMMITTEE

This committee monitors and reviews Sibanye’s accounting controls and procedures, including the effectiveness of its information systems and other systems of internal control; the effectiveness of the internal audit function; reports of both external and internal auditors; interim reports, the annual report on SEC Form 20-F, the consolidated annual financial statements; the accounting policies of Sibanye and any proposed revisions thereto; external audit findings and reports, and the approval thereof; and compliance with applicable legislation and requirements of regulatory authorities and Sibanye’s Code of Ethics.

The CFO’s expertise was evaluated by the Audit Committee. The committee was satisfied that the incumbent has the appropriate expertise and experience to carry out his duties as the financial director of the Group and that he was supported by qualified competent senior staff.

The committee reviewed and assessed the independence of the external auditors, including their confirmation 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 committee is satisfied that KPMG Inc. is independent of the Group and is accredited by the JSE.

Sibanye’s CFO and internal and external auditors as well as senior management attend all the Audit Committee meetings and have unrestricted access to the Chairman of this committee. The Audit Committee, in turn, communicates freely with other members of the Board not serving as members of the Audit Committee. To perform its functions effectively, the Audit Committee meets at least quarterly, but more frequently if required.

The Sarbanes-Oxley Act requires the Board to identify an audit committee financial expert from within its ranks or to determine that the Audit Committee does not have a financial expert. The Board has resolved that the committee’s Chair, Keith Rayner, is the Audit Committee’s financial expert. Further, the Board of Directors believes that the members of the Audit Committee collectively possess the knowledge and experience to oversee and assess the performance of Sibanye’s management and auditors, the quality of Sibanye’s disclosure controls, the preparation and evaluation of Sibanye’s financial statements and Sibanye’s financial reporting. Sibanye’s Board of Directors also believes that the members of the Audit Committee collectively possess the understanding of audit committee functions necessary to diligently execute their responsibilities.

MEMBERSHIP AND ATTENDANCE OF THE AUDIT COMMITTEE

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KEY FOCUS AREAS IN 2016

- Interim and annual financial reporting
- Acquisitions – integration, synergies and assessing related risks
- IT issues – integration of platinum assets, cyber security
- JSE proactive monitoring process relating to financial reporting
- Internal control environment and systems, and controls over financial reporting
- New regulatory developments

REPORT BACK

The Audit Committee is responsible for governance and internal controls. It routinely focuses on financial and operating updates, the internal audit report, IT governance, quarterly crime reports and controls over financial reporting attestation status reports. All reports from the Group external auditor are also presented to the Audit Committee. The Audit Committee is also mandated by the Board to approve the Integrated Annual Report and the Annual Financial Statements. In 2016 the focus was on the successful integration into the company of those mining operations acquired during the year, particularly as related to governance.

The Audit Committee was also involved in the management of risks related to the security of information and approved the Combined Assurance guideline report.

The Audit Committee also evaluated and noted its approval of the CFO’s performance.

RISK COMMITTEE

This committee is responsible for ensuring that management implements appropriate risk management processes and controls. The total process of risk management, which includes the related systems of internal control, is the responsibility of the Board. Management is accountable to the Board for designing, implementing and monitoring an integrated process of risk management into the daily activities of Sibanye. The Board, through the Risk Committee, ensures that management implements appropriate risk management processes and controls. The responsibilities of the committee include:
• reviewing the effectiveness and efficiency of the Enterprise Risk Management system within the Company and being assured that material risks are identified and that appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate Company policies;
• reviewing the adequacy of the risk management charter, policy and plan;
• reviewing the parameters of the Company’s risk/reward strategy, in terms of the risk appetite and tolerance relative to reward and ensuring that risks are quantified where practicable;
• regularly receiving a register of the Company’s key risks and potential material risk exposures from management, reviewing and approving mitigation strategies, and reporting to the Board any material changes and/or divergence to the risk profile of the Company;
• monitoring the implementation of operational and corporate risk management plans;
• reviewing the insurance and other risk transfer arrangements, and considering whether appropriate coverage is in place;
• reviewing the business contingency planning process within the Group and being assured that material risks are identified and that appropriate contingency plans are in place;
• conducting a formal risk assessment at least once a year, which should be continually reviewed, updated and applied; and
• ensuring that a combined assurance model is applied to provide a coordinated approach to assurance activities.

MEMBERSHIP AND ATTENDANCE OF THE RISK COMMITTEE

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KEY FOCUS AREAS IN 2016

• Cyber intrusion
• Business continuity
• Enterprise risk management
• Combined assurance framework
• Assessment of risk management effectiveness and maturity review

REPORT BACK

The Risk Committee approved the risk management policy, risk framework, risk committee charter and the risk plan. Having assessed the risk of cyber intrusions in particular, the committee concluded that the risk was low. A dedicated resource was appointed to manage cyber risk full time.

The committee also approved the business continuity plan, as well as the enterprise risk management and the biannual strategic risk register. The top 10 risks to the company and mitigation actions were reviewed in detail, together with the Sibanye’s risk tolerance and risk appetite levels.

In addition, the Risk Committee ensured that the Company complied with all applicable legislative requirements and approved the combined assurance approach as well as insurance cover for the business.

NOMINATING AND GOVERNANCE COMMITTEE

This committee is responsible for ensuring that new directors undergo an appropriate induction process; recommending to the Board the need for Board participation in continuing education programmes; identifying and recommending to the Board successors to the Chairman and CEO; developing the approach of Sibanye to matters of corporate governance; and making recommendations to the Board concerning such matters.
MEMBERSHIP AND ATTENDANCE OF THE NOMINATING AND GOVERNANCE COMMITTEE

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KEY FOCUS AREAS IN 2016

- Leadership development and succession planning
- Gender diversity on the board
- Board and sub-committee effectiveness assessments

REPORT BACK

The Nominating and Governance Committee focused on leadership development and management succession planning. The committee determined that critical roles had been identified and that the competencies required for executive positions had been finalised and incorporated into the Leadership Development Framework. Assessments to identify potential, readiness and development areas were completed for all executive vice presidents, senior vice presidents and vice presidents.

Having identified the need for gender diversity at Board level, the CVs of possible candidates identified were reviewed.

The committee also appointed an external consultant to assess the Board and evaluate its performance. It was determined that all the necessary structures and processes for an effective board were established and were functioning well, and that the Board had fulfilled its role and responsibilities, and discharged its accountability to the Company and its shareholders and other stakeholders, in an exemplary manner.

The committee also reviewed the fees paid to non-executive directors as well as the re-election of committee members.

REMUNERATION COMMITTEE

This committee is responsible for determining Sibanye’s remuneration policy and the practices needed to attract, retain and motivate high-performing executives who are demonstrably aligned with Sibanye’s corporate objectives and business strategy; and for ensuring that remuneration levels relative to other comparable companies are pitched at the desired level taking relative performance into account. The Remuneration Committee also reviews, on behalf of the Board, both the remuneration levels of senior executives and management share-incentive schemes and the related performance criteria and measurements. To perform these functions the Remuneration Committee meets quarterly, or more frequently if required.

MEMBERSHIP AND ATTENDANCE OF THE REMUNERATION COMMITTEE

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KEY FOCUS AREAS IN 2016

- Executive changes in the Platinum Division
- Incorporation of the Platinum Division into the 2016 incentive target framework

REPORT BACK

The Remuneration Committee assessed revisions to the share plan implementation arrangements. It also approved the incorporation of the Platinum Division into the incentive framework as well as the annual incentive scheme.

SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

This committee reviews adherence to occupational health, safety and environmental standards by Sibanye. The committee seeks to minimise mining-related accidents, to ensure that Sibanye’s operations are in compliance with all environmental regulations and to establish policy in respect of HIV/AIDS and health matters.
MEMBERSHIP AND ATTENDANCE OF THE SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

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KEY FOCUS AREAS IN 2016

- Launch of re-invigorated safety campaign
- Revamped safety initiatives
- New regulations (safety, health, environment and social) and compliance with standards
- Safe technology

REPORT BACK

The committee reviewed Sibanye’s safety strategy and the inclusion of safety as a value in Sibanye’s CARE values which was subsequently amended to CARES. The committee focussed on safety performance and the actions necessary to ensure this improved, as well as reviewing all fatal accidents and the actions implemented to prevent their recurrence.

The committee also reviewed Sibanye’s health and wellbeing policies as well as our approach to sustainable development, including environmental and social and community issues.

The committee commended Sibanye on all its efforts to improve safety - the changes in management, its commitment to safety through visible felt leadership, and the safety launches at all operations to engender renewed commitment from employees and organised labour.

SOCIAL AND ETHICS COMMITTEE

This committee is responsible for discharging its statutorily imposed duties as outlined in section 72 of the Companies Act and the applicable regulations, which include monitoring Sibanye’s activities in relation to relevant legislation, other legal requirements and prevailing codes of best practice regarding:

- social and economic development;
- good corporate citizenship;
- the environment, health and public safety and the impact on Sibanye’s activities, products and services;
- consumer relations; and
- labour and employment legislation.

The Social and Ethics Committee must bring any matters relating to this monitoring to the attention of the Board and report to shareholders at the AGM. The Board seeks the assistance of the Social and Ethics Committee in ensuring that Sibanye complies with best practice recommendations in respect of social and ethical management.

MEMBERSHIP AND ATTENDANCE OF THE SOCIAL AND ETHICS COMMITTEE

<table>
<thead>
<tr>
<th>Date</th>
<th>22/2</th>
<th>23/5</th>
<th>22/8</th>
<th>7/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerry Vilakazi (Chairman)</td>
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<td>Robert Chan</td>
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<td>Tim Cumming</td>
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<td>Barry Davison</td>
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<td>Rick Menell</td>
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<td>Sello Moloko</td>
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<td>Keith Rayner</td>
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KEY FOCUS AREAS IN 2016

- United Nations Global Compact (UNGC) principles
- International Council on Mining and Metals (ICMM) principles
- Employment equity
- BBBEE Act

REPORT BACK

The Social and Ethics Committee reviewed progress of new employment equity plans and Sibanye’s compliance with the UNGC principles, human rights requirements, the International Labour Organization and contributions to employee education development.

The fraud response plan was approved. Other matters on the committee’s agenda were compliance with the Consumer Protection Act and Sibanye’s continued commitment to facilitating and encouraging responsible material and product stewardship. The focus was on re-using and recycling to reduce waste disposal and incorporating supply chain aspects in so doing.

The committee also assessed Sibanye’s compliance with its Social and Labour Plans, and the Mining Charter scorecard.

CODE OF ETHICS

Sibanye is committed to the conduct of its business in an ethical and fair manner, to the promotion of a corporate culture which is non-sectarian and apolitical and which is socially and environmentally responsible. This is achieved by living Sibanye’s core values which are: commitment, accountability, respect, enabling and safety.

In pursuing these principles, Sibanye requires its employees, officers and directors alike to adhere to and be bound by the Sibanye Code of Ethics. The Audit Committee is responsible for ensuring compliance with the Code of Ethics, which was rolled out to employees in the Platinum Division during 2016.

Breaches of the Code of Ethics will result in disciplinary action, which could result in the termination of employment or office or criminal prosecution. The Code of Ethics can be found on the corporate website: www.sibanyegold.co.za.

TRANSITION TO KING IV

The next iteration of the South African Corporate Governance Code, King IV™ was issued in November 2016. King IV™ involves the application of 16 core principles as opposed to the 75 principles in King III. Furthermore, its recommendations on corporate governance are more focused and practical with increased emphasis on the outputs and outcomes of governance structures. Sibanye welcomes the enhancements in the code and is fully committed to applying King IV™ in all respects for application in the relevant financial year, after guidance on its adoption is issued by the JSE. We have started work on understanding the new application and reporting requirements, and will implement the necessary internal processes and reporting systems to meet our 2018 King IV™ application and reporting commitments.

JSE CORPORATE GOVERNANCE PRACTICES COMPARED WITH NYSE LISTING STANDARDS

Sibanye’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’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’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, however if such a committee is appointed it must stipulate that all members of this committee must be non-executive directors, the majority of whom must be independent and the chair must be the chair of the Board, if independent, or must be the lead independent director, if the Board chair is not independent. Sibanye has a Nominating and Governance Committee which is currently comprised of five non-executive directors, all of whom are independent under the JSE Listings Requirements and chaired by the Chairman of Sibanye, as required by the JSE Listings Requirements.

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 has appointed a Remunerations (or Compensation) Committee, currently comprised of five 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 AGM. The Companies Act and the JSE Listings Requirements also require an audit committee composed entirely of independent directors. Sibanye has appointed an Audit Committee, currently comprised of four 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; however, Sibanye believes he satisfies the requirements of Rule 10A-3 under the US Securities Exchange Act of 1934 and applicable NYSE Listing Standards.
BOARD AND EXECUTIVE COMMITTEE

BOARD

Sibanye’s ability to deliver on its purpose, mission and strategic objectives is underpinned by the quality and expertise of its leadership. The Board of Directors provides sound, ethical leadership and strategic guidance and ensures that the principles of good corporate governance are the foundation of all that we do. The Board of Directors is led by an independent, non-executive chairman. There are 13 members in all, the majority of whom are independent. Collectively, the directors have the breadth and depth of skills, knowledge and experience required to make a positive contribution to ensuring that Sibanye delivers on its strategic goals.

CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR

SELO MOLOKO (51)
BSc (Hons) and Postgraduate Certificate in Education, University of Leicester
Advanced Management Programme, University of Pennsylvania Wharton School
Sello Moloko was appointed non-executive Chairman on 1 January 2013. Sello is a founder and the executive Chairman of the Thesele Group Proprietary Limited and Chairman of Alexander Forbes Group Holdings Limited. He has an established career in financial services, including periods as an executive director at Brait Asset Managers as well as CEO of Old Mutual Asset Managers until 2004. Prior to Sibanye, he served as a director of several listed companies including Gold Fields from February 2011 to December 2012. He is a trustee of the Nelson Mandela Foundation. Sello’s other directorships include Sycom Property Fund Managers Limited and Acucap Properties Limited.

EXECUTIVE DIRECTORS

NEAL FRONEMAN (57)
Chief Executive Officer and Chairman of the Executive Committee
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 on 1 January 2013. His career in technical, operations management and corporate development positions 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. He is also a non-executive director of 17 Perissa Proprietary Limited, Delview Three Proprietary Limited, Forestry Services Proprietary Limited and Ultimate Marine Ventures Limited. In May 2016, he was elected to serve as a Vice President of the Chamber of Mines of South Africa (Chamber of Mines).

CHARL KEYTER (43)
Chief Financial Officer
BCom, University of Johannesburg
MBA, North-West University
ACMA and CGMA
Charl Keyter was appointed a director 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. He is also a non-executive director of Oil Recovery and Maintenance Services Proprietary Limited.

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

CHRISTOPHER CHADWICK (48)
BCompt (Hons) (CTA), University of South Africa
CA(SA)
Christopher (Chris) Chadwick was appointed as a non-executive director on 16 May 2014. Having completed his articles at Deloitte Touche Tohmatsu Limited in 1991, the earlier part of his career was spent with Comair Limited, the largest privately owned airline in South Africa, where he assisted in growing the company tenfold over a period of four years. After financial executive roles in the advertising, fast-moving consumer goods and services industries, Christopher moved into the information technology industry where he assumed financial and strategic directorships for five years. He spent another four years at an investment holding group where he was involved in corporate development and finance across many different sectors. Christopher joined Gold One in July 2008 as a director, having been closely involved in the creation of Gold One through the reverse take-over of Australian-listed BMA Gold Limited.
ROBERT TZE LEUNG CHAN (70)
BSc (Economics) (Hons), University of London
MBA, University of Liverpool

Robert Chan was appointed as a non-executive director on 16 May 2014. He is an experienced banker with over 39 years’ experience in commercial and investment banking, having worked in London, Malaysia and Singapore. He retired from the United Overseas Bank Limited (United Overseas Bank) on 31 December 2011 after 35 years’ service (25 years as CEO of United Overseas Bank, Hong Kong). Robert has served as an independent non-executive director of Noble Group Limited since 1996. He is an independent non-executive director of Hutchison Port Holdings Trustees Pte Limited, Trustee Manager of Hutchison Port Holdings Trust, a business trust listed in Singapore, as well as Quam Limited, which is listed in Hong Kong. He is currently non-executive Chairman of The Hour Glass (HK) Limited. He is also a Fellow of the Hong Kong Institute of Directors.

JIYA YUAN (55)
Mining Engineering, Xi’an University of Architecture and Technology

Jiyu Yuan was appointed a non-executive director on 12 May 2015. He has 33 years of experience as a mining engineer in China and Peru. He is currently a director of Gold One and a general manager of Shouxin Peru Mine Company Limited. Previously, Jiyu served as a general manager at Xinjiang Mine Development Limited of Baiyin Nonferrous Group Company Limited (Baiyin), General Manager, at Changba Lead and Zinc Mine of Baiyin, Director in the Mine Department of Baiyin and Senior Engineer at Northwest Research Institute of Mining and Metallurgy.

INDEPENDENT NON-EXECUTIVE DIRECTORS

TIMOTHY CUMMING (59)
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 mentoring and coaching services to senior business executives as well as leadership and strategic advisory services to companies. He was previously involved with the Old Mutual Group in various capacities: CEO of Old Mutual Investment Group (South Africa) Proprietary Limited; Executive Vice President: Director of Global Business Development of Old Mutual Asset Management for Old Mutual (US) Holdings Inc; Managing Director: Head of Corporate Segment at Old Mutual (South Africa); Strategy Director of Old Mutual Emerging Markets and Interim CEO of Old Mutual Investment Group (South Africa). He was also executive director and Head of Investment Research (Africa) for HSBC Securities (Africa), General Manager at Allan Gray Limited and independent non-executive director of Nedgroup Investments Limited. Tim started his career as an engineer and management trainee at the Anglo American Corporation of South Africa Limited (Anglo American). He worked on a number of diamond mines and was Resident Engineer at Anglo American’s gold mines in Welkom, South Africa. He is also a trustee of the Woodside Endowment Trust and chairs the Investment Committee of the Mandela Rhodes Foundation.

BARRY DAVISON (71)
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 and served as Executive Chairman of Anglo American Platinum, Chairman of Anglo American’s Platinum Division, and Ferrous Metals and Industries Division, and was an executive director of Anglo American. He has been a director of a number of listed companies, including Nedbank Group Limited, Kumba Resources Limited, Samancor Limited and the Tongaat-Hulett Group Limited.

RICHARD MENELL (61)
BA (Hons), 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 35 years’ experience in the mining industry and has been a director of Gold Fields since 8 October 2008. Previously, he occupied the positions of President and Member of the Chamber of Mines; President and CEO of TEAL Exploration & Mining Inc; Chairman of Anglovaal Mining Limited and 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 and The Weir Group plc. Rick is a trustee of the Carrick Foundation. He is co-Chairman of the City Year South Africa Citizen Service Organisation, and Chairman and trustee of the Palaeontological Scientific Trust.

NKOSEMNTU NIKA (58)
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 of Scaw South Africa Proprietary Limited and Chairman of the Audit and Risk Committee of Foskor Proprietary Limited. He also serves as non-executive director of Trollope Mining Services Proprietary Limited and Coega Dairies Proprietary Limited, and executive chairman of Mavala Holdings Proprietary Limited. He was previously CFO and Finance Director of PetroSA (SOC) Limited (PetroSA) 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 (Shell) and Anglo American. He was also a non-executive Board member of the Industrial Development Corporation of South Africa Limited and chaired its Audit and Risk Committee and Governance and Ethics Committee.

KEITH RAYNER (60)
BCom, Rhodes University
CTA
CA(SA)
Keith Rayner was appointed as a non-executive director on 1 January 2013. Keith is CEO of KAR Presentations, an advisory and presentation corporation specialising in corporate finance and regulatory advice and presentations covering, inter alia, the JSE Listings Requirements, Financial Markets Act, Companies Act, governance, takeover law, corporate action strategy, valuation theory and practice, IFRS and various directors’ courses. 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 (IOD), 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 IOD’s CRISA committee and the South African Institute of Chartered Accountants Accounting Practices Committee.

SUSAN VAN DER MERWE (62)
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 is currently a member of the National Executive Committee of the African National Congress (ANC). 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. Susan was appointed to the National Council of the South African Institute of International Affairs in 2014.

JERRY VILAKAZI (56)
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 CEO of Business Unity South Africa. Prior to this, he was 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, and completed both terms in 2015. He was previously appointed Public Service Commissioner in 1999 and has played a critical role in shaping major public service policies in post-1994 South Africa. Jerry was Chairman of the Mopulumanga Gambling Board from 2006 to 2015 and the State Information Technology Agency (SOC) Proprietary Limited until end of the term in 2015. He previously held the position of Chairman of Netcare Limited and holds non-executive directorships in Blue Label Telecoms Limited, Palama Industrial and Saatchi & Saatchi SA. He is also a former non-executive director of Pretoria Portland Cement Limited.
EXECUTIVE COMMITTEE

The Executive Committee drives and oversees implementation of Sibanye’s strategy. The committee has nine members, two of whom are executive directors and meets on a regular basis to discuss and make decisions on the strategic and operating issues facing Sibanye.

ORGANISATIONAL RESTRUCTURING

With effect from 1 January 2016, Sibanye revised its organisational structure in order to ensure that it is optimally positioned for its entry into the PGM mining sector in 2016.

Sibanye has re-structured into two separate, commodity-specific divisions – the Gold Division and the Platinum Division – that focus on operational delivery. Sibanye’s Group Services functions provide all non-core, production support services required by the two operating divisions, thereby eliminating any duplication of support and management services so as to achieve cost and efficiency advantages.

The internal restructuring will ensure a sustained focus on the delivery of safe, cost-effective production as Sibanye diversifies and transforms into a multi-commodity business, while striving to minimise operational disruptions. The restructuring also allows for operations management to be positioned closer to the mining face so as to promote operational effectiveness.

As at the end of the year, 31 December 2016, Sibanye was structured as follows:

**GOLD DIVISION**
The structure of this division is mostly unchanged. Wayne Robinson remains the CEO of the Gold Division. The executive management team supporting Wayne, is Adam Mutshinya as Senior Vice President: Human Capital, Pieter Henning, formerly Vice President: Finance, appointed as Senior Vice President: Finance for the division and Corne Strydom, formerly Vice President: Driefontein, appointed as Senior Vice President: Organisational Effectiveness.

**PLATINUM DIVISION**
The Platinum Division’s executive management team is aligned with that of the Gold Division. Robert van Niekerk, previously Executive Vice President: Organisational Effectiveness at Sibanye, is CEO of the Platinum Division, with Bheki Khumalo appointed as Senior Vice President: Human Capital, Dawie van Aswegen appointed as Senior Vice President: Technical Services and Kevin Robertson appointed as Senior Vice President: Organisational Effectiveness. This follows the appointment, in 2015, of Justin Froneman as Senior Vice President: Finance and Shadwick Bessit, previously Senior Vice President: Underground Operations, Kloof and Driefontein, as Senior Vice President: Mining.

**GROUP EXECUTIVE**

At a group-level, the Executive Committee oversees implementation of and drives Sibanye’s strategy. This committee is headed up by the CEO, Neal Froneman, and comprise executive director Charl Keyter (CFO) and prescribed officers Hartley Dikgale (General Counsel and Regulatory Affairs), Dawie Mostert (Commercial Services), Themba Nkosi (Human Capital), Wayne Robinson (Gold and Uranium Division), Richard Stewart (Business Development), Robert van Niekerk (Platinum Division) and John Wallington (Corporate Affairs and Sustainability). The Executive Committee is complemented by members of the CEO’s Office, which houses key strategic functions including Protection Services (Nash Lutchman), Investor Relations (James Wellsted) and Strategy (George Ashworth).

Sibanye’s revised leadership structures aims to facilitate the seamless transition of Sibanye into a multi-commodity business, and in particular to facilitate the effective integration of the Rustenburg and Aquarius operations into the Platinum Division.

At 28 March 2017, the membership of Sibanye’s Executive Committee is as follows:

<table>
<thead>
<tr>
<th>Membership of the Executive Committee</th>
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<tbody>
<tr>
<td>Neal Froneman (CEO)</td>
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<td>Charl Keyter (CFO)</td>
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<td>Hartley Dikgale</td>
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<tr>
<td>Dawie Mostert</td>
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<td>Themba Nkosi</td>
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<tr>
<td>Wayne Robinson</td>
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<tr>
<td>Richard Stewart</td>
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<tr>
<td>Robert van Niekerk</td>
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<tr>
<td>John Wallington</td>
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1 Appointed as a prescribed officer on 4 July 2016.
2 Appointed as a prescribed officer on 1 February 2016.

HARTLEY DIKGALE (56)

**Executive Vice President: General Counsel and Regulatory Affairs**

Bluris, University of the North
LLB, HDip (Company Law), University of the Witwatersrand
LLM, Vista University

Hartley Dikgale 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 was introduced to the mining sector in 2004 when he was appointed to the Board of Pamodzi Gold Limited as a non-executive director. 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 (from 2010 to 2012), Hartley has worked for Rand Uranium Proprietary Limited (Rand Uranium) in an executive capacity as Senior Vice President: General Counsel. When Gold One acquired Rand Uranium, Hartley joined Gold One as Senior Vice President: General Counsel from 2012 to 2013. Hartley joined Sibanye in May 2013 where he served in a similar capacity until he was recently appointed as the Executive Vice President: General Counsel and Regulatory Affairs.

DAWIE MOSTERT (47)
Executive Vice President: Commercial Services
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. With Sibanye 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. Prior to joining Sibanye, 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 (43)
Executive Vice President: Human Capital
BA Hons (Employment Relations), University of Johannesburg
BTech, Human Resources – Peninsula Technikon
Human Resources Executive Program – University of Michigan

Themba Nkosi was appointed on 1 August 2016. He has more than 20 years’ experience in human resources, corporate affairs, communication and stakeholder engagement. Prior to joining Sibanye, he was Head: Human Resources, Transformation and Corporate Communications at ArcelorMittal from March 2015. He previously occupied several senior management positions at ArcelorMittal (from June 2009 to June 2016) and Human Resources Director for Sub-Saharan Africa at the PepsiCo Group (from April 2004 to March 2009).

WAYNE ROBINSON (54)
Divisional CEO: Gold and Uranium
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 appointed as Divisional CEO: Gold and Uranium after serving as Senior Vice President: Underground Operations – Beatix 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, he was the 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 (41)
Executive Vice President: Business Development
BSc (Hons), PhD (Geology), University of the Witwatersrand
MBA, Warwick Business School (UK)
PrSciNat
Richard Stewart has over 17 years' experience in South Africa's geological and mining industries, and is a Fellow of the Geological Society of South Africa. Prior to joining Sibanye in 2014, he served on the Gold One Executive Committee (from August 2009 to April 2014) with the most recent appointment at Gold One as Executive Vice President: Technical Services and was also CEO of Goliath Gold Limited (from January 2013 to April 2014). 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.

ROBERT VAN NIEKERK (52)
Divisional CEO: Platinum
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 in November 2016 after serving as Executive Vice President: Organisational Effectiveness from January 2016 and Senior Vice President: Organisational Effectiveness from February 2013. Prior to joining Sibanye (in February 2013), he was the Senior Vice President and Group Technical Head of Mining at Gold Fields Limited from November 2011. He previously occupied several senior operational and executive management positions at Harmony Gold Mining Company Limited, Anglo American Platinum, Uranium One Incorporated and Gold One International Limited. Robert began his mining career in 1982 at Barlows as a Learner Official and progressed through the ranks at a number of South African underground and surface mining operations.

JOHN WALLINGTON (59)
Executive Vice President: Corporate Affairs and Sustainability
BSc (Mining Engineering), University of the Witwatersrand
South African Mine Manager's Certificate of Competency
Senior Executive Management Programme, London School of Business
John Wallington was appointed to this position in February 2016. Prior to joining Sibanye, he served as the CEO of Coal of Africa and for Anglo American Coal. He has over 30 years' experience in the coal exploration and mining industry.
REPORT OF THE AUDIT COMMITTEE

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 III and the JSE Listings Requirements.

The Audit Committee consisted of four independent non-executive directors throughout the financial year. For membership and attendance at meetings, see Accountability–Corporate governance report–Board sub-committees–Audit Committee.

The Board believes that the members collectively possess the knowledge and experience to supervise Sibanye’s financial management, internal and external auditors, the quality of Sibanye’s financial controls, the preparation and evaluation of Sibanye’s consolidated financial statements and Sibanye’s 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.

It is the duty of the Audit Committee, inter alia, to monitor and review:

- the effectiveness of the internal audit function; findings and the appointment of external auditors; reports of both internal and external auditors;
- evaluation of the performance of the CFO;
- the governance of information technology (IT) and the effectiveness of the Group’s information systems;
- interim and annual financial and operating reports, the 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’s Code of Ethics;
- the integrity of the annual financial 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.

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 also meets with both internal and external auditors separately without other invitees being present. Management may attend the Audit Committee meetings by invitation.

The Audit Committee is responsible for recommending the appointment of an independent firm of external auditors to the Board who will in turn recommend the appointment to the shareholders.

The Audit Committee is also responsible for determining that the designated appointee has 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 Inc. is independent of the Group. The following aggregate audit, audit-related fees, tax fees and all other fees were billed by our external auditors (KPMG Inc.) for 2016, 2015 and 2014:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees1</td>
<td>24.8</td>
<td>19.0</td>
<td>16.1</td>
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<tr>
<td>Audit-related fees2</td>
<td>4.1</td>
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</tr>
<tr>
<td>Tax fees3</td>
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<td>0.2</td>
<td>–</td>
</tr>
<tr>
<td>All other fees4</td>
<td>8.9</td>
<td>0.8</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>37.9</td>
<td>23.0</td>
<td>17.3</td>
</tr>
</tbody>
</table>

1 Audit fees consist of fees billed for the annual audit of Sibanye’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 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.

The Audit Committee recommends that KPMG Inc. is reappointed for the 2017 financial year with Jacques Erasmus as the designated group audit engagement partner.
The Audit Committee has satisfied itself that both KPMG Inc. and Jacques Erasmus are accredited in terms of the JSE Listings Requirements.

The internal control systems of the Group are monitored by internal auditors who report their 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 (Internal Audit) in an Internal 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’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. The internal audit activities carried out during the year were identified through a combination of the Sibanye 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 2016.

The Audit Committee is responsible for IT governance on behalf of the Board and reviews the report of the IT Senior Manager at each meeting.

The Audit Committee evaluated the expertise and performance of the CFO during 2016. It is satisfied that he has the appropriate expertise and experience to carry out his duties as the CFO of the Group, and is supported by qualified and competent senior staff.

AUDIT COMMITTEE STATEMENT

Based on information from, and discussions with, management and external auditors, the Audit Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year and that the financial records may be relied upon as the basis for preparation of the consolidated financial statements.

The Audit Committee has considered and discussed this annual financial report 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 annual financial report complies in all material respects with the statutory requirements of the various 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 annual financial statements be adopted and approved by the Board.

Keith Rayner CA(SA)
Chairman: Audit Committee
30 March 2017
DIRECTORS’ REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors have pleasure in submitting this report and the consolidated annual financial statements of Sibanye for the year ended 31 December 2016.

PROFILE

BUSINESS OF THE GROUP

The Sibanye Group is an independent, South African domiciled precious metals mining group, which currently owns and operates gold and uranium operations and projects throughout the Witwatersrand Basin in South Africa, as well as PGM operations in the Bushveld Igneous Complex in South Africa and the Great Dyke in Zimbabwe. The Group currently owns and operates four underground and surface gold operations, namely Driefontein, Kloof and Cooke in the West Witwatersrand region and Beatrix in the southern Free State province. The Group also owns and operates underground and surface PGM operations, including the Rustenburg Operations in South Africa, a 50% interest in the Kroondal Operations in South Africa and a 50% interest in the Mimosa Operations, a PGM joint venture in Zimbabwe.


REVIEW OF OPERATIONS

For a review of Sibanye’s operations, see Overview–Management’s discussion and analysis of the financial statements–2016 financial performance compared with 2015 and 2014.

FINANCIAL RESULTS

The information on the financial position of the Group for the year ended 31 December 2016 is set out in the consolidated annual financial statements including the notes, which appear elsewhere in this annual financial report. The income statement for the Group shows a profit of R3,271 million for the year ended 31 December 2016 compared with R538 million in 2015.

DIRECTORATE

COMPOSITION OF THE BOARD

There were no changes to the composition of the Board.

For the membership of the Board and its sub-committees, see Accountability–Corporate governance report–Board and Accountability–Corporate governance report–Board sub-committees.

ROTATION OF DIRECTORS

Directors retiring in terms of the Company’s MOI are Chris Chadwick, Robert Chan, Tim Cumming, Charli Keyter and Sello Moloko. All the directors are eligible and offer themselves for re-election.

The directors of various subsidiaries of the Company comprise some of the executive officers and one of the executive directors, where appropriate.

DIRECTORS’ AND OFFICERS’ DISCLOSURE OF INTERESTS IN CONTRACTS

As of the date of this report, none of the directors, officers or major shareholders of Sibanye or, to the knowledge of Sibanye’s management, their families, had any interest, direct or indirect, in any transaction during the last fiscal year or in any proposed transaction which has affected or will materially affect Sibanye or its investment interests or subsidiaries. None of the directors or officers of Sibanye 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.

For related party information, see Annual financial statements–Notes to the consolidated financial statements–Note 32: Related-party transactions.

FINANCIAL AFFAIRS

DIVIDEND POLICY

Sibanye’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 are defined as profit for the year excluding gains and losses on foreign exchange differences and financial instruments, non-recurring items, and share of results of equity-accounted investees after tax.

For the year under review, the Group paid a total dividend of R1,611 million compared with R658 million in 2015.

On 23 February 2017, a final dividend in respect of the six months ended 31 December 2016 of 60 SA cents per share was approved by the Board, resulting in a total dividend of 145 SA cents per share for the year ended 31 December 2016.
BORROWING POWERS

In terms of Clause 4 of the Company’s MOI, the borrowing powers of the Company are unlimited. As at 31 December 2016, the borrowings of the Company and the Group, excluding the Burnstone Debt, was R7,219 million (2015: R1,962 million) and R7,221 million (2015: R1,995 million), respectively, see Annual financial statements–Notes to the consolidated financial statements–Note 23: Borrowings. Sibanye is subject to financial and other covenants and restrictions under its credit facilities from time to time. Such covenants may include restrictions on Sibanye incurring additional financial indebtedness and obligations to maintain certain financial covenant ratios for as long as any amount is outstanding under such facilities.

SIGNIFICANT ANNOUNCEMENTS


Sibanye and Waterberg Coal Company Limited, Firestone Energy Limited, Sekoko Resources Proprietary Limited and Sekoko Coal Proprietary Limited (collectively the Waterberg Coal Group) were unable to agree on revised terms post completion of the due diligence, and accordingly all discussions were terminated.

FINALISATION ANNOUNCEMENT OF THE AQUARIUS TRANSACTION – 22 MARCH 2016

In accordance with the implementation agreement signed in October 2015, Sibanye and Aquarius agreed that the conditions fulfilment date was set as 24 March 2016. On the conditions fulfilment date, the parties confirmed that all of the conditions required for the transaction to proceed were satisfied and exchanged executed copies of the amalgamation agreement, as well as other documentation required for the transaction to become effective. For additional information of the acquisition of Aquarius, see Annual financial statements–Notes to the consolidated financial statements–Note 12.1: Aquarius acquisition.

SIBANYE BOOSTS EDUCATION WITH A R6.2 MILLION FACILITY IN THE FREE STATE – 5 JULY 2016

Sibanye financed and delivered a state-of-the-art, multi-purpose hall, to the Free State Department of Education as per its Social and Labour Plan agreements. The project is a R6.2 million investment that will benefit learners and community members in and around the town of Theunissen in the Free State, within the Masilonyana Local Municipality.

SIBANYE GOLD ENTERS INTO FURTHER SECTION 189 CONSULTATIONS ON THE FUTURE OF THE COOKE 4 OPERATION – 11 JULY 2016

In September 2014, due to historical operational underperformance, Sibanye entered into a period of consultation with relevant stakeholders which, in November 2014, resulted in the stakeholders agreeing to implement specific measures to return the operation to profitability and thereby minimise job losses. Despite intense monitoring and interventions by a joint management and labour committee over the 17 months since the previous section 189 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 gave notice in terms of section 189A of the Labour Relations Act 66 of 1995.

For additional information of the impairment of the Cooke 4 Operation’s mining assets, see Annual financial statements–Notes to the consolidated financial statements–Note 7: Impairments.

SIBANYE TAKES OWNERSHIP OF THE RUSTENBURG PLATINUM MINES AND IMPLEMENTS MANAGEMENT CHANGES – 1 NOVEMBER 2016

On 19 October 2016, Sibanye announce that the acquisition, by Sibanye Rustenburg Platinum Mines Proprietary Limited (SRPM) from RPM, of the Rustenburg Operations, was unconditional. This followed, amongst other things, the granting of consent in terms of section 11 of the Mineral and Petroleum Resources Development Act, 2002 for the sale by RPM of the Mining Right and the Prospecting Right to SRPM.

The acquisition of the Rustenburg Operations became effective on 1 November 2016. The Rustenburg Operations Transaction was fully implemented, following settlement of the initial upfront purchase price of R1.5 billion in cash, from Sibanye’s existing cash resources and debt facilities.

The BBBEE ownership of SRPM was also agreed and implemented with effect from 1 November 2016 such that Sibanye holds 74% of SRPM, with the remaining 26% held through Newshelf 1335 Proprietary Limited (BBBEE SPV). The shareholders of BBBEECo 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%).

For additional information of the acquisition of the Rustenburg Operations, see Annual financial statements–Notes to the consolidated financial statements–Note 12.2: The Rustenburg Operations acquisition.
SIBANYE ANNOUNCES PROPOSED ACQUISITION OF STILLWATER MINING COMPANY – 9 DECEMBER 2016

Sibanye reached a definitive agreement to acquire Stillwater for US$18 per share in cash, or US$2.2 billion in aggregate (approximately R30 billion). The consideration represents a premium of 23% to Stillwater’s prior day closing share price, and 20% to Stillwater’s 20-day volume-weighted average closing share price.

GOING CONCERN

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. For further details on the Group’s liquidity position at 31 December 2016 and potential impact of the Stillwater Transaction on the Group’s liquidity position, see Annual financial statements–Notes to the consolidated financial statements–Note 29.2: Risk management activities–Liquidity risk.

SPECIAL RESOLUTIONS PASSED BY SUBSIDIARY COMPANIES

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2016:

1. SPECIAL RESOLUTION PASSED BY SIBANYE RESOURCES PROPRIETARY LIMITED, SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED, SIBANYE PLATINUM PROPRIETARY LIMITED AND NEWSHELF 1335 PROPRIETARY LIMITED

Special resolution passed by the sole shareholder of the subsidiary companies listed below, in terms of sections 16(1) and 16(5)(a) of the Companies Act that the directors of the company propose to the shareholder of the company that the existing MOI of the company be replaced in its entirety by a new MOI.

- Sibanye Resources Proprietary Limited;
- Sibanye Rustenburg Platinum Mines Proprietary Limited;
- Sibanye Platinum Proprietary Limited; and
- Newshelf 1335 Proprietary Limited.

2. SPECIAL RESOLUTION PASSED BY KROONDAL OPERATIONS PROPRIETARY LIMITED AND KROONDAL OPERATIONS CORPORATE SERVICES PROPRIETARY LIMITED

Special resolution passed by the sole shareholder of the subsidiary companies listed below, in terms of sections 16(1), 16(5)(a) and 57(2)(a) of the Companies Act that the directors of the company propose to the shareholder of the company that the name of the company be changed, and existing MOI of the company be replaced in its entirety by a new MOI.

- Kroondal Operations Proprietary Limited; and
- Kroondal Operations Corporate Services Proprietary Limited.

3. SPECIAL RESOLUTION PASSED BY SIBANYE PLATINUM INTERNATIONAL HOLDING MINES PROPRIETARY LIMITED

Special resolution passed by the sole shareholder of Sibanye Platinum International Holding Mines Proprietary Limited, in terms of section 57(2)(a) of the Companies Act that the directors of the company propose to the shareholder of the company that the name of the company be changed.

4. SPECIAL RESOLUTION PASSED BY VARIOUS SUBSIDIARY COMPANIES

Special resolution passed by the majority 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.

- Bushbuck Ventures Proprietary Limited;
- Living Gold Proprietary Limited;
- Newshelf 1114 Proprietary Limited; and
- Oryx Ventures Proprietary Limited.
5. SPECIAL RESOLUTION PASSED BY VARIOUS SUBSIDIARY COMPANIES

Special resolution 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.

- Agrihold Proprietary Limited;
- Ezulwini Mining Company Proprietary Limited;
- Golden Hytec Farming Proprietary Limited;
- Golden Oils Proprietary Limited;
- Kroondal Operations Proprietary Limited;
- K2013164354 Proprietary Limited;
- M Janse van Rensburg Proprietary Limited;
- Milen Mining Proprietary Limited;
- Sibanye Gold Academy Proprietary Limited;
- Puma Gold Proprietary Limited;
- Rand Uranium Proprietary Limited;
- Sibanye Gold Eastern Operations Proprietary Limited;
- Sibanye Gold Nursing College 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;
- West Driefontein Gold Mining Company Proprietary Limited;
- Witwatersrand Consolidated Gold Resources Proprietary Limited; and
- Witwatersrand Deep Investments Proprietary Limited.

LITIGATION

The Group provides occupational healthcare services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. Any such increased cost has not yet been quantified. The costs are however also mitigated by advances in technology relating to occupational health. The Group is monitoring developments in this regard.

The principal health risks associated with Sibanye’s mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Sibanye’s workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD) as well as noise induced hearing loss. The Occupational Diseases in Mines and Works Act, 78 of 1973, or ODMWA, governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. Recently, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case by case basis, it is possible that such ruling could expose Sibanye to individual or class action claims related to occupational hazards and diseases (including silicosis). If Sibanye were to face a significant number of such claims and the claims were suitably established against it, the payments of compensation for the claims could have a material adverse effect on Sibanye’s results of operations and financial position. In addition, Sibanye may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye (the December Respondents) and, again on 10 January 2013, both the August Respondents and the December Respondents (together the Respondents), on behalf of current and former mine workers, and their dependents, of, amongst others, Sibanye and who allegedly contracted silicosis and/or other occupational lung diseases (OLD) (the Class). The court application of 21 August 2012 and 21 December 2012 are together referred to below as the Applications.

Sibanye filed a notice of its intention to oppose the applications and its attorneys to defend the claims.
These Applications requested that the court:

1. As a first phase, certify a class action to be instituted by the applications on behalf of the class, as defined.
2. As a second phase, split the class, as defined into smaller classes based on common legal and factual issues. The Respondents are of the view that the definition of the class in the first phase and the proposed process involving the second phase are contrary to South African legal precedent.
3. In the last phase, bring action wherein they will attempt to hold the respondents liable for silicosis and other OLD and resultant consequences.

The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages that the applicants may seek.

The Applications were heard during the weeks of 12 and 19 October 2015. Judgement was handed down certifying a class action to be instituted.

Anglo American South Africa, Anglo Gold Ashanti Limited (AngloGold Ashanti), Gold Fields, Harmony and Sibanye announced in November 2014 that they have formed a gold mining industry working group to address issues relating to the compensation and medical care for OLD in the gold mining industry in South Africa. Essentially, the companies are seeking a comprehensive and sustainable solution which deals both with the legacy compensation issues and future legal frameworks which, while being fair to employees, also ensures the future sustainability of companies in the industry.

The companies have engaged all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended.

On 13 May 2016, the High court ruled in favour of the applicants and found that there were sufficient common issues to certify two industry-wide classes: (i) 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 (ii) 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. The High court ordered a two-stage process in the class action: (i) resolve common issues and allow individuals to opt out, and (ii) allow the individuals to opt in to the class to make claims against the Respondents. The High court also decided that claims for general damages will transmit to the estate of the deceased mine worker who dies after the date of filing of the certification application.

On 3 June 2016, Sibanye and the other Respondents filed an application with the High Court for leave to appeal to the Supreme Court of Appeal. Arguments in the application for leave to appeal were heard on 23 June 2016. On 24 June 2016, leave to appeal was (i) granted in respect of the transferability of general damages claims but (ii) denied in respect of certification of silicosis and tuberculosis classes. On 15 July 2016, Sibanye and the other Respondents each filed petitions with the supreme Court of Appeal for leave to appeal against the certification of the two separate classes for silicosis and tuberculosis.

On 21 September 2016, the Supreme Court of Appeal granted the Respondents leave to appeal against all aspects of the class certification judgement of the High Court delivered in May 2016. The appeal record has been filed.

At this stage, Sibanye can neither quantify the potential liability from the action due to the inherent legal and factual uncertainties with respect to the pending claims and other claims not yet filed against the Group nor can the length of time until finalisation or quantum be estimated.

ADMINISTRATION

Cain Farrel was appointed Company Secretary of Sibanye with effect from 1 January 2013.

With effect from 11 February 2013, Computershare Investor Services Proprietary Limited became the Company’s South African transfer secretaries and Capita Asset Services became the United Kingdom registrars of the Company.

AUDITORS

The Audit Committee has recommended to the Board that KPMG Inc. continues in office in accordance with section 90(1) of the Companies Act and in terms of the JSE Listings Requirements. Jacques Erasmus is the designated group audit engagement partner, accredited by the JSE, for Sibanye.

SUBSIDIARY COMPANIES

For details of major subsidiary companies in which the Company has a direct or indirect interest, see Annual financial statements–Notes to the consolidated financial statements–Note 1.3: Consolidation.
SHARE CAPITAL STATEMENT

AUTHORISED AND ISSUED

At the shareholder’s meeting held on 21 November 2012 (Gold Fields being the sole shareholder) the Company’s authorised and issued share capital each consisting of 1,000 par value shares of R1.00 each was converted into 1,000 ordinary shares with no par value. The authorised share capital was increased by the creation of a further 999,999,000 ordinary no par value shares, each ranking pari passu in all respects with the existing no par value shares in the Company’s share capital so as to result in the Company’s authorised share capital being 1,000,000,000 ordinary no par value shares. As at 31 December 2012 the authorised share capital was 1,000,000,000 ordinary no par value shares and the issued share capital was 1,000 ordinary no par value shares.

On 1 February 2013, prior to the unbundling of Sibanye from Gold Fields on 18 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye for R17,246 million.

The authorised share capital was increased to 2,000,000,000 during the year ended 31 December 2015 and as of 31 December 2015, the authorised share capital was 2,000,000,000 ordinary no par value shares and the issued share capital was 916,140,552 ordinary no par value shares.

During 2016, the Company issued 12,863,790 shares as part of the Sibanye Gold Limited 2013 Share Plan.

As at 31 December 2016, the authorised share capital was 2,000,000,000 ordinary no par value shares and the issued share capital was 929,004,342 ordinary no par value shares.

In terms of the general authority granted at the shareholder’s meeting on 24 May 2016, the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company as at 31 December 2015, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive scheme, was placed under the control of the directors.

This authority expires at the next AGM where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time.

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 24 May 2016.

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.
REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS

SIBANYE GOLD LIMITED

We have audited the accompanying consolidated statements of financial position of Sibanye Gold Limited (Sibanye) and its subsidiaries as of 31 December 2016, 2015 and 2014, and the related consolidated income statements and consolidated statements of other comprehensive income, changes in equity, and cash flows for each of the years then ended. We also have audited Sibanye’s internal control over financial reporting as of 31 December 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Sibanye’s management is responsible for these consolidated financial statements, 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 these consolidated financial statements and an opinion on Sibanye’s internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. 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 audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 authorisations of management and directors of the company; and (3) 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 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sibanye and subsidiaries as of 31 December 2016, 2015 and 2014, and the results of their operations and their cash flows for each of the years then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, Sibanye maintained, in all material respects, effective internal control over financial reporting as of 31 December 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Sibanye acquired Aquarius Platinum Limited and its subsidiaries in April 2016, and the Rustenburg Operations in October 2016 (together, the Acquired Businesses). Management has excluded from its assessment of the effectiveness of Sibanye’s internal control over financial reporting as of 31 December 2016, the Acquired Businesses’ internal control over financial reporting associated with approximately 47% of consolidated total assets (including 7% of consolidated total assets related to acquisition accounting adjustments to property, plant and equipment and goodwill at the respective acquisition dates that was included within the assessment) and approximately 12% of consolidated revenues, included in the consolidated financial statements of Sibanye and its subsidiaries as of and for the year ended 31 December 2016. Our audit of internal control over financial reporting of Sibanye also excluded an evaluation of the internal control over financial reporting of the Acquired Businesses.

/s/ KPMG Inc.
Johannesburg, South Africa
6 April 2017
## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

<table>
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<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3</td>
<td>31,240.7</td>
<td>22,717.4</td>
<td>21,780.5</td>
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<tr>
<td>Cost of sales</td>
<td>4</td>
<td>(24,751.0)</td>
<td>(20,017.0)</td>
<td>(17,566.1)</td>
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<tr>
<td><strong>Net operating profit</strong></td>
<td></td>
<td>6,489.7</td>
<td>2,700.4</td>
<td>4,214.4</td>
</tr>
<tr>
<td>Interest income</td>
<td>14, 16</td>
<td>331.4</td>
<td>257.0</td>
<td>183.2</td>
</tr>
<tr>
<td>Finance expense</td>
<td>5</td>
<td>(963.1)</td>
<td>(561.8)</td>
<td>(400.0)</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>6</td>
<td>(496.2)</td>
<td>(274.4)</td>
<td>(417.9)</td>
</tr>
<tr>
<td>Loss on financial instruments</td>
<td>6</td>
<td>(1,032.8)</td>
<td>(229.5)</td>
<td>(107.7)</td>
</tr>
<tr>
<td>Gain/(loss) on foreign exchange differences</td>
<td>14</td>
<td>219.6</td>
<td>(359.4)</td>
<td>(63.3)</td>
</tr>
<tr>
<td>Share of results of equity-accounted investees after tax</td>
<td>14</td>
<td>13.3</td>
<td>116.0</td>
<td>(470.7)</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>131.9</td>
<td>125.7</td>
<td>155.9</td>
</tr>
<tr>
<td>Other costs</td>
<td></td>
<td>(490.6)</td>
<td>(227.9)</td>
<td>(265.0)</td>
</tr>
<tr>
<td>Impairments</td>
<td>7</td>
<td>(1,381.1)</td>
<td>-</td>
<td>(275.1)</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>11</td>
<td>95.4</td>
<td>58.7</td>
<td>9.5</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td>12</td>
<td>2,428.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td></td>
<td>(187.7)</td>
<td>(104.8)</td>
<td>(160.3)</td>
</tr>
<tr>
<td>Transaction costs</td>
<td>15</td>
<td>(157.0)</td>
<td>(25.7)</td>
<td>(111.6)</td>
</tr>
<tr>
<td>Net loss on derecognition of financial guarantee asset and liability</td>
<td>11</td>
<td>-</td>
<td>(158.3)</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of impairment</td>
<td></td>
<td>-</td>
<td>-</td>
<td>474.1</td>
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<tr>
<td><strong>Profit before royalties and tax</strong></td>
<td>8.1</td>
<td>5,060.8</td>
<td>1,316.0</td>
<td>2,785.5</td>
</tr>
<tr>
<td>Royalties</td>
<td></td>
<td>(546.6)</td>
<td>(400.6)</td>
<td>(430.5)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td>4,514.2</td>
<td>915.4</td>
<td>2,355.0</td>
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<tr>
<td>Mining and income tax</td>
<td>8.2</td>
<td>(1,243.2)</td>
<td>(377.2)</td>
<td>(828.1)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>8.2</td>
<td>3,271.0</td>
<td>538.2</td>
<td>1,506.9</td>
</tr>
<tr>
<td><strong>Attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of Sibanye</td>
<td></td>
<td>3,701.6</td>
<td>716.9</td>
<td>1,551.5</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>(430.6)</td>
<td>(178.7)</td>
<td>(44.6)</td>
</tr>
<tr>
<td><strong>Earnings per share attributable to owners of Sibanye</strong></td>
<td>9.1</td>
<td>402</td>
<td>79</td>
<td>186</td>
</tr>
<tr>
<td>Basic earnings per share - cents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted earnings per share - cents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>3,271.0</td>
<td>538.2</td>
<td>1,506.9</td>
</tr>
<tr>
<td><strong>Other Comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Items that may be reclassified to profit or loss</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>(131.4)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other comprehensive income, net of tax</strong></td>
<td>(131.4)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>3,139.6</td>
<td>538.2</td>
<td>1,506.9</td>
</tr>
<tr>
<td><strong>Attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of Sibanye</td>
<td>3,570.2</td>
<td>716.9</td>
<td>1,551.5</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(430.6)</td>
<td>(178.7)</td>
<td>(44.6)</td>
</tr>
</tbody>
</table>
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Property, plant and equipment</td>
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<td>27,240.7</td>
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<td>Goodwill</td>
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<td>736.7</td>
<td>736.7</td>
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<tr>
<td>Equity-accounted investments</td>
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<td>2,157.4</td>
<td>167.5</td>
<td>69.4</td>
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<td>Environmental rehabilitation obligation funds</td>
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<td>3,100.5</td>
<td>2,413.9</td>
<td>2,192.8</td>
</tr>
<tr>
<td>Other receivables</td>
<td>17.1</td>
<td>355.3</td>
<td>-</td>
<td>1.4</td>
</tr>
<tr>
<td>Financial guarantee asset</td>
<td></td>
<td>-</td>
<td>225.5</td>
<td></td>
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<tr>
<td>Deferred tax assets</td>
<td>8.3</td>
<td>228.2</td>
<td>63.2</td>
<td>51.6</td>
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<tr>
<td><strong>Current assets</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Inventories</td>
<td>18</td>
<td>676.8</td>
<td>405.9</td>
<td>327.7</td>
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<td>Trade and other receivables</td>
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<td>5,747.9</td>
<td>1,627.4</td>
<td>992.8</td>
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<tr>
<td>Other receivables</td>
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<td>310.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial guarantee asset</td>
<td></td>
<td>-</td>
<td>-</td>
<td>57.1</td>
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<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>41,721.3</td>
<td>28,265.7</td>
<td>27,921.9</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to owners of Sibanye</td>
<td>21</td>
<td>16,679.7</td>
<td>14,875.0</td>
<td>14,656.3</td>
</tr>
<tr>
<td>Stated share capital</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other reserves</td>
<td></td>
<td>2,978.8</td>
<td>2,936.2</td>
<td>2,819.1</td>
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<tr>
<td>Accumulated loss</td>
<td></td>
<td>(8,033.7)</td>
<td>(9,797.8)</td>
<td>(9,897.4)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>22</td>
<td>17.7</td>
<td>109.8</td>
<td>329.6</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>16,697.4</td>
<td>14,984.8</td>
<td>14,985.9</td>
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<tr>
<td><strong>Non-current liabilities</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>23</td>
<td>8,221.5</td>
<td>1,905.9</td>
<td>2,615.8</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>24</td>
<td>3,962.2</td>
<td>2,411.0</td>
<td>2,486.8</td>
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<tr>
<td>Post-retirement healthcare obligation</td>
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<td>16.3</td>
<td>15.1</td>
<td></td>
</tr>
<tr>
<td>Share-based payment obligations</td>
<td>6.4</td>
<td>246.5</td>
<td>136.6</td>
<td>379.4</td>
</tr>
<tr>
<td>Other payables</td>
<td>17.2</td>
<td>1,613.7</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Deferred tax liabilities</td>
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<td>3,561.4</td>
<td>3,869.3</td>
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<td><strong>Current Liabilities</strong></td>
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<td>3,570.8</td>
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<td>Borrowings</td>
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<td>1,956.3</td>
<td>554.2</td>
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<td>Share-based payment obligations</td>
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<td>235.2</td>
<td>463.0</td>
<td>20.9</td>
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<td>Trade and other payables</td>
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<td>5,180.5</td>
<td>2,759.4</td>
<td>2,714.6</td>
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<td>Tax and royalties payable</td>
<td>28</td>
<td>68.6</td>
<td>129.6</td>
<td>84.0</td>
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<tr>
<td>Financial guarantee liability</td>
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<td>-</td>
<td>-</td>
<td>197.0</td>
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<td><strong>Total equity and liabilities</strong></td>
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<td>41,721.3</td>
<td>28,265.7</td>
<td>27,921.9</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these consolidated financial statements.
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>Stated capital</th>
<th>Share-based payment reserve</th>
<th>Foreign currency translation reserve</th>
<th>Accumulated loss</th>
<th>Equity attributable to owners of Sibanye</th>
<th>Non-controlling interests</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 31 December 2013</strong></td>
<td></td>
<td>17,245.8</td>
<td>2,643.3</td>
<td>(10,467.9)</td>
<td>9,421.2</td>
<td>2.2</td>
<td>9,423.4</td>
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<tr>
<td><strong>Total comprehensive income for the year</strong></td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,551.5</td>
<td>-</td>
<td>1,506.9</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,551.5</td>
<td>-</td>
<td>1,506.9</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Share-based payments</strong></td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>175.8</td>
<td>-</td>
<td>175.8</td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,005.2)</td>
<td>-</td>
<td>(1,005.2)</td>
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<tr>
<td><strong>Shares issued</strong></td>
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<td>4,488.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,488.8</td>
<td>-</td>
<td>4,488.8</td>
</tr>
<tr>
<td><strong>Acquisition of subsidiary with non-controlling interests</strong></td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>396.2</td>
<td>-</td>
<td>396.2</td>
</tr>
<tr>
<td><strong>Transaction with non-controlling interests</strong></td>
<td>22</td>
<td>-</td>
<td>-</td>
<td>24.2</td>
<td>-</td>
<td>24.2</td>
<td>-</td>
<td>24.2</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2014</strong></td>
<td></td>
<td>21,734.6</td>
<td>2,819.1</td>
<td>(9,897.4)</td>
<td>14,656.3</td>
<td>329.6</td>
<td>14,985.9</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>716.9</td>
<td>-</td>
<td>538.2</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>716.9</td>
<td>-</td>
<td>716.9</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Share-based payments</strong></td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>119.1</td>
<td>-</td>
<td>119.1</td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>(658.4)</td>
<td>-</td>
<td>(658.4)</td>
<td>-</td>
<td>(658.4)</td>
</tr>
<tr>
<td><strong>Transaction with non-controlling interests</strong></td>
<td>22</td>
<td>-</td>
<td>-</td>
<td>41.1</td>
<td>-</td>
<td>41.1</td>
<td>-</td>
<td>41.1</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2015</strong></td>
<td></td>
<td>21,734.6</td>
<td>2,938.2</td>
<td>(9,797.8)</td>
<td>14,875.0</td>
<td>109.8</td>
<td>14,984.8</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td>-</td>
<td>-</td>
<td>(131.4)</td>
<td>3,701.6</td>
<td>3,570.2</td>
<td>(430.6)</td>
<td>3,139.6</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td>-</td>
<td>-</td>
<td>(131.4)</td>
<td>3,701.6</td>
<td>3,701.6</td>
<td>(430.6)</td>
<td>3,271.0</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Share-based payments</strong></td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>(131.4)</td>
<td>-</td>
<td>(131.4)</td>
<td>-</td>
<td>(131.4)</td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>(1,610.6)</td>
<td>-</td>
<td>(1,610.6)</td>
<td>-</td>
<td>(1,611.9)</td>
</tr>
<tr>
<td><strong>Acquisition of subsidiary with non-controlling interests</strong></td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12.9</td>
<td>-</td>
<td>12.9</td>
</tr>
<tr>
<td><strong>Transaction with non-controlling interests</strong></td>
<td>22</td>
<td>-</td>
<td>-</td>
<td>(326.9)</td>
<td>-</td>
<td>(326.9)</td>
<td>-</td>
<td>(326.9)</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>(8,033.7)</td>
<td>16,679.7</td>
<td>17.7</td>
<td>16,697.4</td>
<td></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 2016

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</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>26</td>
<td>9,836.3</td>
<td>6,130.4</td>
<td>7,081.4</td>
</tr>
<tr>
<td>Post-retirement health care payments</td>
<td>(1.2)</td>
<td>(0.1)</td>
<td>(2.4)</td>
<td></td>
</tr>
<tr>
<td>Cash-settled share-based payments paid</td>
<td>6</td>
<td>(1,518.6)</td>
<td>(42.2)</td>
<td>(166.6)</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>27</td>
<td>(237.6)</td>
<td>(668.0)</td>
<td>214.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>8,078.9</td>
<td>5,420.1</td>
<td>7,126.9</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>112.2</td>
<td>117.3</td>
<td>68.5</td>
</tr>
<tr>
<td>Interest paid</td>
<td></td>
<td>(441.1)</td>
<td>(260.2)</td>
<td>(194.0)</td>
</tr>
<tr>
<td>Royalties paid</td>
<td>28.1</td>
<td>(555.9)</td>
<td>(395.4)</td>
<td>(650.1)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>28.2</td>
<td>(1,176.7)</td>
<td>(656.3)</td>
<td>(1,347.1)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>10</td>
<td>(1,611.9)</td>
<td>(658.4)</td>
<td>(1,005.2)</td>
</tr>
<tr>
<td>Guarantee fee received</td>
<td></td>
<td>-</td>
<td>9.6</td>
<td>53.6</td>
</tr>
<tr>
<td>Guarantee release fee</td>
<td></td>
<td>-</td>
<td>(61.4)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td></td>
<td>4,465.5</td>
<td>3,515.3</td>
<td>4,052.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to property, plant and equipment</td>
<td>11</td>
<td>(4,151.1)</td>
<td>(3,344.8)</td>
</tr>
<tr>
<td>Proceeds on disposal of property, plant and equipment</td>
<td>11</td>
<td>99.4</td>
<td>65.1</td>
</tr>
<tr>
<td>Investment in subsidiaries</td>
<td>12</td>
<td>(5,801.5)</td>
<td>-</td>
</tr>
<tr>
<td>Cash acquired on acquisition of subsidiaries</td>
<td>12</td>
<td>494.2</td>
<td>-</td>
</tr>
<tr>
<td>Loan advanced to equity-accounted investee</td>
<td>14</td>
<td>(10.1)</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Loan repaid by equity-accounted investee</td>
<td>14</td>
<td>-</td>
<td>20.9</td>
</tr>
<tr>
<td>Contributions to environmental rehabilitation obligation funds</td>
<td>16</td>
<td>(74.7)</td>
<td>(77.8)</td>
</tr>
<tr>
<td>Payment of environmental rehabilitation obligation</td>
<td>-</td>
<td>-</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Loans granted to subsidiaries prior to acquisition</td>
<td>-</td>
<td>-</td>
<td>(238.6)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(9,443.8)</td>
<td>(3,339.9)</td>
<td>(4,308.8)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans raised</td>
<td>23</td>
<td>17,280.5</td>
<td>1,552.0</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>23</td>
<td>(11,834.7)</td>
<td>(1,572.9)</td>
</tr>
<tr>
<td><strong>Net cash from/(used in) financing activities</strong></td>
<td>5,445.8</td>
<td>(20.9)</td>
<td>(673.3)</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td>407.5</td>
<td>154.5</td>
<td>(929.5)</td>
</tr>
<tr>
<td>Effect of exchange rate fluctuations on cash held</td>
<td>(157.0)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>717.4</td>
<td>562.9</td>
<td>1,492.4</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the year</strong></td>
<td>20</td>
<td>967.9</td>
<td>717.4</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these consolidated financial statements.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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, however the accounting policies have been expanded for the Platinum Group Metals (PGM) assets (due to the Aquarius and the Rustenburg Operations acquisitions).

1.1 REPORTING ENTITY

Sibanye Gold Limited (Sibanye, the Group or the Company) is a South African focused gold and platinum producer, listed on the Main Board of the JSE Limited (JSE) and New York Stock Exchange (NYSE). Sibanye’s Gold Division consists of Driefontein, Kloof, Beatrix and Cooke operations. Sibanye’s Platinum Division consists of the newly acquired 50% owned operations of Kroondal and Mimosa, Platinum Mile and the Rustenburg Operations. Sibanye’s Gold and Platinum divisions as well as a number of service company subsidiaries are, collectively referred to as the Group.

1.2 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2016 have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), 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 annual 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.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

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>Title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAS 1 Presentation of Financial Statement (Amendment)</td>
<td>Disclosure Initiative</td>
<td>1 January 2016</td>
</tr>
<tr>
<td>Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets</td>
<td>Clarification of Acceptable Methods of Depreciation and Amortisation</td>
<td>1 January 2016</td>
</tr>
<tr>
<td>Amendments to 4 standards</td>
<td>Improvements to IFRSs 2012-2014 cycle</td>
<td>1 January 2016</td>
</tr>
</tbody>
</table>

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had an impact on the Group’s financial statements:

<table>
<thead>
<tr>
<th>Pronouncement</th>
<th>Title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS 11 Joint Arrangement (Amendment)</td>
<td>Accounting for Acquisitions of Interests in Joint Operations</td>
<td>1 January 2016</td>
</tr>
</tbody>
</table>

The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.

The impacts have been applied to the Aquarius acquisition and related acquisition method of accounting.
### Pronouncement | Title | Effective date
---|---|---
**IFRS 2 Share-based payment (Amendments)** | **Classification and Measurement of Share-based Payment Transactions**<br>The amendments clarify three main areas:<br>• The effects of vesting conditions on measurement of a cash-settled share-based payment transaction.<br>• The classification of a share-based payment transaction with net settlement features for withholding tax obligations.<br>• The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. | 1 January 2018

**IFRS 9 Financial instruments (New standard)** | **IFRS 9 arises from a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement.**<br>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.<br>The Group has performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on its positions at 31 December 2016, which is subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group does not expect that the new guidance, if applied at 31 December 2016, would have had a significant impact on its balance sheet.<br>The Group expects to continue measuring environmental rehabilitation obligation funds at fair value. Financial assets, and trade and other receivables are held to collect contractual cash flows and have contractual cash flows that are solely payments of principal and interest. The Group therefore expects that these will continue to be measured at amortised cost under IFRS 9. The Group however will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.<br>There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.<br>IFRS 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Group is assessing the extent of this impact, but, in general, expects that the application of the expected credit loss model will result in earlier recognition of credit losses.<br>The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group’s disclosures about its financial instruments particularly in the year of the adoption of the new standard.<br>The Group does not intend to adopt IFRS 9 before the effective date. | 1 January 2018
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Pronouncement | Title | Effective date
---|---|---
IFRS 15 Revenue from Contracts with Customers (New standard) | IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretation when it becomes effective. 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. The Group has performed a preliminary assessment of the potential impact of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Revenue from gold sales is currently recognised when the gold is delivered to the refinery, which is taken to be the point in time at which the related risks and rewards of ownership transfers. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement. The Group expects that the revenue from gold sales will still be recognised when the gold is delivered to the refinery, as this is when control is considered to be transferred. Revenue from PGM concentrate sales is currently recognised when the risks and rewards of ownership of the mine product are passed to the buyer pursuant to a sale contract. The Group expects that the revenue from PGM concentrate sales will still be recognised when the concentrate is delivered to the customer, as this is when control is considered to be transferred. The Group is performing more detailed assessments of the impact resulting from the application of IFRS 15 and expects to disclose additional information before it adopts IFRS 15. The Group does not intend to adopt IFRS 15 before the effective date. | 1 January 2018

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). The Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements in 2017. The Group does not intend to adopt IFRS 16 before the effective date. | 1 January 2019

IAS 7 Statements of Cash Flows (Amendment) | Disclosure initiative | The amendments require entities to disclose information about changes in financing liabilities. | 1 January 2017

IAS 12 Income Taxes (Amendment) | Recognition of Deferred Tax Assets for Unrealised Losses | The amendments clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value. | 1 January 2017

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Use of 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 actuarial techniques. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to Mineral Reserves that are the basis of future cash flow estimates and unit-of-production depreciation and amortisation calculations, impairments, reversal of
impeirments, revenue recognition, joint arrangements, write-downs of inventory to net realisable value, deferred tax, borrowings, environmental, reclamation and closure obligations, and contingent liabilities.

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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2016

1 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.
2 The non-controlling interests in the statement of changes in equity relates to the attributable share of accumulated profits of 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 22).
3 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 (SIGEO) in favour of the lenders of the Burnstone Debt (refer to note 23.4).
4 In terms of the Aquarius Transaction (refer to note 12.1) Sibanye acquired all of the shares in Aquarius Platinum Limited (Aquarius), and Sibanye Platinum Bermuda Proprietary Limited and Aquarius were amalgamated. Aquarius’ ownership in its subsidiaries remained unchanged.
5 In terms of the Rustenburg Operations Transaction (refer to note 12.2) 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.
6 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.
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.

STRUCTURED ENTITIES
Structured entities are those entities that have been designed so that voting (or similar) rights are not the dominant factor in deciding who controls the entity. Structured entities controlled by the Group are consolidated.

TRANSACTIONS WITH SHAREHOLDERS OF SIBANYE
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) which is South African rand. 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. Translation of monetary assets and liabilities into the functional currency is done as at 31 December 2016. 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 (none of which has the currency of a hyperinflationary economy) 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 and other currency instruments designated as hedges of such investments, 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.

With effect from 1 April 2016, since acquisition of Aquarius, the Group changed the reconciliation of the Group’s income tax to the South African statutory company tax rate of 28% to better reconcile the effective tax of both the Gold and Platinum divisions. The Group’s income tax was previously reconciled to the maximum South African gold mining tax rate of 34%. The previous comparative periods’ reconciliation has been changed to conform to the current year’s presentation. This change has no effect on financial performance, financial position and cash flows.
# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2016

## 2. 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 Committee that makes strategic decisions.

### Segment Reporting

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Group</th>
<th>Total</th>
<th>Gold</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate and reconciling items¹</th>
<th>Total</th>
<th>Platinum</th>
<th>Kroondal²</th>
<th>Platinum Mile</th>
<th>Rustenburg Operations³</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2016</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><strong>Revenue</strong></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>3,632.2</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>
<td>(1,244.2)</td>
</tr>
<tr>
<td>Underground revenue</td>
<td>28,026.5</td>
<td>24,608.4</td>
<td>8,105.3</td>
<td>8,012.6</td>
<td>5,626.9</td>
<td>2,900.4</td>
<td>(36.8)</td>
<td>3,418.1</td>
<td>1,973.3</td>
<td>-</td>
<td>-</td>
<td>1,223.2</td>
<td>1,465.8</td>
</tr>
<tr>
<td>Surface revenue</td>
<td>2,194.2</td>
<td>2,992.9</td>
<td>1,295.8</td>
<td>878.3</td>
<td>257.0</td>
<td>461.8</td>
<td>-</td>
<td>321.3</td>
<td>-</td>
<td>131.1</td>
<td>-</td>
<td>190.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating costs</strong>³</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>(3,363.1)</td>
<td>(1,689.8)</td>
<td>(90.8)</td>
<td>(969.0)</td>
<td>(1,582.5)</td>
<td>(1,582.5)</td>
</tr>
<tr>
<td>Underground operating costs</td>
<td>(18,800.6)</td>
<td>(15,655.1)</td>
<td>(4,852.1)</td>
<td>(4,609.4)</td>
<td>(3,567.4)</td>
<td>(2,652.6)</td>
<td>-</td>
<td>(3,145.5)</td>
<td>(1,689.8)</td>
<td>-</td>
<td>(969.0)</td>
<td>(1,455.7)</td>
<td>(1,455.7)</td>
</tr>
<tr>
<td>Surface operating costs</td>
<td>(1,908.5)</td>
<td>(1,689.0)</td>
<td>(714.5)</td>
<td>(431.6)</td>
<td>(217.6)</td>
<td>(358.8)</td>
<td>-</td>
<td>(217.6)</td>
<td>-</td>
<td>(90.8)</td>
<td>-</td>
<td>(126.8)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit</strong>⁵</td>
<td>10,531.6</td>
<td>10,155.3</td>
<td>3,834.5</td>
<td>3,849.9</td>
<td>2,130.5</td>
<td>377.2</td>
<td>(36.8)</td>
<td>376.3</td>
<td>283.5</td>
<td>40.3</td>
<td>254.2</td>
<td>73.5</td>
<td>(272.5)</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>(4,041.9)</td>
<td>(3,814.7)</td>
<td>(1,012.9)</td>
<td>(1,190.7)</td>
<td>(818.0)</td>
<td>(770.8)</td>
<td>(22.3)</td>
<td>(227.2)</td>
<td>(136.2)</td>
<td>(1.2)</td>
<td>(223.7)</td>
<td>(58.6)</td>
<td>192.5</td>
</tr>
<tr>
<td><strong>Net operating profit</strong>⁶</td>
<td>6,489.7</td>
<td>6,340.6</td>
<td>2,849.9</td>
<td>2,135.2</td>
<td>1,312.5</td>
<td>377.2</td>
<td>(36.8)</td>
<td>376.3</td>
<td>283.5</td>
<td>40.3</td>
<td>254.2</td>
<td>73.5</td>
<td>(272.5)</td>
</tr>
<tr>
<td>Interest income</td>
<td>331.4</td>
<td>289.6</td>
<td>70.8</td>
<td>62.3</td>
<td>34.1</td>
<td>32.5</td>
<td>-</td>
<td>41.8</td>
<td>12.0</td>
<td>(90.8)</td>
<td>0.5</td>
<td>8.2</td>
<td>30.1</td>
</tr>
<tr>
<td>Finance expense</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>(41.4)</td>
<td>-</td>
<td>(11.2)</td>
<td>(26.2)</td>
<td>(58.1)</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(255.9)</td>
<td>(255.9)</td>
<td>(16.5)</td>
<td>(13.7)</td>
<td>(9.1)</td>
<td>-</td>
<td>(216.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Net other costs²</td>
<td>(1,158.6)</td>
<td>(1,029.3)</td>
<td>(226.1)</td>
<td>(187.9)</td>
<td>(170.5)</td>
<td>(115.0)</td>
<td>(329.8)</td>
<td>(129.3)</td>
<td>(65.8)</td>
<td>(6.6)</td>
<td>187.7</td>
<td>92.2</td>
<td>(158.4)</td>
</tr>
<tr>
<td>Non-recurring items⁷</td>
<td>557.3</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>2,105.8</td>
<td>(1.3)</td>
<td>-</td>
<td>2,354.6</td>
<td>(247.5)</td>
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<td>Royalties</td>
<td>(546.6)</td>
<td>(528.0)</td>
<td>(204.8)</td>
<td>(194.3)</td>
<td>(113.2)</td>
<td>(15.7)</td>
<td>-</td>
<td>(18.6)</td>
<td>-</td>
<td>-</td>
<td>(82.9)</td>
<td>(8.3)</td>
<td>72.6</td>
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<td>Current taxation</td>
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<td>(1,111.3)</td>
<td>(472.3)</td>
<td>(422.0)</td>
<td>(223.0)</td>
<td>(1.1)</td>
<td>7.1</td>
<td>(5.0)</td>
<td>-</td>
<td>(22.8)</td>
<td>-</td>
<td>22.3</td>
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<tr>
<td>Deferred taxation</td>
<td>(131.4)</td>
<td>(164.5)</td>
<td>(64.3)</td>
<td>(148.5)</td>
<td>19.4</td>
<td>35.3</td>
<td>(6.4)</td>
<td>33.1</td>
<td>-</td>
<td>(11.6)</td>
<td>13.1</td>
<td>27.0</td>
<td>4.6</td>
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<tr>
<td><strong>Profit for the year</strong>⁸</td>
<td>3,271.0</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>2,084.5</td>
<td>90.8</td>
<td>17.9</td>
<td>114.9</td>
<td>2,278.0</td>
<td>(417.1)</td>
</tr>
</tbody>
</table>

1 Corporate and reconciling items represents the items to reconcile segment data to consolidated financial statement totals.
2 The performance of Kroondal, Platinum Mile and Mimosa is for the nine months ended 31 December 2016 since acquisition (refer to note 12.1). 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 Operations’ performance is for two months ended 31 December 2016 since acquisition (refer to note 12.2).
4 Operating costs is defined as cost of sales before amortisation and depreciation.
5 Operating profit is defined as revenue minus operating costs.
6 Net other costs consists of loss on foreign exchange differences, other income and other costs as detailed in profit or loss. Corporate and reconciling items net other costs includes the share of results of equity-accounted investees after tax as detailed in profit or loss.
7 Non-recurring items consists of share-based payment on BEE transaction, impairment, gain on disposal of property, plant and equipment, gain on acquisition, transaction costs and restructuring costs as detailed in profit or loss.
Figures in million - SA rand

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Group</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke</th>
<th>Corporate and reconciling items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31 December 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>22,717.4</td>
<td>8,236.0</td>
<td>6,691.4</td>
<td>4,815.5</td>
<td>2,974.5</td>
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<tr>
<td>Underground revenue</td>
<td>20,515.0</td>
<td>7,284.1</td>
<td>6,112.8</td>
<td>4,555.7</td>
<td>2,562.4</td>
<td>-</td>
</tr>
<tr>
<td>Surface revenue</td>
<td>2,202.4</td>
<td>951.9</td>
<td>578.6</td>
<td>259.8</td>
<td>412.1</td>
<td>-</td>
</tr>
<tr>
<td>Operating costs(^a)</td>
<td>(16,380.4)</td>
<td>(5,234.2)</td>
<td>(4,777.2)</td>
<td>(3,391.0)</td>
<td>(2,978.0)</td>
<td>-</td>
</tr>
<tr>
<td>Underground operating costs</td>
<td>(14,940.8)</td>
<td>(4,681.2)</td>
<td>(4,454.9)</td>
<td>(3,184.5)</td>
<td>(2,562.4)</td>
<td>-</td>
</tr>
<tr>
<td>Surface operating costs</td>
<td>(1,439.6)</td>
<td>(553.0)</td>
<td>(322.3)</td>
<td>(206.5)</td>
<td>(412.1)</td>
<td>-</td>
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<tr>
<td>Operating profit(^b)</td>
<td>6,337.0</td>
<td>0.0</td>
<td>1,914.2</td>
<td>1,424.5</td>
<td>(3.5)</td>
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<tr>
<td>Amortisation and depreciation</td>
<td>(3,636.6)</td>
<td>(1,142.6)</td>
<td>(1,029.3)</td>
<td>(739.4)</td>
<td>(704.6)</td>
<td>(20.7)</td>
</tr>
<tr>
<td>Net operating profit</td>
<td>2,700.4</td>
<td>1,859.2</td>
<td>884.9</td>
<td>685.1</td>
<td>(708.1)</td>
<td>(20.7)</td>
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<tr>
<td>Interest income</td>
<td>257.0</td>
<td>67.5</td>
<td>50.6</td>
<td>31.3</td>
<td>27.1</td>
<td>80.5</td>
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<tr>
<td>Finance expense</td>
<td>(561.8)</td>
<td>(147.7)</td>
<td>(150.1)</td>
<td>(57.2)</td>
<td>(61.3)</td>
<td>(145.2)</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(274.4)</td>
<td>(35.1)</td>
<td>(27.6)</td>
<td>(23.5)</td>
<td>-</td>
<td>(188.2)</td>
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<tr>
<td>Net other costs(^c)</td>
<td>(575.1)</td>
<td>(77.9)</td>
<td>(60.4)</td>
<td>(47.3)</td>
<td>(30.1)</td>
<td>(359.4)</td>
</tr>
<tr>
<td>Non-recurring items(^d)</td>
<td>(230.1)</td>
<td>(2.9)</td>
<td>7.2</td>
<td>(8.4)</td>
<td>(31.8)</td>
<td>(194.2)</td>
</tr>
<tr>
<td>Royalties</td>
<td>(400.6)</td>
<td>(196.8)</td>
<td>(98.4)</td>
<td>(88.7)</td>
<td>(16.7)</td>
<td>-</td>
</tr>
<tr>
<td>Current taxation</td>
<td>(696.7)</td>
<td>(430.8)</td>
<td>(97.4)</td>
<td>(153.4)</td>
<td>-</td>
<td>(15.1)</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>319.5</td>
<td>53.4</td>
<td>0.9</td>
<td>18.0</td>
<td>122.0</td>
<td>125.2</td>
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<tr>
<td>Profit for the year</td>
<td>538.2</td>
<td>1,088.9</td>
<td>509.7</td>
<td>355.9</td>
<td>(698.9)</td>
<td>(717.4)</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Owners of the parent</td>
<td>716.9</td>
<td>1,088.9</td>
<td>509.7</td>
<td>355.9</td>
<td>(519.9)</td>
<td>(717.7)</td>
</tr>
<tr>
<td>Non-controlling interest holders</td>
<td>(178.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(179.0)</td>
<td>0.3</td>
</tr>
<tr>
<td>Sustaining capital expenditure</td>
<td>668.9</td>
<td>249.2</td>
<td>225.6</td>
<td>86.1</td>
<td>92.9</td>
<td>15.1</td>
</tr>
<tr>
<td>Ore reserve development</td>
<td>2,304.9</td>
<td>727.0</td>
<td>840.6</td>
<td>510.4</td>
<td>226.9</td>
<td>-</td>
</tr>
<tr>
<td>Growth projects</td>
<td>371.0</td>
<td>18.0</td>
<td>63.7</td>
<td>-</td>
<td>17.6</td>
<td>271.7</td>
</tr>
<tr>
<td>Total capital expenditure</td>
<td>3,344.8</td>
<td>994.2</td>
<td>1,129.9</td>
<td>595.5</td>
<td>337.4</td>
<td>286.8</td>
</tr>
</tbody>
</table>

\(^a\) Corporate 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.

\(^b\) Operating costs is defined as cost of sales before amortisation and depreciation.

\(^c\) Operating profit is defined as revenue minus operating cost.

\(^d\) Net other costs consists of loss on financial instruments, loss on foreign exchange differences, other income and other costs as detailed in profit or loss. Corporate and reconciling items net other costs includes the share of results of equity-accounted investees after tax as detailed in profit or loss.

\(^e\) Non-recurring items consists of gain on disposal of property, plant and equipment, transaction costs, restructuring costs and net loss on derecognition of financial guarantee asset and liability as detailed in profit or loss.
### Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Driefontein</th>
<th>Kloof</th>
<th>Beatrix</th>
<th>Cooke¹</th>
<th>Corporate and reconciling items²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground revenue</td>
<td>21,780.5</td>
<td>7,829.4</td>
<td>7,502.8</td>
<td>4,566.3</td>
<td>1,882.0</td>
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<tr>
<td>Surface revenue</td>
<td>19,908.7</td>
<td>7,200.2</td>
<td>6,887.3</td>
<td>4,228.8</td>
<td>1,592.4</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating costs³</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground operating costs</td>
<td>14,311.4</td>
<td>(4,912.3)</td>
<td>(4,502.3)</td>
<td>(3,204.0)</td>
<td>(1,662.8)</td>
<td>-</td>
</tr>
<tr>
<td>Surface operating costs</td>
<td>(1,871.8)</td>
<td>629.2</td>
<td>615.5</td>
<td>337.5</td>
<td>289.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit⁴</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,214.4</td>
<td>1,678.2</td>
<td>1,678.2</td>
<td>893.9</td>
<td>(119.1)</td>
<td>(26.4)</td>
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<tr>
<td><strong>Interest income</strong></td>
<td>183.2</td>
<td>48.3</td>
<td>42.7</td>
<td>24.5</td>
<td>14.7</td>
<td>53.0</td>
</tr>
<tr>
<td><strong>Finance expense</strong></td>
<td>(400.0)</td>
<td>(152.8)</td>
<td>(132.6)</td>
<td>(41.8)</td>
<td>(56.5)</td>
<td>(16.3)</td>
</tr>
<tr>
<td><strong>Share-based payments</strong></td>
<td>(417.9)</td>
<td>(69.1)</td>
<td>(58.2)</td>
<td>(45.9)</td>
<td>-</td>
<td>(244.7)</td>
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<tr>
<td><strong>Net other costs</strong></td>
<td>(750.8)</td>
<td>(86.3)</td>
<td>(56.6)</td>
<td>(45.9)</td>
<td>(10.9)</td>
<td>(531.1)</td>
</tr>
<tr>
<td><strong>Net recurring items⁵</strong></td>
<td>(63.4)</td>
<td>(95.1)</td>
<td>(152.0)</td>
<td>(65.9)</td>
<td>(17.9)</td>
<td>(267.8)</td>
</tr>
<tr>
<td><strong>Royalties</strong></td>
<td>(430.5)</td>
<td>(165.5)</td>
<td>(174.5)</td>
<td>(82.1)</td>
<td>(8.4)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current taxation</strong></td>
<td>(879.2)</td>
<td>(339.2)</td>
<td>(379.6)</td>
<td>(153.9)</td>
<td>-</td>
<td>(6.5)</td>
</tr>
<tr>
<td><strong>Deferred taxation</strong></td>
<td>51.1</td>
<td>9.8</td>
<td>71.3</td>
<td>128.5</td>
<td>10.3</td>
<td>88.2</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>1,506.9</td>
<td>937.9</td>
<td>838.7</td>
<td>869.7</td>
<td>(187.6)</td>
<td>(951.6)</td>
</tr>
</tbody>
</table>

**Attributable to:**

- Owners of the parent: 1,551.5 | 937.9 | 838.7 | 869.7 | (143.2) | (951.6) |
- Non-controlling interest holders: (44.6) | - | - | - | - | - |

Sustaining capital expenditure: 991.5 | 465.3 | 355.7 | 101.9 | 51.7 | 16.9 |
Ore reserve development: 2,126.5 | 683.6 | 879.8 | 446.1 | 117.0 | - |
Growth projects: 132.8 | - | - | - | 61.2 | 71.6 |
Total capital expenditure: 3,250.8 | 1,148.9 | 1,235.5 | 546.0 | 229.9 | 88.5 |

¹ Cooke’s performance is for the seven months ended 31 December 2014 since acquisition.
² Corporate 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 Operating costs is defined as cost of sales before amortisation and depreciation.
⁴ Operating profit is defined as revenue minus operating cost.
⁵ Net other costs consists of loss on financial instruments, loss on foreign exchange differences, other income and other costs as detailed in profit or loss. Corporate and reconciling net other costs includes the share of results of equity-accounted investees after tax as detailed in profit or loss.
⁶ Non-recurring items consists of impairments, reversal of impairment, gain on disposal of property, plant and equipment, transaction costs and restructuring costs as detailed in profit or loss.
3. REVENUE

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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 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 arising from gold sales is recognised at the fair value of the consideration received or receivable, once the significant risks and rewards of ownership have passed to the buyer. These criteria are typically met when the gold is delivered to the refinery. The price of gold is determined by market forces.

Revenue arising from PGM concentrate sales is recognised when risks and rewards of ownership of the mine product are 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 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.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold mining activities</td>
<td>27,501.3</td>
<td>22,717.4</td>
<td>21,780.5</td>
</tr>
<tr>
<td>Platinum mining activities</td>
<td>3,739.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total revenue</td>
<td>31,240.7</td>
<td>22,717.4</td>
<td>21,780.5</td>
</tr>
</tbody>
</table>

4. COST OF SALES

ACCOUNTING POLICY

The following accounting policies relates 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.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>(9,276.1)</td>
<td>(7,345.0)</td>
<td>(6,664.9)</td>
</tr>
<tr>
<td>Consumable stores</td>
<td>(5,243.2)</td>
<td>(3,995.7)</td>
<td>(3,480.4)</td>
</tr>
<tr>
<td>Utilities</td>
<td>(3,709.0)</td>
<td>(3,128.2)</td>
<td>(2,753.3)</td>
</tr>
<tr>
<td>Mine contracts</td>
<td>(2,105.3)</td>
<td>(1,457.9)</td>
<td>(1,136.4)</td>
</tr>
<tr>
<td>Other</td>
<td>(2,769.9)</td>
<td>(2,758.5)</td>
<td>(2,402.9)</td>
</tr>
<tr>
<td>Ore reserve development costs capitalised</td>
<td>2,394.4</td>
<td>2,304.9</td>
<td>2,126.5</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(20,769.1)</td>
<td>(16,380.4)</td>
<td>(14,311.4)</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>(4,041.9)</td>
<td>(3,636.6)</td>
<td>(3,254.7)</td>
</tr>
<tr>
<td>Total cost of sales</td>
<td>(24,751.0)</td>
<td>(20,017.0)</td>
<td>(17,568.1)</td>
</tr>
</tbody>
</table>

All employees are members of various defined contribution retirement plans. The cost of providing retirement benefits for the year amounted to R626.0 million (2015: R691.1 million and 2014: R558.5 million).
5. FINANCE EXPENSE

ACCOUNTING POLICY

Finance expense comprises interest on borrowings, post-retirement healthcare obligation and environmental rehabilitation obligation 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>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
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<tr>
<td>Interest charge on:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings - interest paid</td>
<td>23</td>
<td>(427.5)</td>
<td>(247.9)</td>
<td>(187.7)</td>
</tr>
<tr>
<td>Borrowings - unwinding of amortised cost</td>
<td>23</td>
<td>(141.4)</td>
<td>(102.3)</td>
<td>(43.3)</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>24</td>
<td>(291.4)</td>
<td>(197.9)</td>
<td>(161.5)</td>
</tr>
<tr>
<td>Post-retirement healthcare obligation</td>
<td></td>
<td>(1.2)</td>
<td>(1.4)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>(41.6)</td>
<td>(12.3)</td>
<td>(6.3)</td>
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<tr>
<td><strong>Total finance expense</strong></td>
<td></td>
<td>(903.1)</td>
<td>(561.8)</td>
<td>(400.0)</td>
</tr>
</tbody>
</table>

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 Operations acquisition, the Group issued cash-settled instruments to 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 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>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sibanye Gold Limited 2013 Share Plan</td>
<td>6.1</td>
<td>(172.1)</td>
<td>(119.1)</td>
<td>(175.8)</td>
</tr>
<tr>
<td>Performance shares</td>
<td></td>
<td>(98.2)</td>
<td>(147.7)</td>
<td></td>
</tr>
<tr>
<td>Bonus shares</td>
<td></td>
<td>(22.9)</td>
<td>(28.1)</td>
<td></td>
</tr>
<tr>
<td><strong>Total shares</strong></td>
<td></td>
<td>(240.3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sibanye Gold Limited Phantom Share Scheme</td>
<td>6.2</td>
<td>(155.3)</td>
<td>(242.1)</td>
<td></td>
</tr>
<tr>
<td>Performance shares</td>
<td></td>
<td>(136.4)</td>
<td>(138.7)</td>
<td></td>
</tr>
<tr>
<td>Bonus shares</td>
<td></td>
<td>(17.7)</td>
<td>(96.7)</td>
<td></td>
</tr>
<tr>
<td>Phantom share dividends</td>
<td></td>
<td>(1.2)</td>
<td>(6.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Share-based payment on BEE transaction</strong></td>
<td>6.3</td>
<td>(274.4)</td>
<td>(417.9)</td>
<td></td>
</tr>
</tbody>
</table>

6.1 SIBANYE GOLD LIMITED 2013 SHARE PLAN

On 21 November 2012 the shareholder of Sibanye approved the adoption of the Sibanye Gold Limited 2013 Share Plan (SGL Share Plan) with effect from the date of listing. The SGL Share plan provides for two methods of participation, namely Performance Shares (PS) and the Bonus Shares (BS). This plan seeks 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.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  continued

FOR THE YEAR ENDED 31 DECEMBER 2016

BONUS SHARES

The Remuneration Committee makes an annual award of forfeitable shares to the executive directors, prescribed officers, senior vice presidents and vice presidents. These are referred to as Bonus Shares. The size of this Bonus Share award depends on the individual’s annual cash bonus, which is determined by actual performance against predetermined targets. The face value of the Bonus Share award is equal to two-thirds of the actual annual cash bonus and is allocated in the form of restricted forfeitable shares. The Bonus Shares vest in two equal parts at nine months and eighteen months after the award date. Dividends are payable on the Bonus Shares during the holding period.

PERFORMANCE SHARES

The Remuneration Committee makes an annual award of conditional shares to the executive directors, prescribed officers, senior vice presidents and vice presidents. These are referred to as Performance Shares. The number of Performance Shares awarded to an employee is based on the employee’s annual guaranteed pay and their grade combined with a factor related to their assessed performance rating for the prior year and using the relevant share price calculation at the offer date. Previously, the actual number of Performance Shares which could vest from previous awards was determined by Sibanye’s share price performance measured against the performance of Harmony Gold Mining Company Limited and Pan African Resources plc over a performance period of three years. The number of Performance Shares which finally vested was based on the relative change in the Sibanye share price compared to the respective change in the share prices of the other two peer-group companies, with discretion allowed due to the small sample size. For any Performance Share award to be settled by executives, an internal company performance target was required to be met before the external relative measure is applied.

This threshold performance criterion for vesting of any Performance Shares was set at the achievement of at least 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 this internal measure had been achieved, would the external measure (Sibanye’s share price performance measured against the abovementioned companies) be applied to determine the scale of the vesting of awards of Performance Shares.

Various concerns were expressed by representatives of the investor community relating to the performance conditions applicable on the vesting of Performance Shares. Specifically, concerns were expressed that:

- a peer group comprising only two other companies was not sufficiently robust for the evaluation of Sibanye’s performance over the vesting period; and
- the condition of an 85% threshold as an internal target for gold produced over the three year period under which the Performance Shares would not vest was insufficiently stretching.

A review was conducted to identify appropriate adjustments to the implementation policy that would appropriately address these concerns and provide for enhanced alignment with shareholder interests. The decisions resulting from this review and the revised policy, inter alia, are disclosed below. These were applicable for all Performance Share awards from 1 March 2016 onwards.

Annual conditional awards of Performance Shares continue to be made to the executive directors, prescribed officers, senior vice presidents and vice presidents, and this element will be the primary form of share-based long term incentivisation. Performance Shares vest no earlier than the third anniversary of their award, to the extent that Sibanye has met specified performance criteria over the intervening period. Essentially the number of shares that vest will depend on the extent to which Sibanye’s has performed over the intervening three year period relative to two particular performance criteria, Total Shareholder Return and Return on Capital Employed. These are considered to be the most widely acceptable vesting performance measures suited to aligning the outcome of long term share incentive awards with shareholders’ interests. This change will result in a possible vesting percentage ranging from 0% in the case of very poor performance to 100% vesting of the awarded Performance Shares in the event of having achieved stretched performance outcomes.

FOR ALLOCATIONS FROM MARCH 2016 ONWARDS

The performance criteria used to govern the vesting performance shares are determined by the Remuneration Committee and communicated in award letters to participants. The following two performance conditions, applied with the indicated weightings, were implemented for determining the vesting of future awards effective from March 2016 onwards.

Total Shareholder Return (TSR) – 70% Weighting

Total shareholder return (TSR) will be measured against a benchmark of eight mining and resource companies, a few of which can be deemed direct competitors, but collectively they can be deemed to be an alternative investment portfolio for Sibanye’s Shareholders. TSR is generally recognised as the most faithful 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 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.

Percentage vesting is determined based on a peer group curve that is constructed on a market capitalisation weighted basis. The annual TSR (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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2016

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 will be utilised.

The cumulative position of Sibanye’s TSRANN is then mapped onto the TSR curve for the peer group to determine the percentile at which Sibanye performed over the vesting period. The performance curve governing vesting is:

<table>
<thead>
<tr>
<th>TSR element of performance conditions</th>
<th>Percentile on peer group TSR curve</th>
<th>% vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>20%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>30%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>40%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>50%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>60%</td>
<td>55%</td>
<td>55%</td>
</tr>
<tr>
<td>70%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>80%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>90%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The eight peer group comparator companies for TSR comprises of similar market capitalisation companies reflective of the expected positioning of Sibanye over the short to medium term as a value driven multi-commodity resources company with a specific focus on gold and platinum and are 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</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>

Return on capital employed (ROCE) – 30% Weighting

Return on capital employed (ROCE) is a profitability ratio that measures how efficiently a company generates profits from its capital employed. This measure has been adopted as there has been a shift toward “excess returns” – “excess returns” provide a more central role in determining the current and potential value of a business. There is an increased focus on measuring and forecasting returns earned by businesses on both investments made in the past and expected future investments. For Sibanye, ROCE is to be evaluated against the company’s cost of capital (Ke). A minimum threshold on the performance scale for ROCE is set as equalling the cost of capital, 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 will be as follows:

<table>
<thead>
<tr>
<th>ROCE element of performance condition</th>
<th>Annual ROCE</th>
<th>% vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ke</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Ke + 1%</td>
<td>16.7%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Ke + 2%</td>
<td>33.3%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Ke + 3%</td>
<td>50.0%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Ke + 4%</td>
<td>66.7%</td>
<td>66.7%</td>
</tr>
<tr>
<td>Ke + 5%</td>
<td>83.3%</td>
<td>83.3%</td>
</tr>
<tr>
<td>Ke + 6%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The overall performance condition will be determined by adding 70% of the Total Shareholder return element to 30% of the Return on Capital Employed element. Furthermore should the board, at its sole discretion, determine that there is evidence of extreme environmental, social and governance (ESG) malpractice during the Vesting Period, up to 20% of the Performance Shares that would otherwise settle on vesting may be forfeited.

As indicated, the performance criteria described above govern vesting of all awards effective from 1 March 2016. Should any further adjustment be made they will govern future offers but will not be applied retrospectively.
The inputs to the models for options granted during the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Performance shares (PS)</th>
<th>Bonus Shares (BS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td></td>
<td><strong>2016</strong></td>
</tr>
<tr>
<td>55.12%</td>
<td>MONTE CARLO SIMULATION</td>
<td>55.15%</td>
</tr>
<tr>
<td>3</td>
<td>– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)</td>
<td>n/a</td>
</tr>
<tr>
<td>n/a</td>
<td>– expected term (years)</td>
<td>9 or 18</td>
</tr>
<tr>
<td>3.75%</td>
<td>– expected term (months)</td>
<td>3.75%</td>
</tr>
<tr>
<td>8.5%</td>
<td>– expected dividend yield</td>
<td>7.78%</td>
</tr>
<tr>
<td>n/a</td>
<td>– weighted average three-year risk-free interest rate (based on SA interest rates)</td>
<td>1.60%/0.69%</td>
</tr>
<tr>
<td>50.81</td>
<td>– weighted average fair value</td>
<td>54.27/53.02</td>
</tr>
</tbody>
</table>

The compensation cost related to awards not yet recognised under the plan at 31 December 2016 amounts to R247.0 million and is to be spread over 3 years. 4,250,887 options that had vested were exercisable as at 31 December 2016.

The Remuneration Committee makes an annual conditional award of PS to the CEO, CFO, senior vice presidents and vice presidents. The number of PS awarded to an employee is based on the employee's annual guaranteed remuneration, grade and performance. The actual number of PS which vest is determined by Sibanye's share price performance measured against the performance of a peer group, being Harmony Gold Mining Company Limited (Harmony), Pan African Resources PLC and Gold One International Limited (Gold One) (subsequently delisted), over a performance period of three years. This peer group is determined and approved by the Remuneration Committee. The PS, 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 PS 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 PS.

The Remuneration Committee makes an annual conditional award of BS 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. Restricted BS are allocated on the ratio of two-thirds of an individual’s annual bonus. The BS vest in two equal parts at nine months and 18 months after the award date. Dividends are payable on the BS during the holding period.

The fair value of the above PS equity instruments granted during the period were valued using the Monte Carlo Simulation model. For the BS equity instruments, a future trading model is used to estimate the loss in value to the holders of bonus shares due to trading restrictions. The actual valuation is developed using a Monte Carlo analysis of the future share price of Sibanye.

The inputs to the models for options granted during the years ended 31 December 2015 and 2014 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Performance shares (PS)</th>
<th>Bonus Shares (BS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014</strong></td>
<td></td>
<td><strong>2015</strong></td>
</tr>
<tr>
<td>56.4%</td>
<td>MONTE CARLO SIMULATION</td>
<td>56.4%</td>
</tr>
<tr>
<td>3</td>
<td>– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)</td>
<td>42.3%</td>
</tr>
<tr>
<td>n/a</td>
<td>– expected term (years)</td>
<td>n/a</td>
</tr>
<tr>
<td>n/a</td>
<td>– expected term (months)</td>
<td>9 - 18</td>
</tr>
<tr>
<td>4.7%</td>
<td>– expected dividend yield</td>
<td>4.7%</td>
</tr>
<tr>
<td>5.7%</td>
<td>– weighted average three-year risk-free interest rate (based on SA interest rates)</td>
<td>5.7%</td>
</tr>
<tr>
<td>n/a</td>
<td>– marketability discount</td>
<td>2.2%</td>
</tr>
<tr>
<td>38.61</td>
<td>– weighted average fair value</td>
<td>25.56</td>
</tr>
</tbody>
</table>

The compensation cost related to awards not yet recognised under the plan at 31 December 2016 amounts to R247.0 million and is to be spread over 3 years. 4,250,887 options that had vested were exercisable as at 31 December 2016.

At the Annual General Meeting the directors of Sibanye were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 70,619,126 (10%) of the total issued ordinary share capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 7,061,913 (1%) of the Company’s total issued ordinary share capital. The unexercised options and shares under all plans represented 15,112,493 (2%) of the total issued ordinary share capital of Sibanye at 31 December 2016.
OPTIONS GRANTED, EXERCISED AND FORFEITED UNDER THIS PLAN

<table>
<thead>
<tr>
<th>Performance shares (PS)</th>
<th>Bonus Shares (BS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of instruments</td>
</tr>
<tr>
<td>28,083,703</td>
<td>23,289,262</td>
</tr>
<tr>
<td>2,953,057</td>
<td>3,059,058</td>
</tr>
<tr>
<td>(5,567,771)</td>
<td>(16,690,497)</td>
</tr>
<tr>
<td>(2,179,727)</td>
<td>(259,751)</td>
</tr>
<tr>
<td>23,289,262</td>
<td>9,398,072</td>
</tr>
</tbody>
</table>

DIRECTORS AND PRESCRIBED OFFICERS' EQUITY-SETTLED INSTRUMENTS

The directors and prescribed officers of Sibanye held the following equity-settled instruments in the above Sibanye Gold Limited 2013 Share Plan at 31 December 2016:

<table>
<thead>
<tr>
<th>Instruments granted</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of instruments</td>
<td>2,579,432</td>
<td>1,186,314</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>2,344,312</td>
<td>38.73</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>90,805,896</td>
<td>1,421,434</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>708,026</td>
<td>669,348</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>779,014</td>
<td>23.93</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>18,644,698</td>
<td>598,360</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>322,685</td>
<td>309,584</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>287,038</td>
<td>24.21</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>6,949,764</td>
<td>345,231</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>294,164</td>
<td>265,242</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>271,171</td>
<td>23.42</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>6,351,537</td>
<td>288,235</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>322,685</td>
<td>309,584</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>287,038</td>
<td>24.21</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>6,949,764</td>
<td>345,231</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>157,030</td>
<td>195,770</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>28,118</td>
<td>24.41</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>686,257</td>
<td>445,920</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>126,740</td>
<td>-</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>126,740</td>
<td>1,210,934</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>1,239,938</td>
<td>67,666</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>324,682</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
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<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
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<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
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<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
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<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
<tr>
<td>Number of instruments</td>
<td>67,666</td>
<td>166,151</td>
</tr>
</tbody>
</table>

The grant date fair value of the above PS and BS 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 are issued on the same day the grant date fair value assumptions of the cash-settled instruments is 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, is 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.

The compensation cost related to awards not yet recognised under the scheme at 31 December 2016 amounts to R11.2 million and is to be spread over 3 months.
6.3 SHARE-BASED PAYMENT ON BEE TRANSACTION

The share-based payment on BEE transaction amounted to R240.3 million. In terms of the Rustenburg Operations Transaction (refer to note 12.2) 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’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. 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

Reconciliation of the share-based payment obligations:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>599.6</td>
<td>399.2</td>
<td>121.4</td>
</tr>
<tr>
<td>Share-based payments expense</td>
<td>83.8</td>
<td>155.3</td>
<td>242.1</td>
</tr>
<tr>
<td>Share-based payment on BEE transaction</td>
<td>240.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fair value loss on obligations</td>
<td>1,076.6</td>
<td>87.3</td>
<td>202.3</td>
</tr>
<tr>
<td>Cash-settled share-based payments paid</td>
<td>(1,518.6)</td>
<td>(42.2)</td>
<td>(166.6)</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>481.7</td>
<td>599.6</td>
<td>399.2</td>
</tr>
</tbody>
</table>

Reconciliation of the non-current and current portion of the share-based payment obligations:

<table>
<thead>
<tr>
<th>Shares-based payment obligations</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share-based payment obligations</td>
<td>481.7</td>
<td>599.6</td>
<td>399.2</td>
</tr>
<tr>
<td>Current portion of share-based payment obligations</td>
<td>(235.2)</td>
<td>(463.0)</td>
<td>(20.8)</td>
</tr>
<tr>
<td>Non-current portion of share-based payment obligations</td>
<td>246.5</td>
<td>136.6</td>
<td>378.4</td>
</tr>
</tbody>
</table>

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. The appreciation in Sibanye’s share price for the six months ended 30 June 2016 of approximately 120%, resulted in a fair value loss of R1,181.1 million. The depreciation in the share price for the six months ended 31 December 2015 of approximately 49%, resulted in a fair value gain of R110.7 million.

2. Payments made during the year relates to vesting of shares to employees and proportionate vesting of shares to employees and proportionate vesting of shares to employees that have left the Group in good faith.

7. IMPAIRMENTS

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of property, plant and equipment</td>
<td>11</td>
<td>(1,171.1)</td>
<td>-</td>
<td>(155.5)</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>13</td>
<td>(201.3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment of loan to equity-accounted investee</td>
<td>(8.1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment of investment in equity-accounted investee</td>
<td>14</td>
<td>-</td>
<td>-</td>
<td>(119.6)</td>
</tr>
<tr>
<td>Total impairments</td>
<td>(1,381.1)</td>
<td>-</td>
<td>-</td>
<td>(275.1)</td>
</tr>
</tbody>
</table>

IMPAIRMENT OF COOKE 4

Despite intense monitoring and interventions by a joint management and labour committee since the previous section 189 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 gave notice in terms of section 189 of the Labour Relations Act 66 of 1995. 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 GOODWILL, AND COOKE 1, 2 AND 3 MINING ASSETS

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 goodwill allocated to the Cooke cash-generating unit (CGU) by R201.3 million and the Cooke 1, 2 and 3 mining assets by R355.0 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.

8. ROYALTIES, AND MINING AND INCOME TAX, AND DEFERRED TAX

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group is subject to income tax in South Africa. 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. Where 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 in South Africa. 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 they 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 they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they 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.
8.1 ROYALTIES

The Mineral and Petroleum Resource Royalty Act 2008 (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 minerals (which include gold refined to 99.5% and above and platinum) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times 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 2016 was approximately 1.9% (2015: 1.8% and 2014: 2.0%) of gold mining revenue and 0.5% of platinum mining revenue.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year charge - gold revenue</td>
<td>(528.0)</td>
<td>(400.6)</td>
<td>(430.5)</td>
</tr>
<tr>
<td>Current year charge - platinum revenue</td>
<td>(18.6)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total royalties</td>
<td>28.1</td>
<td>(546.6)</td>
<td>(400.6)</td>
</tr>
</tbody>
</table>

8.2 MINING AND INCOME TAX

The components of mining and income tax are the following:

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining tax</td>
<td>(1,031.6)</td>
<td>(665.6)</td>
<td>(847.9)</td>
</tr>
<tr>
<td>Non-mining tax</td>
<td>(83.9)</td>
<td>(16.0)</td>
<td>(24.8)</td>
</tr>
<tr>
<td>Company and capital gain tax</td>
<td>3.7</td>
<td>(15.1)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Total current tax</td>
<td>28.2</td>
<td>(1,111.8)</td>
<td>(696.7)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>8.3</td>
<td>(131.4)</td>
<td>319.5</td>
</tr>
<tr>
<td>Total mining and income tax</td>
<td>(1,243.2)</td>
<td>(377.2)</td>
<td>(828.1)</td>
</tr>
</tbody>
</table>

Reconciliation of the Group’s mining and income tax to the South African statutory company tax rate of 28%:

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>South African statutory tax rates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining tax(^1) Y=34-170/X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-mining tax(^2) 28.0%</td>
<td>28.0%</td>
<td>28.0%</td>
<td>28.0%</td>
</tr>
<tr>
<td>Company tax rate</td>
<td>28.0%</td>
<td>28.0%</td>
<td>28.0%</td>
</tr>
<tr>
<td>Tax on profit before tax at maximum South African statutory company tax rate</td>
<td>(1,264.0)</td>
<td>(256.3)</td>
<td>(653.8)</td>
</tr>
<tr>
<td>South African mining tax formula rate adjustment</td>
<td>160.9</td>
<td>129.5</td>
<td>111.5</td>
</tr>
<tr>
<td>Non-deductible share-based payments</td>
<td>(115.5)</td>
<td>(33.3)</td>
<td>(49.2)</td>
</tr>
<tr>
<td>(Non-deductible loss)/non-taxable gain on foreign exchange differences</td>
<td>(52.1)</td>
<td>17.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Non-taxable share of results of equity-accounted investees</td>
<td>3.7</td>
<td>32.5</td>
<td>(131.8)</td>
</tr>
<tr>
<td>Non-deductible amortisation and depreciation</td>
<td>(35.0)</td>
<td>(25.7)</td>
<td>(19.1)</td>
</tr>
<tr>
<td>Non-deductible impairments</td>
<td>(65.6)</td>
<td>-</td>
<td>(33.5)</td>
</tr>
<tr>
<td>Non-taxable gain on acquisition</td>
<td>679.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net other non-taxable income and non-deductible expenditure</td>
<td>(65.6)</td>
<td>(9.0)</td>
<td>8.7</td>
</tr>
<tr>
<td>Change in estimated deferred tax rate(^2)</td>
<td>(59.8)</td>
<td>(28.8)</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax assets not recognised</td>
<td>(430.0)</td>
<td>(287.1)</td>
<td>(66.3)</td>
</tr>
<tr>
<td>Non-taxable gain on derecognition of financial guarantee liability</td>
<td>-</td>
<td>55.1</td>
<td>-</td>
</tr>
<tr>
<td>Mining and income tax</td>
<td>(1,243.2)</td>
<td>(377.2)</td>
<td>(828.1)</td>
</tr>
</tbody>
</table>

\(^{1}\) 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. Accounting depreciation is ignored for the purpose of calculating mining tax. In the formula above, Y is the percentage rate of tax payable and X is the ratio of mining profit, after the deduction of redeemable capital expenditure, to mining revenue expressed as a percentage.

\(^{2}\) Non-mining income consists primarily of interest income.
8.3. DEFERRED TAX

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 in different accounting periods are:

### Figures in million - SA rand

#### Included in the statement of financial position as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(228.2)</td>
<td>(63.2)</td>
<td>(51.6)</td>
</tr>
<tr>
<td>Net deferred tax liabilities</td>
<td>4,478.9</td>
<td>3,496.2</td>
<td>3,817.7</td>
</tr>
</tbody>
</table>

#### Reconciliation of the deferred tax balance:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>3,498.2</td>
<td>3,817.7</td>
<td>3,699.6</td>
</tr>
<tr>
<td>Deferred tax recognised in profit or loss</td>
<td>8.2</td>
<td>131.4</td>
<td>(319.5)</td>
</tr>
<tr>
<td>Deferred tax on acquisition of subsidiaries</td>
<td>12</td>
<td>849.3</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>4,478.9</td>
<td>3,498.2</td>
<td>3,817.7</td>
</tr>
</tbody>
</table>

#### Deferred tax liabilities

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining assets</td>
<td>6,157.1</td>
<td>4,822.8</td>
<td>5,202.8</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds</td>
<td>729.6</td>
<td>575.3</td>
<td>472.7</td>
</tr>
<tr>
<td>Other</td>
<td>128.6</td>
<td>14.9</td>
<td>97.4</td>
</tr>
<tr>
<td>Gross deferred tax liabilities</td>
<td>7,015.3</td>
<td>5,413.0</td>
<td>5,772.9</td>
</tr>
</tbody>
</table>

#### Deferred tax assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>(1,041.0)</td>
<td>(612.3)</td>
<td>(630.1)</td>
</tr>
<tr>
<td>Other provisions</td>
<td>(546.3)</td>
<td>(341.6)</td>
<td>(225.5)</td>
</tr>
<tr>
<td>Tax losses and unredeemed capital expenditure</td>
<td>(890.1)</td>
<td>(812.6)</td>
<td>(995.5)</td>
</tr>
<tr>
<td>Share-based payment obligation</td>
<td>(59.0)</td>
<td>(148.3)</td>
<td>(101.1)</td>
</tr>
<tr>
<td>Gross deferred tax assets</td>
<td>(2,536.4)</td>
<td>(1,914.8)</td>
<td>(1,955.2)</td>
</tr>
</tbody>
</table>

At 31 December 2016, the Group had the following estimated amounts available for set-off against future income:

### Figures in million - SA rand

#### Tax losses

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wits Gold</td>
<td>64.6</td>
<td>84.4</td>
<td>84.9</td>
</tr>
<tr>
<td>Burnstone</td>
<td>-</td>
<td>155.3</td>
<td>422.5</td>
</tr>
<tr>
<td>Ezulwini</td>
<td>2,561.2</td>
<td>1,481.0</td>
<td>1,186.7</td>
</tr>
<tr>
<td>Other</td>
<td>19.0</td>
<td>31.3</td>
<td>43.2</td>
</tr>
<tr>
<td>Total gross tax losses</td>
<td>2,644.8</td>
<td>1,752.0</td>
<td>1,737.3</td>
</tr>
</tbody>
</table>

#### Other deductible temporary differences

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnstone</td>
<td>10,012.6</td>
<td>9,009.0</td>
<td>7,175.1</td>
</tr>
<tr>
<td>Ezulwini</td>
<td>2,909.1</td>
<td>2,778.8</td>
<td>2,754.1</td>
</tr>
<tr>
<td>Ridge Mining Services Proprietary Limited</td>
<td>643.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>55.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total gross tax losses and other deductible temporary differences</td>
<td>16,266.0</td>
<td>13,539.8</td>
<td>11,666.5</td>
</tr>
</tbody>
</table>

#### Deferred tax assets not recognised

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wits Gold</td>
<td>18.1</td>
<td>23.6</td>
<td>23.8</td>
</tr>
<tr>
<td>Burnstone</td>
<td>2,803.5</td>
<td>2,566.0</td>
<td>2,127.3</td>
</tr>
<tr>
<td>Ezulwini</td>
<td>1,531.7</td>
<td>1,192.7</td>
<td>1,103.4</td>
</tr>
<tr>
<td>Ridge Mining Services Proprietary Limited</td>
<td>180.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>20.9</td>
<td>8.8</td>
<td>12.1</td>
</tr>
<tr>
<td>Total deferred tax assets not recognised</td>
<td>4,554.5</td>
<td>3,791.1</td>
<td>3,266.6</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. EARNINGS PER SHARE

### ACCOUNTING POLICY

Earnings per share (EPS) is calculated based on the profit attributable to owners of Sibanye divided by the weighted average number of ordinary shares in issue during the year. A diluted EPS is presented when the inclusion of ordinary shares that may be issued in the future has a dilutive effect on EPS.

Headline EPS is calculated by dividing the headline earnings attributable to owners of Sibanye by the weighted average number of ordinary shares in issue during the year.
9.1 BASIC EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit attributable to owners of Sibanye by the weighted average number of ordinary shares in issue during the year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Weighted average number of shares (’000)</th>
<th>Adjustment for weighting of ordinary shares in issue (’000)</th>
<th>Profit attributable to owners of Sibanye (SA rand million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>929,004</td>
<td>(7,271)</td>
<td>3,701.6</td>
</tr>
<tr>
<td>2015</td>
<td>916,140</td>
<td>(4,102)</td>
<td>716.9</td>
</tr>
<tr>
<td>2014</td>
<td>898,840</td>
<td>(62,904)</td>
<td>1,551.5</td>
</tr>
</tbody>
</table>

Basic EPS (cents)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic EPS (cents)</td>
<td>402</td>
<td>79</td>
<td>186</td>
</tr>
</tbody>
</table>

9.2 DILUTED EARNINGS PER SHARE

Diluted EPS is calculated by dividing the profit attributable to owners of Sibanye 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 referred to in note 6.

<table>
<thead>
<tr>
<th>Year</th>
<th>Weighted average number of shares (’000)</th>
<th>Weighted average number of shares (’000)</th>
<th>Diluted weighted average number of shares (’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>921,733</td>
<td>2,161</td>
<td>923,894</td>
</tr>
<tr>
<td>2015</td>
<td>912,038</td>
<td>5,671</td>
<td>917,709</td>
</tr>
<tr>
<td>2014</td>
<td>835,936</td>
<td>18,791</td>
<td>854,727</td>
</tr>
</tbody>
</table>

Diluted basic EPS (cents)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted basic EPS (cents)</td>
<td>401</td>
<td>78</td>
<td>182</td>
</tr>
</tbody>
</table>

9.3 HEADLINE EARNINGS PER SHARE

Reconciliation of profit attributable to owners of Sibanye to headline earnings:

<table>
<thead>
<tr>
<th>Year</th>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>Gross</th>
<th>Net of tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2016</td>
<td>Profit attributable to owners of Sibanye</td>
<td>11</td>
<td>(95.4)</td>
<td>(68.7)</td>
</tr>
<tr>
<td></td>
<td>Impairments</td>
<td>7</td>
<td>1,381.1</td>
<td>1,281.7</td>
</tr>
<tr>
<td></td>
<td>Gain on acquisition</td>
<td>(2,428.0)</td>
<td>(2,428.0)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Headline earnings</td>
<td>2,486.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

31 December 2015

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>Gross</th>
<th>Net of tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit attributable to owners of Sibanye</td>
<td>11</td>
<td>(58.7)</td>
<td>(42.3)</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>674.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

31 December 2014

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>Gross</th>
<th>Net of tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit attributable to owners of Sibanye</td>
<td>(9.5)</td>
<td>(9.5)</td>
<td>(6.8)</td>
</tr>
<tr>
<td>Impairments</td>
<td>275.1</td>
<td>233.1</td>
<td></td>
</tr>
<tr>
<td>Reversal of impairment</td>
<td>(474.1)</td>
<td>(360.3)</td>
<td></td>
</tr>
<tr>
<td>Headline earnings</td>
<td>1,417.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9.4 DILUTED HEADLINE EARNINGS PER SHARE

Diluted headline EPS is calculated by dividing the headline earnings attributable to owners of Sibanye by the diluted weighted average number of ordinary shares in issue during the year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Diluted headline EPS - cents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>269</td>
</tr>
</tbody>
</table>
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued
FOR THE YEAR ENDED 31 DECEMBER 2016

10. DIVIDENDS

ACCOUNTING POLICY

Dividends are recognised only when such dividends are declared.

Cash flows from dividends paid are classified under operating activities in the statement of cash flows.

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend declared and paid</td>
<td>1,610.6</td>
<td>658.4</td>
<td>1,005.2</td>
</tr>
<tr>
<td>Dividend per share - cents</td>
<td>175</td>
<td>72</td>
<td>125</td>
</tr>
</tbody>
</table>

The dividend declared and paid relates to the final dividend of 90 SA cents per share or R825.4 million in respect of the six months ended 31 December 2015 declared 24 February 2016 and the interim dividend of 85 SA cents per share or R785.2 million in respect of the six months ended 30 June 2016 declared on 24 August 2016.

11. 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 cash-generating units (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 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 orebodies 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).

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 orebodies 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.

**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:
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 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.

Derecognition 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.
### Figures in million - SA rand

<table>
<thead>
<tr>
<th>Date</th>
<th>Notes</th>
<th>Total</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>31 December 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td>57,431.7</td>
<td>51,919.9</td>
<td>3,591.5</td>
<td>1,920.3</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td>4,151.1</td>
<td>4,065.7</td>
<td>3.7</td>
<td>81.7</td>
</tr>
<tr>
<td>Change in estimates of rehabilitation assets</td>
<td>24</td>
<td>472.5</td>
<td>-</td>
<td>472.5</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>(67.8)</td>
<td>(65.9)</td>
<td>(1.9)</td>
<td>-</td>
</tr>
<tr>
<td>Assets acquired on acquisition of subsidiaries</td>
<td>12</td>
<td>5,702.3</td>
<td>3,984.7</td>
<td>1,648.6</td>
<td>69.0</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td></td>
<td>67,689.8</td>
<td>59,904.4</td>
<td>5,714.4</td>
<td>2,071.0</td>
</tr>
<tr>
<td>Accumulated depreciation, amortisation and impairment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>35,299.3</td>
<td>33,978.1</td>
<td>1,321.2</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>4</td>
<td>4,041.9</td>
<td>3,656.7</td>
<td>385.2</td>
<td>-</td>
</tr>
<tr>
<td>Impairment</td>
<td></td>
<td>1,171.7</td>
<td>770.3</td>
<td>401.4</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>(63.8)</td>
<td>(63.2)</td>
<td>(0.6)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td></td>
<td>40,449.1</td>
<td>38,341.9</td>
<td>2,107.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Carrying value at end of the year</strong></td>
<td></td>
<td>27,240.7</td>
<td>21,562.5</td>
<td>3,607.2</td>
<td>2,071.0</td>
</tr>
</tbody>
</table>

### Figures in million - SA rand

<table>
<thead>
<tr>
<th>Date</th>
<th>Notes</th>
<th>Total</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>31 December 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td>54,404.9</td>
<td>48,637.6</td>
<td>3,882.3</td>
<td>1,885.0</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td>3,344.8</td>
<td>3,303.5</td>
<td>6.0</td>
<td>35.3</td>
</tr>
<tr>
<td>Change in estimates of rehabilitation assets</td>
<td>24</td>
<td>(273.4)</td>
<td>-</td>
<td>(273.4)</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>(44.6)</td>
<td>(21.2)</td>
<td>(23.4)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td></td>
<td>57,431.7</td>
<td>51,919.9</td>
<td>3,591.5</td>
<td>1,920.3</td>
</tr>
<tr>
<td>Accumulated depreciation, amortisation and impairment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>31,700.9</td>
<td>30,650.2</td>
<td>1,050.7</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>4</td>
<td>3,636.6</td>
<td>3,358.4</td>
<td>278.2</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>(38.2)</td>
<td>(30.5)</td>
<td>(7.7)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td></td>
<td>35,299.3</td>
<td>33,978.1</td>
<td>1,321.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Carrying value at end of the year</strong></td>
<td></td>
<td>22,132.4</td>
<td>17,941.8</td>
<td>2,270.3</td>
<td>1,920.3</td>
</tr>
</tbody>
</table>

### Figures in million - SA rand

<table>
<thead>
<tr>
<th>Date</th>
<th>Notes</th>
<th>Total</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>31 December 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td>43,970.8</td>
<td>42,362.5</td>
<td>1,364.0</td>
<td>244.3</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td>3,250.8</td>
<td>3,231.2</td>
<td>1.1</td>
<td>18.5</td>
</tr>
<tr>
<td>Change in estimates of rehabilitation assets</td>
<td>24</td>
<td>131.5</td>
<td>-</td>
<td>131.5</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>(68.1)</td>
<td>(66.1)</td>
<td>(2.0)</td>
<td>-</td>
</tr>
<tr>
<td>Assets acquired on acquisition of subsidiaries</td>
<td>7</td>
<td>7,119.9</td>
<td>3,110.0</td>
<td>2,387.7</td>
<td>1,622.2</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td></td>
<td>54,404.9</td>
<td>48,637.6</td>
<td>3,882.3</td>
<td>1,885.0</td>
</tr>
<tr>
<td>Accumulated depreciation, amortisation and impairment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>28,819.8</td>
<td>27,942.0</td>
<td>877.8</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation and depreciation</td>
<td>4</td>
<td>3,254.7</td>
<td>3,054.0</td>
<td>200.7</td>
<td>-</td>
</tr>
<tr>
<td>Impairment</td>
<td></td>
<td>155.5</td>
<td>155.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of impairment</td>
<td>7</td>
<td>(474.1)</td>
<td>(448.1)</td>
<td>(26.0)</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>(55.0)</td>
<td>(53.2)</td>
<td>(1.8)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td></td>
<td>31,700.9</td>
<td>30,650.2</td>
<td>1,050.7</td>
<td>-</td>
</tr>
<tr>
<td><strong>Carrying value at end of the year</strong></td>
<td></td>
<td>22,704.0</td>
<td>17,987.4</td>
<td>2,270.3</td>
<td>1,885.0</td>
</tr>
</tbody>
</table>
12. ACQUISITIONS

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Expected future cash flows used to determine the fair value of, inter alia, property, plant and equipment and contingent consideration are inherently uncertain and could materially change over time. The fair value 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.

ACCOUNTING POLICY

Business combinations

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 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 as a gain recognised directly in profit or loss.

12.1 AQUARIUS ACQUISITION

On 6 October 2015 Sibanye announced a cash offer of US$0.195 per share for the entire issued share capital of Aquarius (the Aquarius Transaction), valuing Aquarius at US$294 million. The transaction was subject to the fulfilment of various conditions precedent which were completed on 12 April 2016.

On 12 April 2016, Sibanye paid R4,301.5 million to the Aquarius shareholders and obtained control (100%) of Aquarius. The acquisition has a strong strategic and financial rationale for Sibanye, both as a stand-alone transaction and particularly when considered in conjunction with the Rustenburg Operations acquisition. These acquisition will result in significant value creation through the realisation of synergies between the PGM assets in Rustenburg area, thereby enhancing Sibanye’s platinum portfolio.

For the nine months ended 31 December 2016, Aquarius contributed revenue of R2,104.4 million and a profit of R223.6 million to the Group’s results.

CONSIDERATION

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>4,301.5</td>
</tr>
<tr>
<td>Total consideration</td>
<td>4,301.5</td>
</tr>
</tbody>
</table>

ACQUISITION RELATED COSTS

The Group incurred acquisition related costs of R84.7 million on advisory and legal fees. These costs are recognised as transaction costs in profit or loss in 2016.
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 - SA rand</th>
<th>Notes</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>11</td>
<td>1,680.8</td>
</tr>
<tr>
<td>Equity-accounted investments</td>
<td>14</td>
<td>2,066.7</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds</td>
<td>16</td>
<td>151.9</td>
</tr>
<tr>
<td>Non-current other receivables</td>
<td></td>
<td>108.4</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>155.0</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>908.9</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>494.1</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>8.3</td>
<td>49.2</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>24</td>
<td>(630.0)</td>
</tr>
<tr>
<td>Non-current other payables</td>
<td>17.2</td>
<td>(32.4)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td>(1,025.6)</td>
</tr>
<tr>
<td>Tax and royalties payable</td>
<td></td>
<td>(13.2)</td>
</tr>
<tr>
<td><strong>Total fair value of identifiable net assets acquired</strong></td>
<td></td>
<td><strong>3,913.8</strong></td>
</tr>
</tbody>
</table>

The fair value of assets and liabilities excluding property, plant and equipment, and environmental rehabilitation obligation approximate their carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected PGM reserves and costs to extract the PGMs discounted at a weighted average cost of capital (WACC) of 9.0% for Kroondal and Platinum Mile, and 15.0% for Mimosa, and an average PGM (4E) basket price of R14,700/oz.

GOODWILL

Goodwill arising from the acquisition has been recognised as follows:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consideration</td>
<td>4,301.5</td>
</tr>
<tr>
<td>Fair value of identifiable net assets</td>
<td>(3,913.8)</td>
</tr>
<tr>
<td>Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities</td>
<td>12.9</td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td>400.6</td>
</tr>
</tbody>
</table>

The goodwill is attributable to the synergies between the PGM assets in the Rustenburg area. The allocation of goodwill has been provisionally allocated to the Kroondal and Rustenburg Operations CGUs. None of the goodwill recognised is expected to be deducted for tax purposes.

12.2 THE RUSTENBURG OPERATIONS ACQUISITION

On 9 September 2015, Sibanye announced that it had entered into written agreements with 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 Operations Transaction).

The purchase consideration comprises an upfront payment of R1.5 billion at the closing of the Rustenburg Operations Transaction (Closing) and a deferred payment calculated as being equal to 35% of the distributable free cash flow (as defined in the agreements) generated by the Rustenburg Operations 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 Operations 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 obtained consent in terms of section 11 of the Mineral and Petroleum Resources Development Act for the transfer of the mining right and prospecting right pursuant to the Rustenburg Operations Transaction. Sibanye obtained control (88.4%) of the Rustenburg Operations on this date.

For the two months ended 31 December 2016, the Rustenburg Operations contributed revenue of R1,656.0 million and a loss of R150.0 million to the Group’s results.

The purchase price allocation has been prepared on a provisional basis in accordance with IFRS 3 Business Combinations. The values measured on a provisional basis include, inter alia, deferred tax and the process to determine the effective date tax valuations.

If new information obtained within one year of the acquisition date, 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.

CONSIDERATION

The consideration paid is as follows:
Figures in million - SA rand | Notes | 2016
--- | --- | ---
Cash | | 1,500.0
Deferred Payment\(^1\) | 17 | 1,553.3
True-up amount\(^2\) | | 65.1
Total consideration | | 3,118.4

\(^1\) The Deferred Payment was based on 35% of the expected distributable free cash flow generated by the Rustenburg Operations over an extended payment period from 1 January 2017, subject to a minimum payment of R3.0 billion discounted at a cost of debt of 9.5%.

\(^2\) The upfront purchase price was adjusted after Closing (i.e. the true-up amount) for actual Closing cash of the Rustenburg Operations in excess of the estimated Closing cash of the Rustenburg Operations and actual Closing working capital of the Rustenburg Operations in excess of the targeted Closing working capital of the Rustenburg Operations (in essence, representing a normalised level of working capital).

**ACQUISITION RELATED COSTS**

The Group incurred acquisition related costs of R63.9 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 provisional fair value of assets acquired and liabilities assumed at the acquisition date:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>11</td>
<td>4,021.5</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds</td>
<td>16</td>
<td>280.7</td>
</tr>
<tr>
<td>Non-current other receivables</td>
<td></td>
<td>220.9</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>80.4</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>2,991.6</td>
</tr>
<tr>
<td>Current financial assets</td>
<td></td>
<td>242.0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>0.1</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>8.3</td>
<td>(898.5)</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation</td>
<td>24</td>
<td>(79.8)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td>(1,312.5)</td>
</tr>
<tr>
<td><strong>Total fair value of identifiable net assets acquired</strong></td>
<td></td>
<td>5,546.4</td>
</tr>
</tbody>
</table>

The fair value of assets and liabilities excluding property, plant and equipment, and environmental rehabilitation obligation approximate their carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected PGM reserves and costs to extract the PGMs discounted at a WACC of 9.2% and an average PGM (4E) basket price of R14,725/oz.

**GAIN ON ACQUISITION**

A gain on acquisition has been recognised as follows:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consideration</td>
<td>3,118.4</td>
</tr>
<tr>
<td>Fair value of identifiable net assets</td>
<td>(5,546.4)</td>
</tr>
<tr>
<td><strong>Gain on acquisition</strong></td>
<td>(2,428.0)</td>
</tr>
</tbody>
</table>

The excess of the fair value of the net assets acquired over the consideration is recognised immediately in profit or loss as a gain on acquisition. The gain on acquisition is attributable to the fact that Anglo American Platinum has repositioned its portfolio by among others exiting certain assets. The Rustenburg Operations Transaction represented an attractively priced entry for Sibanye into the PGM sector.

**13. 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...
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2016

exceeds the recoverable amount. 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>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>736.7</td>
<td>736.7</td>
<td>-</td>
</tr>
<tr>
<td>Goodwill on acquisition of Aquarius</td>
<td>12.1</td>
<td>400.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment</td>
<td>7</td>
<td>(201.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill on acquisition of Cooke</td>
<td>-</td>
<td>-</td>
<td>736.7</td>
<td></td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>936.0</td>
<td>736.7</td>
<td>736.7</td>
</tr>
</tbody>
</table>

The goodwill arose on the acquisition of Cooke and Aquarius. The goodwill on acquisition of Cooke was attributable to the synergies at the Group’s other operations, the underlying assets of Cooke and West Rand Tailings Retreatment Project (WRTRP). At year end the goodwill on acquisition of Cooke is allocated to Beatrix R103.9 million, Driefontein R166.9 million, Kloof R165.5 million, and WRTRP R99.1 million CGUs where it is tested for impairment. The goodwill on acquisition of Aquarius is attributable to the synergies between the PGM assets in the Rustenburg area. The goodwill has been provisionally allocated to the Kroondal and Rustenburg Operations CGUs.

None of the goodwill recognised is expected to be deducted for tax purposes.

In line with the accounting policy, the recoverable amount was 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.

The Group’s estimates and assumptions used in the 31 December 2016 calculation include:

<table>
<thead>
<tr>
<th>Platinum</th>
<th>Gold</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>- 14,725</td>
<td>R/4Eoz</td>
</tr>
<tr>
<td>15.7 %</td>
<td>Nominal discount rate</td>
</tr>
<tr>
<td>6.0 %</td>
<td>Inflation rate</td>
</tr>
<tr>
<td>8 - 26 years</td>
<td>Life of mine years</td>
</tr>
</tbody>
</table>

*Nominal discount rate for WRTRP of 13.5% (2015: 17.2%).

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.

During the six months ended 31 December 2016, the goodwill allocated to the Cooke CGU was impaired by R201.3 million (refer to note 7).

There were no other events or changes in circumstances that suggest that the carrying amount of a CGU may not be recoverable.

The recoverable amounts of the Driefontein, Kloof, Beatrix and WRTRP CGUs are significantly higher than their carry 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 Kroondal and the Rustenburg Operations CGUs approximates their carrying values due to the fair value recognised on the acquisition (refer to note 12), therefore any reasonably possible adverse change in the abovementioned assumptions compared to the fair value assumptions used at acquisition (refer to note 12) could result in impairment.
14. 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.

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>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rand Refinery</td>
<td>14.1</td>
<td>72.4</td>
<td>148.7</td>
<td>55.1</td>
</tr>
<tr>
<td>Mimosa</td>
<td>14.2</td>
<td>2,049.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other equity-accounted investments</td>
<td>35.7</td>
<td>18.8</td>
<td>14.3</td>
<td></td>
</tr>
<tr>
<td>Total equity-accounted investments</td>
<td>2,157.4</td>
<td>167.5</td>
<td>68.4</td>
<td></td>
</tr>
</tbody>
</table>

MATERIAL EQUITY-ACCOUNTED INVESTMENTS

14.1 RAND REFINERY

Sibanye has a 33.1% interest in Rand Refinery, a company incorporated in the Republic of 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.

Rand Refinery recognised losses during the year as a result of inefficiencies in processing by-product stockpiles.

The carrying value of Rand Refinery remains an area of estimation and uncertainty.
The equity-accounted investment in Rand Refinery movement for the year is as follows:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>148.7</td>
<td>55.1</td>
<td>270.1</td>
</tr>
<tr>
<td>Share of results of equity-accounted investee after tax&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td>(116.5)</td>
<td>114.5</td>
<td>(480.0)</td>
</tr>
<tr>
<td>Interest on the loan to equity-accounted investee capitalised</td>
<td></td>
<td>40.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loan (repaid by)/advanced to equity-accounted investee</td>
<td></td>
<td>-</td>
<td>(20.9)</td>
<td>384.6</td>
</tr>
<tr>
<td>Impairment</td>
<td></td>
<td>7</td>
<td>-</td>
<td>(119.6)</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>72.4</td>
<td>148.7</td>
<td>55.1</td>
</tr>
</tbody>
</table>

<sup>1</sup>Rand Refinery changed to a 31 August year end (from a 30 September year end). Rand Refinery is equity accounted based on its results for the period ended 30 November.

On 18 December 2014, Rand Refinery drew down R1.029 billion under a R1.2 billion subordinated shareholders loan (the Facility), with Sibanye’s proportional share being R384.6 million. Amounts drawn down under the Facility are repayable within two years from the first draw down date. If the loan is not repaid within two years, it will automatically convert into equity in Rand Refinery. Interest under the Facility is at JIBAR plus a margin of 3.5%. Sibanye has subordinated all claims it might have against Rand Refinery as part of the Facility agreement. During the year Rand Refinery paid Rnil (2015: R37.3 million and 2014: R1.2 million) interest on the loan.

The Group’s interest in the summarised financial statements of Rand Refinery are:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td>903.0</td>
<td>1,021.0</td>
<td>377.0</td>
</tr>
<tr>
<td>Total comprehensive (loss)/income</td>
<td></td>
<td>(352.0)</td>
<td>346.0</td>
<td>(299.0)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td>636.0</td>
<td>708.0</td>
<td>526.0</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td>419.0</td>
<td>512.0</td>
<td>346.0</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>(1,095.0)</td>
<td>(992.0)</td>
<td>(24.0)</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td>(467.0)</td>
<td>(383.0)</td>
<td>(1,349.0)</td>
</tr>
<tr>
<td>Net liabilities (100.0%)</td>
<td></td>
<td>(507.0)</td>
<td>(155.0)</td>
<td>(501.0)</td>
</tr>
<tr>
<td>Reconciliation of the total investment in associate with attributable net assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net liabilities (33.1%)</td>
<td></td>
<td>(168.2)</td>
<td>(51.7)</td>
<td>(166.2)</td>
</tr>
<tr>
<td>Dividend received</td>
<td></td>
<td>(8.2)</td>
<td>(8.2)</td>
<td>(8.2)</td>
</tr>
<tr>
<td>Fair value adjustment&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td>(35.5)</td>
<td>(35.5)</td>
<td>(35.5)</td>
</tr>
<tr>
<td>Impairment</td>
<td></td>
<td>7</td>
<td>(119.6)</td>
<td>(119.6)</td>
</tr>
<tr>
<td>Loan to equity-accounted investee</td>
<td></td>
<td>403.9</td>
<td>363.7</td>
<td>384.6</td>
</tr>
<tr>
<td>Total investment in Rand Refinery</td>
<td></td>
<td>72.4</td>
<td>148.7</td>
<td>55.1</td>
</tr>
</tbody>
</table>

<sup>1</sup>The investment in equity-accounted investee was fair valued at 1 July 2002, the date when significant influence was obtained.

14.2 MIMOSA

Sibanye 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>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share of results of equity-accounted investee after tax</td>
<td></td>
<td>-</td>
<td>114.9</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td></td>
<td>-</td>
<td>(132.3)</td>
<td>-</td>
</tr>
<tr>
<td>Equity-accounted investment on acquisition of subsidiaries</td>
<td></td>
<td>12</td>
<td>2,066.7</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>2,049.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup>The share of results of equity-accounted investee after tax includes R265.0 million relating to the subsequent recovery of the Reserve Bank of Zimbabwe (RBZ) bond notes.
The Group’s interest in the summarised financial statements of Mimosa are:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,446.4</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(447.4)</td>
</tr>
<tr>
<td>Interest income</td>
<td>1.0</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(22.4)</td>
</tr>
<tr>
<td>Income tax</td>
<td>(185.1)</td>
</tr>
<tr>
<td>Profit or loss</td>
<td>229.8</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(264.6)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>(34.8)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>4,079.0</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,079.0</td>
</tr>
<tr>
<td>Current assets</td>
<td>2,259.5</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>191.2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>2,068.3</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(1,131.2)</td>
</tr>
<tr>
<td>Non-current financial liabilities</td>
<td>(141.2)</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>(990.0)</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(900.1)</td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>(762.2)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(137.9)</td>
</tr>
<tr>
<td>Net assets (100.0%)</td>
<td>4,307.2</td>
</tr>
</tbody>
</table>

Reconciliation of the total investment in associate with attributable net assets:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets (50.0%)</td>
<td>2,153.6</td>
</tr>
<tr>
<td>Reconciling items</td>
<td>(104.3)</td>
</tr>
<tr>
<td>Total investment in Mimosa</td>
<td>2,049.3</td>
</tr>
</tbody>
</table>

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, the remaining impairment of the RBZ bond notes, and foreign exchange differences on translation of assets and liabilities of the foreign joint venture.

Repatriation of funds from Zimbabwe is subject to regulatory approval in Zimbabwe.

15. 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, are as follows:

KROONDAL MINE

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign exchange loss</td>
<td>(67.8)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>90.8</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>90.8</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,296.1</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,268.1</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(288.7)</td>
</tr>
<tr>
<td>Net assets (50.0%)</td>
<td>2,215.5</td>
</tr>
</tbody>
</table>
16. 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. While Sibanye’s management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the investments.

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.

Figures in million - SA rand

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>2,413.9</td>
<td>2,192.8</td>
<td>1,588.1</td>
</tr>
<tr>
<td>Contributions</td>
<td>74.7</td>
<td>77.8</td>
<td>69.3</td>
</tr>
<tr>
<td>Interest income</td>
<td>168.2</td>
<td>134.8</td>
<td>98.5</td>
</tr>
<tr>
<td>Fair value adjustment</td>
<td>11.1</td>
<td>8.5</td>
<td>62.7</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation funds on acquisition of subsidiaries</td>
<td>432.6</td>
<td>-</td>
<td>374.2</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>3,100.5</td>
<td>2,413.9</td>
<td>2,192.8</td>
</tr>
</tbody>
</table>

Environmental rehabilitation obligation funds comprise of the following:

- Restricted cash²
- Funds

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 (DMR) for environmental rehabilitation obligations.

17. OTHER RECEIVABLES AND OTHER PAYABLES

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Expected future cash flows used to determine the fair value of the other receivables and other payables (namely the Anglo financial assets and Deferred Payment, and rates and taxes receivable) 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

Other receivables and other payables are initially recognised at fair value. Subsequent to initial recognition other receivables and other payables are measured at amortised cost.

17.1 OTHER RECEIVABLES

Figures in million - SA rand

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo American Platinum financial assets</td>
<td>469.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Right of recovery receivable</td>
<td>112.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rates and taxes receivable</td>
<td>82.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>1.4</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Total other receivables</td>
<td>665.9</td>
<td>1.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Reconciliation of the non-current and current portion of the other receivables

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other receivables</td>
<td>665.9</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Current portion of other receivables</td>
<td>(310.6)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current portion of other receivables</td>
<td>355.3</td>
<td>1.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>
17.2 OTHER PAYABLES

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Payment</td>
<td>1,577.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Right of recovery payable</td>
<td>36.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total other payables</td>
<td>1,613.7</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Reconciliation of the non-current and current portion of the other payables

<table>
<thead>
<tr>
<th>Other payables</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of other payables</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current portion of other payables</td>
<td>1,613.7</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

ANGLO AMERICAN PLATINUM FINANCIAL ASSET AND DEFERRED PAYMENT

In terms of the Rustenburg Operations Transaction (refer to note 12.2) the purchase consideration includes a 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 Operations 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.

RIGHT OF RECOVERY RECEIVABLE AND PAYABLE

Based on the first and second Notarial Pooling and Sharing agreements (PSAs) with Anglo American Platinum, 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 AQPSA. Likewise RPM holds a contractual right to recover 50% of the rehabilitation obligation relating to environmental rehabilitation resulting from PSA operations from AQPSA, where the rehabilitation relates to property owned by RPM. With respect to the opencast section of the Marikana mine that is on AQPSA property, RPM have limited their contractual liability to approximately R150 million, being a negotiated liability in terms of an amendment to the second PSA.

18. INVENTORIES

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot commodity prices at the reporting date, less estimated costs to complete production and bring the product to sale. Future commodity price fluctuations could negatively impact the valuation of inventory. If any inventories are expected to be realised in the long-term horizon, estimated future sales prices are used for valuation purposes.

ACCOUNTING POLICY

Inventory is valued at the lower of cost and net realisable value. The Group values ore stockpiles, uranium-in-process 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 uranium stockpiles are valued using weighted average cost. Cost includes production, amortisation, depreciation and related administration costs; and
- Consumable stores are valued at weighted average cost after appropriate provision for surplus and slow-moving items.

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumable stores</td>
<td>481.7</td>
<td>277.5</td>
<td>274.9</td>
</tr>
<tr>
<td>Uranium finished goods and uranium-in-process</td>
<td>100.4</td>
<td>128.4</td>
<td>52.8</td>
</tr>
<tr>
<td>Ore stockpiles</td>
<td>51.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gold-on-hand</td>
<td>42.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total inventories</td>
<td>676.8</td>
<td>405.9</td>
<td>327.7</td>
</tr>
</tbody>
</table>

1 The cost of consumable stores consumed during the year and included in operating cost amounted to R6,243.2 million (2015: R3,995.7 million and 2014: R4,840.4 million).
2 Although the uranium finished goods and uranium-in-process was presented under current assets, management does not expect that all this inventory will be realised within 12 months from the reporting date.

During the year ended 31 December 2016, the Group recognised a net realisable value write down of R93.3 million on its uranium finished goods and uranium-in-process inventory. The write down is disclosed as part of cost of sales.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2016

19. TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

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 risks and rewards of ownership have passed. 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 which is considered to represent an embedded derivative. Foreign exchange movements subsequent to the recognition of a sale are recognised as a foreign exchange gain or loss in profit or loss.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables - gold sales</td>
<td>658.1</td>
<td>933.4</td>
<td>383.4</td>
</tr>
<tr>
<td>Trade receivables - platinum sales</td>
<td>4,001.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other trade receivables</td>
<td>306.5</td>
<td>108.4</td>
<td>177.6</td>
</tr>
<tr>
<td>Payroll debtors</td>
<td>154.7</td>
<td>109.5</td>
<td>87.3</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>6.6</td>
<td>7.8</td>
<td>13.5</td>
</tr>
<tr>
<td>Financial assets</td>
<td>5,127.8</td>
<td>1,159.1</td>
<td>661.8</td>
</tr>
<tr>
<td>Prepayments</td>
<td>298.1</td>
<td>123.7</td>
<td>68.9</td>
</tr>
<tr>
<td>Value added tax</td>
<td>322.0</td>
<td>344.6</td>
<td>262.1</td>
</tr>
<tr>
<td>Total trade and other receivables</td>
<td>5,747.9</td>
<td>1,627.4</td>
<td>992.8</td>
</tr>
</tbody>
</table>

20. 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 as they have a short-term maturity.

Figures in million - SA rand

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at the bank and on hand</td>
<td>967.9</td>
<td>717.4</td>
<td>562.9</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>967.9</td>
<td>717.4</td>
<td>562.9</td>
</tr>
</tbody>
</table>

21. 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.

Figures in thousand

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised number of shares</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>1,000,000</td>
<td></td>
</tr>
<tr>
<td>Reconciliation of issued number of shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of shares in issue at beginning of the year</td>
<td>916,140</td>
<td>898,840</td>
<td>735,079</td>
<td></td>
</tr>
<tr>
<td>Shares issued under SGL Share Plan</td>
<td>12,864</td>
<td>17,300</td>
<td>6,866</td>
<td></td>
</tr>
<tr>
<td>Shares issued as consideration for the acquisition of Cooke</td>
<td>-</td>
<td>-</td>
<td>156,895</td>
<td></td>
</tr>
<tr>
<td>Number of shares in issue at end of the year</td>
<td>929,004</td>
<td>916,140</td>
<td>898,840</td>
<td></td>
</tr>
</tbody>
</table>

The authorised share capital was increased to 2,000,000,000 during the year ended 31 December 2015.

In terms of the general authority granted by the shareholders of the Company on 24 May 2016, the Board may issue authorised but unissued ordinary share capital representing not more than 5% of the issued share capital of the Company at 31 December 2015 in accordance with the memorandum of incorporation and the Companies Act.

All the Sibanye ordinary 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.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2016

22. NON-CONTROLING 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>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-controlling interests of Newshelf 1114</td>
<td>-</td>
<td>107.3</td>
<td>327.4</td>
</tr>
<tr>
<td>Non-controlling interests of GTSM</td>
<td>3.4</td>
<td>2.5</td>
<td>2.2</td>
</tr>
<tr>
<td>Non-controlling interest of Platinum Mile</td>
<td>14.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-controlling interests</strong></td>
<td><strong>17.7</strong></td>
<td><strong>109.8</strong></td>
<td><strong>329.6</strong></td>
</tr>
</tbody>
</table>

NEWSHELF 1114

Sibanye has a 76% interest in Newshelf 1114, a company incorporated in the Republic of South Africa, which is involved in the mining of gold and uranium. The investment was acquired on 15 May 2014.

The current balance of 24% not owned by Sibanye forms part of the Newshelf 1114 BEE structure. Non-controlling interest takes into account any portion of the equity of Newshelf 1114 which is indirectly attributable to the shareholders of Sibanye as a result of funding provided by Sibanye.

The Newshelf 1114 BEE partners have no voting rights until it has fully repaid the loan owed to Sibanye.

The non-controlling interests of Newshelf 1114 consists of:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>107.3</td>
<td>327.4</td>
<td>-</td>
</tr>
<tr>
<td>Non-controlling interest of the share of profits and losses of subsidiaries</td>
<td>2</td>
<td>(434.2)</td>
<td>(179.0)</td>
<td>(44.6)</td>
</tr>
<tr>
<td>Transactions with Sibanye</td>
<td></td>
<td>326.9</td>
<td>(41.1)</td>
<td>(24.2)</td>
</tr>
<tr>
<td>Fair value of non-controlling interest on acquisition of Cooke</td>
<td></td>
<td>-</td>
<td>-</td>
<td>396.2</td>
</tr>
<tr>
<td><strong>Total non-controlling interests</strong></td>
<td></td>
<td>-</td>
<td>107.3</td>
<td>327.4</td>
</tr>
</tbody>
</table>

1 The transactions with Sibanye relate to the interest on funding from Sibanye. On acquisition of the Cooke Operations, the amount recognised as non-controlling interests represented the BEE consortium’s proportionate share of the net assets at acquisition date after considering the loan amount due and payable to Sibanye. As the recoverable amount of the Cooke CGU is lower than its carrying value, the BEE consortium’s proportionate share of the net fair value at 31 December 2016 is not sufficient to fund the BEE consortium’s attributable loss, and therefore the non-controlling interest was limited to zero.

Summarised financial information of the Newshelf 1114 group:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue of the Newshelf 1114 group</td>
<td>3,362.2</td>
<td>2,974.5</td>
<td>1,881.9</td>
</tr>
<tr>
<td>Total comprehensive income of the Newshelf 1114 group</td>
<td>(1,957.3)</td>
<td>(744.9)</td>
<td>(187.8)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>3,409.4</td>
<td>5,278.6</td>
<td>5,579.8</td>
</tr>
<tr>
<td>Current assets</td>
<td>199.1</td>
<td>395.5</td>
<td>219.0</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(5,644.6)</td>
<td>(5,496.5)</td>
<td>(5,203.0)</td>
</tr>
<tr>
<td>Current-liabilities</td>
<td>(936.8)</td>
<td>(1,143.5)</td>
<td>(816.8)</td>
</tr>
<tr>
<td><strong>Net liabilities (100.0%)</strong></td>
<td><strong>(2,972.9)</strong></td>
<td><strong>(965.9)</strong></td>
<td><strong>(221.0)</strong></td>
</tr>
</tbody>
</table>
23. BORROWINGS

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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 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.

<table>
<thead>
<tr>
<th>FIGURES IN MILLION - SA RAND</th>
<th>NOTES</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>R6.0 billion revolving credit facility</td>
<td>23.1</td>
<td>5,100.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>US$350 million revolving credit facility</td>
<td>23.2</td>
<td>1,369.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R4.5 billion Facilities</td>
<td>23.3</td>
<td>-</td>
<td>1,961.6</td>
<td>1,979.5</td>
</tr>
<tr>
<td>Burnstone Debt</td>
<td>23.4</td>
<td>1,752.6</td>
<td>1,808.3</td>
<td>1,134.4</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>23.5</td>
<td>749.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Franco-Nevada liability</td>
<td>23.6</td>
<td>2.7</td>
<td>33.7</td>
<td>56.1</td>
</tr>
<tr>
<td>Total borrowings</td>
<td></td>
<td>8,973.8</td>
<td>3,803.6</td>
<td>3,170.0</td>
</tr>
</tbody>
</table>

Reconciliation of the non-current and current portion of the borrowings:

<table>
<thead>
<tr>
<th>BORROWINGS</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of borrowings</td>
<td>(752.3)</td>
<td>(1,995.3)</td>
<td>(554.2)</td>
</tr>
<tr>
<td>Non-current portion of borrowings</td>
<td>8,221.5</td>
<td>1,808.3</td>
<td>2,615.8</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.

23.1 R6.0 BILLION REVOLVING CREDIT FACILITY

On 15 November 2016, Sibanye cancelled and refinanced the R4.5 billion Facilities by drawing R3.2 billion under the R6.0 billion revolving credit facility (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

<table>
<thead>
<tr>
<th>TERM</th>
<th>DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility:</td>
<td>R6.0 billion</td>
</tr>
<tr>
<td>Interest rate:</td>
<td>JIBAR</td>
</tr>
<tr>
<td>Interest rate margin:</td>
<td>2.4%</td>
</tr>
<tr>
<td>Term of loan:</td>
<td>Three years</td>
</tr>
<tr>
<td>Borrowers:</td>
<td>Sibanye, SRPM and Kroondal</td>
</tr>
<tr>
<td>Security and/or guarantors:</td>
<td>The facility is unsecured and guaranteed by Sibanye, Rand Uranium, SRPM and Kroondal.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FIGURES IN MILLION - SA RAND</th>
<th>NOTES</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans raised</td>
<td>5,100.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>5,100.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
23.2 US$350 MILLION REVOLVING CREDIT FACILITY

On 24 August 2015 Sibanye 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**

- **Facility:** US$350 million RCF (31 December 2015: US$300 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 shall pay a 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 33%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Greater than 33% and less than or equal to 66%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Greater than 66%</td>
<td>0.50%</td>
</tr>
</tbody>
</table>

- **Term of loan:** Three years
- **Borrowers:** Sibanye, SRPM and Kroondal
- **Security and/or guarantors:** The facility is unsecured and guaranteed by Sibanye, Rand Uranium, SRPM and Kroondal.

**Figures in million - SA rand**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans raised</td>
<td>2,771.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>(1,211.6)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain on foreign exchange differences</td>
<td>(190.9)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td><strong>1,369.0</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

23.3 R4.5 BILLION FACILITIES

Sibanye 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**

- **Facility:** R2.5 billion revolving credit facility (RCF) 2.0 billion term loan facility (Term Loan)
- **Interest rate:** JIBAR 2.85%
- **Interest rate margin:** RCF: 2.85% Term Loan: 2.75%
- **Term of loan:** Three years
- **Repayment period:** The Term Loan will be 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 are unsecured and guaranteed by Rand Uranium and Ezulwini.
- **Cancellation:** These facilities were cancelled and repaid on 15 November 2016.

**Figures in million - SA rand**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>1,961.6</td>
<td>1,979.5</td>
<td>1,990.9</td>
</tr>
<tr>
<td>Loans raised</td>
<td></td>
<td>1,936.4</td>
<td>1,000.0</td>
<td>884.6</td>
</tr>
<tr>
<td>Loans repaid</td>
<td></td>
<td>(3,900.0)</td>
<td>(1,020.5)</td>
<td>(900.0)</td>
</tr>
<tr>
<td>Unwinding of amortised cost</td>
<td>5</td>
<td>2.0</td>
<td>3.0</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td></td>
<td>-</td>
<td>1,961.6</td>
<td>1,979.5</td>
</tr>
<tr>
<td><strong>Reconciliation of facilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term loan</td>
<td></td>
<td>-</td>
<td>998.0</td>
<td>1,494.9</td>
</tr>
<tr>
<td>RCF</td>
<td></td>
<td>-</td>
<td>963.6</td>
<td>484.6</td>
</tr>
</tbody>
</table>
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

FOR THE YEAR ENDED 31 DECEMBER 2016

23.4 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></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate:</td>
<td>A1 and A2: Interest free</td>
<td>A3 and A4: Interest free until 1 July 2017, then at London Interbank Offered Rate (LIBOR)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate margin:</td>
<td>A3 and A4: 4% from 1 July 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term of loan:</td>
<td>No fixed term</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment period:</td>
<td>A1: Repaid on 1 July 2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A2: From 1 July 2017 the first 50% of Burnstone’s free cash flow (as defined in the settlement agreement) will be used to repay the Wits Gold Loan and the balance of 50% to repay A2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A3 and A4: 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.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

Security: The Burnstone Debt is fully secured against the assets of Burnstone (of R2.0 billion) and there is no recourse to the Sibanye 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.

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 note 29) 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 (LOM) 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 22 years; and
  - Capital expenditure estimates over the life-of-mine plan.

Figures in million - SA rand

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>1,808.3</td>
<td>1,134.4</td>
<td>-</td>
</tr>
<tr>
<td>Unwinding of amortised cost</td>
<td>139.4</td>
<td>99.3</td>
<td>39.3</td>
</tr>
<tr>
<td>(Gain)/loss on foreign exchange differences</td>
<td>224.4</td>
<td>412.1</td>
<td>89.4</td>
</tr>
<tr>
<td>Loss on revised estimated cash flows¹</td>
<td>29.3</td>
<td>162.5</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings on acquisition of subsidiary</td>
<td>-</td>
<td>-</td>
<td>1,007.6</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>-</td>
<td>-</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>1,752.6</td>
<td>1,808.3</td>
<td>1,134.4</td>
</tr>
</tbody>
</table>

*At 31 December 2016, the expected free cash flows expected to repay the loan as detailed above were revised as a result of:*

- Revised proven and probable reserves;
- Revised cash flows over the LOM plan as a result of:
  - Revised forecast costs and capital expenditure; and

In terms of IAS 39 AG8 the carrying value of the Burnstone Debt increased by R29.3 million (2015: R162.5 million), recognised as part of loss on financial instruments in profit or loss.

23.5 OTHER BORROWINGS

SHORT-TERM CREDIT FACILITIES

Sibanye 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>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans raised</td>
<td>7,472.6</td>
<td>552.0</td>
<td>739.0</td>
</tr>
<tr>
<td>Loans repaid</td>
<td>(6,723.1)</td>
<td>(552.0)</td>
<td>(739.0)</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>749.5</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

23.6 ACQUISITION BRIDGE FACILITIES

STILLWATER BRIDGE FACILITY

On 9 December 2016 Sibanye obtained a US$2.65 billion bridge facility (Bridge Facility) to finance the purchase of Stillwater Mining Company Limited (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>
</tr>
</thead>
<tbody>
<tr>
<td>A: US$750 million bridge to equity</td>
</tr>
<tr>
<td>B: US$300 million bridge to cash</td>
</tr>
<tr>
<td>C: US$1.6 billion bridge to debt</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest rate:</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIBOR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest rate margin:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months 1 - 3: 3.25% per annum</td>
</tr>
<tr>
<td>Months 4 - 6: 4.25% per annum or 5.25% per annum if Net debt to EBITDA &gt; 2.0x</td>
</tr>
<tr>
<td>Months 7 - 9: 5.25% per annum or 6.25% per annum if Net debt to EBITDA &gt; 2.0x</td>
</tr>
<tr>
<td>Months 10 - 12: 6.25% per annum or 7.25% per annum if Net debt to EBITDA &gt; 2.0x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Term of loan:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility A and B: Earlier of nine months from completion of the Stillwater acquisition and 31 October 2017</td>
</tr>
<tr>
<td>Facility C: 364 days from completion of the Stillwater acquisition</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrowers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sibanye and Thor Mergeco Inc</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Security and/or guarantors:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The facility is unsecured and guaranteed by Sibanye, Thor Mergeco Inc and Kroondal. Rand Uranium and SRPM must accede as guarantors before completion of the Stillwater acquisition.</td>
</tr>
</tbody>
</table>

The Bridge Facility can only be drawn on completion of the Stillwater transaction which is expected to be in in the second quarter of 2017, thus the facility was undrawn as at 31 December 2016.

AQUARIUS BRIDGE FACILITY

On 5 October 2015 Sibanye entered into a US$300 million acquisition bridge facility agreement for the purpose of providing funding, if required for the Aquarius acquisition. No funds were drawn under the facility and the facility was cancelled on 23 March 2016.

23.7 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 are as follows:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floating rate with exposure to change in JIBAR</td>
<td>5,849.9</td>
<td>1,961.6</td>
<td>1,979.5</td>
</tr>
<tr>
<td>Floating rate with exposure to change in LIBOR</td>
<td>3,121.6</td>
<td>1,808.3</td>
<td>1,134.4</td>
</tr>
<tr>
<td>Non-current borrowings exposed to interest rate changes</td>
<td>8,971.1</td>
<td>3,769.9</td>
<td>3,113.9</td>
</tr>
</tbody>
</table>

The Group has the following undrawn borrowing facilities:

| Committed | 4,322.5 | 6,198.4 | 2,015.4 |
| Uncommitted | 200.5 | 548.0 | 548.0 |
| Total undrawn facilities | 4,523.0 | 6,746.4 | 2,563.4 |

All of the above facilities have floating rates. The undrawn committed facilities have the following expiry dates:

- within one year: - 1,536.4 -
- later than one year and not later than two years: 3,422.5 - 2,015.4
- later than two years and not later than three years: 900.0 4,662.0 -
| Total undrawn committed facilities | 4,322.5 | 6,198.4 | 2,015.4 |

23.8 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.

There were no changes to the Group’s overall capital management approach during the current year.

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.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

The Group monitors capital using the ratio of net external debt to earnings before interest, taxes, depreciation and amortisation (EBITDA), but does not set absolute limits for this ratio. The Group is comfortable with a ratio of net debt to EBITDA of one times or lower.

### Figures in million - SA rand

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>23</td>
<td>7,221.2</td>
<td>1,999.3</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>20</td>
<td>929.4</td>
<td>633.4</td>
</tr>
<tr>
<td>Net debt</td>
<td></td>
<td>6,292.8</td>
<td>1,361.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td>10,531.6</td>
<td>6,337.0</td>
</tr>
<tr>
<td>Net debt to EBITDA (Ratio)</td>
<td></td>
<td>0.60</td>
<td>0.21</td>
</tr>
</tbody>
</table>

1 Borrowings are only those borrowings that have recourse to Sibanye. Borrowings thus exclude the Burnstone Debt (refer to note 23.4).  
2 Cash and cash equivalents exclude cash of Burnstone.  
3 Net debt excludes Burnstone Debt and Burnstone cash.  
4 EBITDA is net operating profit before depreciation and amortisation.  
5 Net debt to EBITDA ratio is defined as net debt as at the end of a reporting period divided by EBITDA of the 12 months ended on the same reporting date.

### 24. ENVIRONMENTAL REHABILITATION OBLIGATION

#### 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 estimate. 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>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td></td>
<td>2,411.0</td>
<td>2,486.8</td>
</tr>
<tr>
<td>Interest charge</td>
<td>5</td>
<td>291.4</td>
<td>197.9</td>
</tr>
<tr>
<td>Payment of environmental rehabilitation obligation</td>
<td></td>
<td>-</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Change in estimates</td>
<td>11</td>
<td>472.5</td>
<td>(273.4)</td>
</tr>
<tr>
<td>Charge to profit or loss</td>
<td>97.5</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Environmental rehabilitation obligation on acquisition of subsidiaries</td>
<td>12</td>
<td>709.8</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td></td>
<td>3,882.2</td>
<td>2,411.0</td>
</tr>
</tbody>
</table>

1 The provision is calculated based on the discount rates of 8.5% – 10.2% (2015: 8.5% - 10.2% and 2014: 7.2% - 8.6%).
2 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. In 2016 the environmental rehabilitation obligation acquired was calculated based on the weighted average cost of capital in terms of IFRS 3 for acquisition purposes. Subsequent to initial recognition the provision was recalculated based on the risk free rate of interest in terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The resulting change in estimate during 2016 was R157.4 million and R197.6 million related to Aquarius and the Rustenburg Operations, respectively (2014: R153.1 million).
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 16) and holds guarantees to fund the estimated costs.

25. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

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 twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

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.

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>1,121.3</td>
<td>508.7</td>
<td>542.6</td>
</tr>
<tr>
<td>Accruals and other creditors</td>
<td>1,971.4</td>
<td>873.3</td>
<td>923.9</td>
</tr>
<tr>
<td>Payroll creditors</td>
<td>867.7</td>
<td>797.8</td>
<td>748.4</td>
</tr>
<tr>
<td>Leave pay accrual</td>
<td>1,110.7</td>
<td>553.8</td>
<td>482.5</td>
</tr>
<tr>
<td>Other</td>
<td>109.4</td>
<td>25.8</td>
<td>17.2</td>
</tr>
<tr>
<td>Total trade and other payables</td>
<td>5,180.5</td>
<td>2,759.4</td>
<td>2,714.6</td>
</tr>
</tbody>
</table>

26. CASH GENERATED BY OPERATIONS

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>3,271.0</td>
<td>538.2</td>
<td>1,506.9</td>
<td></td>
</tr>
<tr>
<td>Royalties</td>
<td>8.1</td>
<td>546.6</td>
<td>400.6</td>
<td>430.5</td>
</tr>
<tr>
<td>Mining and income tax</td>
<td>8.2</td>
<td>1,243.2</td>
<td>377.2</td>
<td>828.1</td>
</tr>
<tr>
<td>Interest income</td>
<td>(331.4)</td>
<td>(257.0)</td>
<td>(183.2)</td>
<td></td>
</tr>
<tr>
<td>Finance expense</td>
<td>903.1</td>
<td>561.8</td>
<td>400.0</td>
<td></td>
</tr>
<tr>
<td>Profit before interest, royalties and tax</td>
<td>5,632.5</td>
<td>1,020.8</td>
<td>2,982.3</td>
<td></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>4,041.9</td>
<td>3,636.6</td>
<td>3,254.7</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>6</td>
<td>496.2</td>
<td>274.4</td>
<td>417.9</td>
</tr>
<tr>
<td>Loss on financial instruments</td>
<td>1,094.6</td>
<td>229.5</td>
<td>107.7</td>
<td></td>
</tr>
<tr>
<td>(Gain)/loss on foreign exchange differences</td>
<td>(418.0)</td>
<td>420.1</td>
<td>82.7</td>
<td></td>
</tr>
<tr>
<td>Share of results of equity-accounted investees after tax</td>
<td>14</td>
<td>(13.3)</td>
<td>(116.0)</td>
<td>470.7</td>
</tr>
<tr>
<td>Impairments</td>
<td>7</td>
<td>1,381.1</td>
<td>-</td>
<td>275.1</td>
</tr>
<tr>
<td>Gain on acquisition</td>
<td>2,428.0</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Reversal of impairment</td>
<td>-</td>
<td>-</td>
<td>(474.1)</td>
<td></td>
</tr>
<tr>
<td>Net loss on derecognition of financial guarantee asset and liability</td>
<td>-</td>
<td>158.3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>49.3</td>
<td>(93.3)</td>
<td>(35.6)</td>
<td></td>
</tr>
<tr>
<td>Total cash generated by operations</td>
<td>9,836.3</td>
<td>6,130.4</td>
<td>7,081.4</td>
<td></td>
</tr>
</tbody>
</table>

27. CHANGE IN WORKING CAPITAL

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>(35.5)</td>
<td>(78.2)</td>
<td>(62.6)</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>(220.0)</td>
<td>(634.6)</td>
<td>166.7</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>17.9</td>
<td>44.8</td>
<td>110.4</td>
</tr>
<tr>
<td>Total change in working capital</td>
<td>(237.6)</td>
<td>(666.0)</td>
<td>214.5</td>
</tr>
</tbody>
</table>

28. ROYALTIES AND TAX PAID

28.1 ROYALTIES PAID

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalties payable at beginning of the year</td>
<td>25.6</td>
<td>20.4</td>
<td>240.0</td>
<td></td>
</tr>
<tr>
<td>Royalties</td>
<td>8.1</td>
<td>546.6</td>
<td>400.6</td>
<td>430.5</td>
</tr>
<tr>
<td>Royalties paid</td>
<td>(555.9)</td>
<td>(395.4)</td>
<td>(650.1)</td>
<td></td>
</tr>
<tr>
<td>Royalties payable at end of the year</td>
<td>16.3</td>
<td>25.6</td>
<td>20.4</td>
<td></td>
</tr>
</tbody>
</table>
### 28.2 Tax Paid

<table>
<thead>
<tr>
<th>Items</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax payable at beginning of the year</td>
<td>104.0</td>
<td>63.6</td>
<td>527.2</td>
</tr>
<tr>
<td>Current tax</td>
<td>8.2</td>
<td>1,111.8</td>
<td>696.7</td>
</tr>
<tr>
<td>Tax payable on acquisition of subsidiaries</td>
<td>12</td>
<td>13.2</td>
<td>-</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(1,176.7)</td>
<td>(656.3)</td>
<td>(1,347.1)</td>
</tr>
<tr>
<td>Tax payable at end of the year</td>
<td>52.3</td>
<td>104.0</td>
<td>63.6</td>
</tr>
</tbody>
</table>


#### Accounting Policy

Financial instruments recognised in the statement of financial position include cash and cash equivalents, trade and other receivables, borrowings, and trade and other payables.

The Group initially recognises loans and receivables on the date they 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.

Refer to the relevant notes for the accounting policies of the following financial assets and financial liabilities:

- Environmental rehabilitation obligation funds
- Other receivables and other payables
- Trade and other receivables
- Cash and cash equivalents
- Borrowings
- Trade and other payables

#### 29.1 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 at 31 December 2016. 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).
The following tables set out the Group's significant financial instruments measured at fair value by level within the fair value hierarchy:

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Carrying value</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair value through profit or loss</td>
<td>Loans and other receivables</td>
</tr>
<tr>
<td>31 December 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td>Measured at fair value:</td>
<td></td>
</tr>
<tr>
<td>- Environmental rehabilitation obligation funds¹</td>
<td>3,100.5</td>
<td>-</td>
</tr>
<tr>
<td>Not measured at fair value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other receivables²</td>
<td>-</td>
<td>665.9</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not measured at fair value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other payables²</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Borrowings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31 December 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td>Measured at fair value:</td>
<td></td>
</tr>
<tr>
<td>- Environmental rehabilitation obligation funds¹</td>
<td>2,413.9</td>
<td>-</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not measured at fair value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Borrowings</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Environmental rehabilitation obligation funds comprises interest-bearing short-term investments valued using quoted market prices.
² 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.

29.2 RISK MANAGEMENT ACTIVITIES

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.

CONTROLLING AND MANAGING RISK IN THE GROUP

Sibanye has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Sibanye’s Board of Directors (the Board). Management of financial risk is centralised at Sibanye’s treasury department (Treasury), which acts as the interface between Sibanye’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 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.

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 R11.7 million (2015: R5.4 million and 2014: R19.4 million). At 31 December 2016, receivables of R2.6 million (2015: R1.9 million and 2014: R0.3 million) are considered impaired and are provided for.

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.

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.

The following are contractually due, undiscounted cash flows resulting from maturities of financial liabilities 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>31 December 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>4,069.8</td>
<td>4,069.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Capital</td>
<td>9,557.3</td>
<td>-</td>
<td>7,325.1</td>
<td>2,232.2</td>
</tr>
<tr>
<td>- Interest</td>
<td>1,443.2</td>
<td>-</td>
<td>312.9</td>
<td>1,130.3</td>
</tr>
<tr>
<td>Total</td>
<td>15,070.3</td>
<td>4,069.8</td>
<td>7,638.0</td>
<td>3,362.5</td>
</tr>
<tr>
<td>31 December 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>2,205.6</td>
<td>2,205.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Capital</td>
<td>4,871.7</td>
<td>1,970.7</td>
<td>113.9</td>
<td>2,787.1</td>
</tr>
<tr>
<td>- Interest</td>
<td>1,872.7</td>
<td>168.7</td>
<td>52.9</td>
<td>1,651.1</td>
</tr>
<tr>
<td>Total</td>
<td>8,950.0</td>
<td>4,345.0</td>
<td>166.8</td>
<td>4,438.2</td>
</tr>
</tbody>
</table>

*Borrowings - JIBAR and LIBOR at 31 December 2015 adjusted by specific facility agreement of 2.75% and 4.00%, respectively.

Working capital and going concern assessment

As at 31 December 2016, the Group’s current assets exceeded its current liabilities by R1,466.6 million (2015: current liabilities exceeded current assets by R2,596.6 million) and during the year then ended Sibanye generated cash from operating activities of R4,405.5 million (2015: R3,515.3 million).

Sibanye has entered into a definitive agreement to acquire all of the outstanding common stock of Stillwater for US$18.00 per share, or US$2,200 million (approximately R30 billion) in cash (the Stillwater Transaction). The consideration represents a premium of 23% to Stillwater’s prior day closing share price, and 20% to Stillwater’s 20-day volume-weighted average closing share price. Sibanye has obtained a US$2,650 million bridge facility from a syndicate of banks initially led by Citibank and HSBC only to fund the Stillwater acquisition, refinance existing indebtedness at Stillwater, and pay certain related fees, costs and expenses (refer to note 23.6). Together with cash on hand, the Bridge Facility is sufficient to fully fund the Stillwater Transaction and is expected to close in the second quarter of 2017.

Post-closing of the Stillwater Transaction, Sibanye expects to raise in the capital markets new equity (of between US$750 million and US$1,300 million) and long-term debt (of between US$1,600 million and US$1,050 million), primarily through a proposed rights offer and a bond issue. Both the rights offer and bond issue are envisaged to be underwritten by some of the bridge facility arranging and funding banks, negotiation of which is ongoing, with the objective of maintaining a strong balance sheet and its dividend policy, and preserving its long-term financial flexibility. To enhance its capital structure and financing mix, Sibanye will also evaluate additional financing structures, which may include, among others, streaming facilities and the issuance of warrants and convertible bonds, all of which will be assessed considering prevailing market conditions, exchange rates and commodity
prices. Consistent with its long-term strategy, Sibanye plans to deleverage over time to its targeted leverage (net debt to EBITDA ratio) of no greater than 1.0x EBITDA.

The Bridge Facility currently provides for the equity refinancing to be concluded by 31 October 2017 with the balance to be refinanced within 1 year of closing of the Stillwater Transaction. The Bridge Facility, as well as Sibanye’s existing facilities, permit a leverage ratio of 3.0x through to 31 October 2017, and 2.5x thereafter. The leverage ratio provides for pro forma adjustments to include EBITDA from acquired businesses in the calculation.

Sibanye’s leverage ratio post the conclusion of the Stillwater Transaction and prior to the proposed rights offer is expected to peak at no more than 2.2x EBITDA. Cash generated from operations and the proceeds of the proposed rights offer is expected to reduce Sibanye’s leverage ratio to below 2.2x by 31 December 2017, with the targeted leverage ratio of no greater than 1.0x EBITDA achieved shortly after 31 December 2018.

Aside from the Bridge Facility, the Group has further committed unutilised debt facilities of R4.3 billion at 31 December 2016 (2015: R6.2 billion).

The directors believe that the cash generated by its operations, the Stillwater Transaction Bridge Facility and the remaining balance of the Group’s revolving credit facilities will enable the Group to continue to meet its obligations as they fall due. If the Stillwater Transaction is not successful, the directors believe that the cash generated by its operations and the remaining balance of the Group’s revolving credit facilities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2016, 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 (refer to sensitivity analysis further in this note).

SENSITIVITY ANALYSIS

The sensitivity analysis shows the effects of reasonable possible changes of relevant risk variables on profit or loss or shareholders equity. The Group is exposed to commodity price, currency and interest rate risks. The effects 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 sensitivity

General and policy

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$350 million RCF (refer note 23.2), Franco-Nevada liability and Burnstone Debt (refer to note 23.4).

Foreign currency economic hedging experience

As at 31 December 2016, 2015 and 2014 there were no material foreign currency contract positions. As of 28 March 2017 there were no material foreign currency positions.

During the years ended 31 December 2016, 2015 and 2014, no forward cover was taken out to cover various commitments of Sibanye’s operations.

Foreign currency sensitivity analysis

Sibanye’s operations are all located in South Africa except for Mimosa, which is located in Zimbabwe and its revenues are equally 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’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 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.

A sensitivity analysis of the mark-to-market valuation has not been performed as there were no material foreign currency contracts as of 28 March 2017.
Commodity price sensitivity

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 have 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.

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

During the year ended 31 December 2016, Sibanye entered into the following sale of gold forward agreements to:

- sell forward 22,100 ounces of Cooke’s gold effective from 1 February 2016 to 23 December 2016 at an average price of R18,777/oz.; and
- sell forward 13,700 additional ounces of Cooke’s gold effective from 1 June 2016 to 21 December 2016 at an average price of R20,309/oz.

As at 31 December 2016, 2015 and 2014 no commodity price derivative instruments were entered into.

Commodity price contract position

As of 31 December 2016, 2015 and 2014, Sibanye had no outstanding commodity price contracts.

Interest rate sensitivity

General

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.

As at 31 December 2016, the Group’s total borrowings amounted to R8,973.8 million (2015: R3,803.6 million and R3,170.0 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. Refer to note 23 for all the borrowings and the relevant interest rates per facility.

The portion of Sibanye’s interest-bearing borrowings at period end that is exposed to interest rate fluctuations is R8,971.1 million (2015: R3,769.9 million and 2014: R3,113.9 million). This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period.

R5,849.5 million (2015: R1,961.6 million and 2014: R1,979.5 million) of the total borrowings at the end of the period is exposed to changes in the JIBAR rate and R3,121.6 million (2015: R1,808.3 million and 2014: R1,134.4 million) is exposed to changes in the LIBOR rate. The relevant interest rates for each facility are described in note 25.

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</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-1.5%</td>
</tr>
<tr>
<td>31 December 2016</td>
<td></td>
</tr>
<tr>
<td>- JIBAR</td>
<td>45.6</td>
</tr>
<tr>
<td>- LIBOR1</td>
<td>-</td>
</tr>
<tr>
<td>Change in finance expense</td>
<td>45.6</td>
</tr>
<tr>
<td>31 December 2015</td>
<td></td>
</tr>
<tr>
<td>- JIBAR</td>
<td>35.4</td>
</tr>
<tr>
<td>- LIBOR1</td>
<td>-</td>
</tr>
<tr>
<td>Change in finance expense</td>
<td>35.4</td>
</tr>
</tbody>
</table>

1 No interest rate sensitivity analysis has been performed for a reduction in LIBOR due to LIBOR being less than 0.5%, a decrease in LIBOR would have no impact on the Group’s profit or loss.
30. COMMITMENTS

<table>
<thead>
<tr>
<th>Figures in million - SA rand</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Authorised</td>
<td></td>
<td>3,757.4</td>
<td>3,052.6</td>
<td>4,717.4</td>
</tr>
<tr>
<td>Kookf</td>
<td></td>
<td>1,256.0</td>
<td>1,307.7</td>
<td>1,851.0</td>
</tr>
<tr>
<td>Driefontein</td>
<td></td>
<td>780.4</td>
<td>725.5</td>
<td>1,177.1</td>
</tr>
<tr>
<td>Beatrix</td>
<td></td>
<td>130.0</td>
<td>120.3</td>
<td>270.8</td>
</tr>
<tr>
<td>Cooke</td>
<td></td>
<td>207.2</td>
<td>194.1</td>
<td>650.5</td>
</tr>
<tr>
<td>Burnstone</td>
<td></td>
<td>704.0</td>
<td>705.0</td>
<td>768.0</td>
</tr>
<tr>
<td>Kroondal</td>
<td></td>
<td>260.7</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Platinum Mile</td>
<td></td>
<td>5.0</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Rustenburg Operations</td>
<td></td>
<td>413.0</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>1.1</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>- Contracted for</td>
<td></td>
<td>321.2</td>
<td>294.4</td>
<td>350.5</td>
</tr>
<tr>
<td>Other guarantees</td>
<td></td>
<td>55.5</td>
<td>55.5</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.

31. 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.

POST CLOSURE WATER MANAGEMENT LIABILITY

The Group has identified a risk of potential long-term Acid Mine Drainage (AMD) and other groundwater pollution 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. The Group has not been able to reliably determine the financial impact that AMD might have on the Group, nor the timing of possible out flow. However, the Group has adopted a proactive approach by initiating projects such as Sibanye Amanzi (long-term water management strategy), the acquisition and development of innovative treatment technologies, and the development of regional mine closure models to predict water quality impacts. The Group operates a comprehensive water quality monitoring program, including bio-monitoring, as an early detection of potential AMD.

No adjustment for the effects that may result from AMD and other groundwater pollution issues, if any, have been made in the consolidated financial statements other than in the environmental rehabilitation obligation (refer to note 24).

OCCUPATIONAL HEALTHCARE SERVICES

The Group provides occupational healthcare services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. Any such increased cost cannot be quantified. The costs are however also mitigated by advances in technology relating to occupational health. The Group is monitoring developments in this regard.

The principal health risks associated with Sibanye’s mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Sibanye’s workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD) as well as noise induced hearing loss. The Occupational Diseases in Mines and Works Act, 78 of 1973 (ODMWA), governs the compensation paid to mining employees who contract certain 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 its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case-by-case basis, it is possible that such ruling could expose Sibanye to individual or class action claims related to occupational hazards and diseases (including silicosis). If Sibanye were to face a significant number of such claims and the claims were suitably established against it, the payments of compensation for the claims could have a material adverse effect on Sibanye’s results of operations and financial position. In addition, Sibanye may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.
On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye (the December Respondents) and, again on 10 January 2013, both the August Respondents and the December Respondents (together the Respondents), on behalf of current and former mine workers, and their dependents, of, amongst others, Sibanye and who allegedly contracted silicosis and/or other occupational lung diseases (OLD) (the Class). The court application of 21 August 2012 and 21 December 2012 are together referred to below as the Applications. Sibanye filed a notice of its intention to oppose the applications and its attorneys to defend the claims. These Applications requested that the court:

1. As a first phase, certify a class action to be instituted by the applicants on behalf of the class, as defined.
2. As a second phase, possibly split the class, as defined into smaller classes based on common legal and factual issues. The Respondents are of the view that the definition of the class in the first phase and the proposed process involving the second phase are contrary to South African legal precedent.
3. In the last phase, bring an action wherein they will attempt to hold the respondents liable for silicosis and other OLD and resultant consequences.

The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages that the applicants may seek.

The Applications were heard during the weeks of 12 and 19 October 2015. Judgement was handed down certifying a class action to be instituted. Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony and Sibanye announced in November 2014 that they have formed a gold mining industry working group to address issues relating to the compensation and medical care for OLD in the gold mining industry in South Africa. Essentially, the companies are seeking a comprehensive and sustainable solution which deals both with the legacy compensation issues and future legal frameworks which, while being fair to employees, also ensures the future sustainability of companies in the industry.

The companies have engaged all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended.

On 13 May 2016, the High court ruled in favour of the applicants and found that there were sufficient common issues to certify two industry-wide classes: (i) 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 (ii) 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. The High court ordered a two-stage process in the class action: (i) resolve common issues and allow individuals to opt out, and (ii) allow the individuals to opt in to the class to make claims against the Respondents. The High court also decided that claims for general damages will transmit to the estate of the deceased mine worker who dies after the date of filing of the certification application.

On 3 June 2016, Sibanye and the other Respondents filed an application with the High Court for leave to appeal to the Supreme Court of Appeal. Arguments in the application for leave to appeal were heard on 23 June 2016. On 24 June 2016, leave to appeal was (i) granted in respect of the transferability of general damages claims but (ii) denied in respect of certification of silicosis and tuberculosis classes. On 15 July 2016, Sibanye and the other Respondents each filed petitions with the supreme court of Appeal for leave to appeal against the certification of the two separate classes for silicosis and tuberculosis.

On 21 September 2016, the Supreme Court of Appeal granted the Respondents leave to appeal against all aspects of the class certification judgement of the High Court delivered in May 2016. The appeal record has been filed.

At this stage, Sibanye can neither quantify the potential liability from the action due to the inherent legal and factual uncertainties with respect to the pending claims and other claims not yet filed against the Group nor can the length of time until finalisation or quantum be estimated.

### STILLWATER TRANSACTION TERMINATION FEE

If the Stillwater Transaction agreement is terminated in certain circumstances, inter alia, Sibanye shareholder approval not have been obtained at the general meeting (on 25 April 2017), Sibanye shall pay to Stillwater an amount in cash equal to US$33.0 million plus the reasonable and documented out-of-pocket fees and expenses incurred by the Stillwater in connection with the contemplated transaction.

The Board recommend that Sibanye shareholders vote in favour of the Stillwater Transaction and accordingly, no adjustment for the effects that may result from the termination has been made in the consolidated financial statements.

### 32. RELATED-PARTY TRANSACTIONS

Sibanye 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, in which Sibanye holds a 33.1% 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 2016, 2015 and 2014. For the year ending 31 December 2016, the group paid refining fees to Rand Refinery and received interest (refer to note 14.1 for the loan to Rand Refinery).

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>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rand Refinery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refining fees paid</td>
<td></td>
<td>(44.4)</td>
<td>(30.8)</td>
<td>(30.6)</td>
</tr>
<tr>
<td>Interest income</td>
<td>14.1</td>
<td>40.2</td>
<td>37.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Loan receivable</td>
<td>14.1</td>
<td>403.9</td>
<td>363.7</td>
<td>384.6</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>Executive directors</th>
<th>Prescribed officers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salary</td>
<td>Annual bonus accrued for 2016 paid in 2017</td>
</tr>
<tr>
<td>Neal Froneman</td>
<td>7,791</td>
<td>4,180</td>
</tr>
<tr>
<td>Charl Keyter</td>
<td>4,292</td>
<td>2,090</td>
</tr>
<tr>
<td>Hartley Dikgale</td>
<td>2,840</td>
<td>1,245</td>
</tr>
<tr>
<td>Dawie Mostert</td>
<td>2,886</td>
<td>1,288</td>
</tr>
<tr>
<td>Jean Nel1</td>
<td>3,460</td>
<td>1,622</td>
</tr>
<tr>
<td>Themba Nkosi2</td>
<td>1,549</td>
<td>1,227</td>
</tr>
<tr>
<td>Wayne Robinson</td>
<td>3,772</td>
<td>1,365</td>
</tr>
<tr>
<td>Richard Stewart</td>
<td>3,067</td>
<td>1,353</td>
</tr>
<tr>
<td>Robert van Niekerk</td>
<td>3,852</td>
<td>1,626</td>
</tr>
<tr>
<td>John Wallington1</td>
<td>3,134</td>
<td>1,264</td>
</tr>
<tr>
<td>Total</td>
<td>36,643</td>
<td>17,260</td>
</tr>
</tbody>
</table>

1 Appointed as a prescribed officer on 13 April 2016 and resigned as a prescribed officer on 1 November 2016.
2 Appointed as a prescribed officer on 4 July 2016.
3 Appointed as a prescribed officer on 1 February 2016.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

continued

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>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chris Chadwick</td>
<td>857</td>
<td>242</td>
<td>1,099</td>
<td>1,047</td>
</tr>
<tr>
<td>Robert Chan</td>
<td>857</td>
<td>242</td>
<td>1,369</td>
<td>1,047</td>
</tr>
<tr>
<td>Tim Cumming</td>
<td>857</td>
<td>433</td>
<td>1,337</td>
<td>1,278</td>
</tr>
<tr>
<td>Barry Davison</td>
<td>857</td>
<td>554</td>
<td>1,411</td>
<td>1,387</td>
</tr>
<tr>
<td>Rick Menell</td>
<td>857</td>
<td>715</td>
<td>1,602</td>
<td>1,535</td>
</tr>
<tr>
<td>Sello Moloko</td>
<td>1,621</td>
<td>–</td>
<td>1,621</td>
<td>1,544</td>
</tr>
<tr>
<td>Nkosemuntu Nika</td>
<td>857</td>
<td>403</td>
<td>1,260</td>
<td>1,200</td>
</tr>
<tr>
<td>Keith Rayner</td>
<td>857</td>
<td>673</td>
<td>1,530</td>
<td>1,420</td>
</tr>
<tr>
<td>Sue van der Merwe</td>
<td>857</td>
<td>292</td>
<td>1,139</td>
<td>1,085</td>
</tr>
<tr>
<td>Jerry Vilakazi</td>
<td>857</td>
<td>312</td>
<td>1,169</td>
<td>1,113</td>
</tr>
<tr>
<td>Jiyu Yuan</td>
<td>857</td>
<td>121</td>
<td>978</td>
<td>604</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10,191</td>
<td>3,977</td>
</tr>
</tbody>
</table>

The directors’ and prescribed officers’ share ownership at 31 December 2016 was:

<table>
<thead>
<tr>
<th></th>
<th>Number of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Executive directors</td>
<td></td>
</tr>
<tr>
<td>Neal Froneman1</td>
<td>804,402</td>
</tr>
<tr>
<td>Charl Keyter1</td>
<td>469,954</td>
</tr>
<tr>
<td>Non-executive directors</td>
<td></td>
</tr>
<tr>
<td>Sello Moloko1</td>
<td>46,000</td>
</tr>
<tr>
<td>Chris Chadwick1</td>
<td>88</td>
</tr>
<tr>
<td>Tim Cumming1</td>
<td>100</td>
</tr>
<tr>
<td>Barry Davison1</td>
<td>500,000</td>
</tr>
<tr>
<td>Rick Menell1</td>
<td>44,800</td>
</tr>
<tr>
<td>Keith Rayner1</td>
<td>45,000</td>
</tr>
<tr>
<td>Sue van der Merwe1</td>
<td>424</td>
</tr>
<tr>
<td>Total share ownership by directors</td>
<td>1,910,768</td>
</tr>
<tr>
<td>Prescribed officers</td>
<td></td>
</tr>
<tr>
<td>Hartley Dikgale2</td>
<td>175,215</td>
</tr>
<tr>
<td>Themba Nkosi1</td>
<td>367</td>
</tr>
<tr>
<td>Richard Stewart1</td>
<td>12,854</td>
</tr>
<tr>
<td>Total share ownership by directors and prescribed officers</td>
<td>2,099,204</td>
</tr>
</tbody>
</table>

1 Share ownership at the date of this report is unchanged.
2 Share ownership at the date of this report is 271,798 ordinary shares.

33. EVENTS AFTER REPORTING DATE

There were no events that could have a material impact on the financial results of the Group after 31 December 2016, other than those disclosed below.

FINAL DIVIDEND DECLARED

On 23 February 2017 a final dividend in respect of the six months ended 31 December 2016 of 60 SA cents per share was approved by the Board resulting in a total dividend of 145 SA cents per share for the year ended 31 December 2016. This dividend is not reflected in these financial statements. The final dividend will be subject to Dividend Withholding Tax.
### SHAREHOLDERS OWNERSHIP

#### REGISTERED SHAREHOLDER SPREAD AT 31 DECEMBER 2016

<table>
<thead>
<tr>
<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>14,177</td>
<td>2,499,255</td>
<td>0.27</td>
</tr>
<tr>
<td>1,001—10,000 shares</td>
<td>2,773</td>
<td>8,963,613</td>
<td>0.97</td>
</tr>
<tr>
<td>10,001—100,000 shares</td>
<td>740</td>
<td>25,096,607</td>
<td>2.70</td>
</tr>
<tr>
<td>100,001—1,000,000 shares</td>
<td>228</td>
<td>70,989,811</td>
<td>7.64</td>
</tr>
<tr>
<td>1,000,001 shares and above</td>
<td>94</td>
<td>821,435,056</td>
<td>88.42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,012</td>
<td><strong>929,004,342</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

1. As of 28 March 2017, the issued share capital of Sibanye consisted of 929,004,342 ordinary shares.
2. To our knowledge: (1) Sibanye 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. To the knowledge of Sibanye's management, there is no controlling shareholder of Sibanye.

#### PUBLIC AND NON-PUBLIC SHAREHOLDINGS AT 31 DECEMBER 2016

<table>
<thead>
<tr>
<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>12</td>
<td>21,034,437</td>
<td>2.26</td>
</tr>
<tr>
<td>Directors</td>
<td>9</td>
<td>1,910,768</td>
<td>0.21</td>
</tr>
<tr>
<td>Share trust</td>
<td>1</td>
<td>13,525,394</td>
<td>1.45</td>
</tr>
<tr>
<td>Own holding</td>
<td>2</td>
<td>5,598,275</td>
<td>0.60</td>
</tr>
<tr>
<td><strong>Public shareholders</strong></td>
<td>18,000</td>
<td>907,969,905</td>
<td>97.74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,012</td>
<td><strong>929,004,342</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

#### FOREIGN CUSTODIANS ABOVE 3% AT 31 DECEMBER 2016

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of New York Depositary Receipts</td>
<td>203,448,530</td>
</tr>
<tr>
<td>State Street Bank and Trust Company</td>
<td>75,193,879</td>
</tr>
<tr>
<td>J.P. Morgan Chase Bank NA</td>
<td>40,935,855</td>
</tr>
</tbody>
</table>

#### BENEFICIAL SHAREHOLDER CATEGORIES AT 31 DECEMBER 2016

<table>
<thead>
<tr>
<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>17,023</td>
<td>221,464,023</td>
<td>23.84</td>
</tr>
<tr>
<td>ADR</td>
<td>70</td>
<td>203,448,530</td>
<td>21.90</td>
</tr>
<tr>
<td>Unit Trusts/ Mutual Funds</td>
<td>329</td>
<td>161,938,257</td>
<td>17.43</td>
</tr>
<tr>
<td>Pension Funds</td>
<td>235</td>
<td>152,600,017</td>
<td>16.43</td>
</tr>
<tr>
<td>Sovereign Wealth</td>
<td>33</td>
<td>40,906,485</td>
<td>4.40</td>
</tr>
<tr>
<td>Custodians</td>
<td>71</td>
<td>39,622,560</td>
<td>4.27</td>
</tr>
<tr>
<td>Private Investor</td>
<td>131</td>
<td>29,652,509</td>
<td>3.19</td>
</tr>
<tr>
<td>Trading Position</td>
<td>31</td>
<td>26,690,263</td>
<td>2.87</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>23</td>
<td>24,882,169</td>
<td>2.68</td>
</tr>
<tr>
<td>Exchange-Traded Fund</td>
<td>23</td>
<td>16,714,171</td>
<td>1.80</td>
</tr>
<tr>
<td>Corporate Holding</td>
<td>3</td>
<td>6,700,576</td>
<td>0.72</td>
</tr>
<tr>
<td>Charity</td>
<td>8</td>
<td>867,577</td>
<td>0.09</td>
</tr>
<tr>
<td>Medical Aid Scheme</td>
<td>10</td>
<td>701,490</td>
<td>0.08</td>
</tr>
<tr>
<td>University</td>
<td>4</td>
<td>684,840</td>
<td>0.07</td>
</tr>
<tr>
<td>Foreign Government</td>
<td>3</td>
<td>639,352</td>
<td>0.07</td>
</tr>
<tr>
<td>Hedge Fund</td>
<td>5</td>
<td>607,360</td>
<td>0.07</td>
</tr>
<tr>
<td>Local Authority</td>
<td>6</td>
<td>505,490</td>
<td>0.05</td>
</tr>
<tr>
<td>Investment Trust</td>
<td>2</td>
<td>254,187</td>
<td>0.03</td>
</tr>
<tr>
<td>Directors &amp; Employees</td>
<td>1</td>
<td>75,000</td>
<td>0.01</td>
</tr>
<tr>
<td>Stockbrokers</td>
<td>1</td>
<td>49,466</td>
<td>0.01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,012</td>
<td><strong>929,004,342</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>
SHAREHOLDERS OWNERSHIP continued

The tables below show the change in the percentage ownership of Sibanye’s major shareholders, to the knowledge of Sibanye’s management, between 31 December 2014 and 31 December 2016.

<table>
<thead>
<tr>
<th>INVESTMENT MANAGEMENT BENEFICIAL SHAREHOLDINGS ABOVE 3%¹</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Public Investment Corporation (SOC) Limited</td>
<td>76,941,387</td>
<td>8.28</td>
<td>76,599,424</td>
</tr>
<tr>
<td>Van Eck Associates Corporation</td>
<td>53,555,603</td>
<td>5.76</td>
<td>65,030,159</td>
</tr>
<tr>
<td>Old Mutual Plc</td>
<td>51,099,720</td>
<td>5.50</td>
<td>34,870,880</td>
</tr>
<tr>
<td>BlackRock Inc</td>
<td>34,764,380</td>
<td>3.74</td>
<td>11,100,898</td>
</tr>
<tr>
<td>Allan Gray Proprietary Limited</td>
<td>4,428,112</td>
<td>0.48</td>
<td>75,903,026</td>
</tr>
<tr>
<td>Dimensional Fund advisors</td>
<td>22,462,462</td>
<td>2.42</td>
<td>46,107,899</td>
</tr>
<tr>
<td>Investec</td>
<td>9,026,558</td>
<td>0.97</td>
<td>29,818,210</td>
</tr>
</tbody>
</table>

Continued

A list of the investment managers holding, to the knowledge of Sibanye’s management, directly or indirectly, 3% or more of the issued share capital of Sibanye as of 28 March 2017 is set forth below:

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Corporation (SOC) Limited</td>
<td>80,455,889</td>
</tr>
<tr>
<td>Van Eck Associates Corporation</td>
<td>55,152,707</td>
</tr>
<tr>
<td>Old Mutual Plc</td>
<td>35,650,804</td>
</tr>
<tr>
<td>BlackRock Inc</td>
<td>34,724,999</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BENEFICIAL SHAREHOLDINGS ABOVE 3%¹</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Gold One</td>
<td>185,386,079</td>
<td>19.96</td>
<td>185,386,079</td>
</tr>
<tr>
<td>Government Employees Pension Fund (PIC)</td>
<td>83,435,716</td>
<td>8.98</td>
<td>77,297,776</td>
</tr>
</tbody>
</table>

A list of the individuals and organisations holding, to the knowledge of Sibanye’s management, directly or indirectly, 3% or more of the issued share capital of Sibanye as of 28 March 2017 is set forth below:

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold One</td>
<td>185,386,079</td>
</tr>
<tr>
<td>Government Employees Pension Fund (PIC)</td>
<td>80,455,889</td>
</tr>
</tbody>
</table>

Sibanye’s ordinary shares are subject to dilution as a result of any non-pre-emptive share issuance, including upon the exercise of Sibanye’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 is the JSE Limited, on which they trade under the symbol “SGL”. Sibanye’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’s shares or by Sibanye in respect of other companies’ shares during the last and current fiscal year.
SIBANYE GOLD LIMITED
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.sibanyegold.co.za

REGISTERED OFFICE
Libanon Business Park
1 Hospital Street
(off Cedar Avenue)
Libanon
Westonaria 1780
South Africa
(Private Bag X5, Westonaria, 1780, South Africa)
Tel: +27 11 278 9600
Fax: +27 11 278 9863

INVESTOR ENQUIRIES
James Wellsted
Senior Vice President: Investor Relations
Sibanye Gold Limited
Tel: +27 83 453 4014
+27 11 278 9656
E-mail: james.wellsted@sibanyegold.co.za

COMPANY SECRETARY
Cain Farrel
Tel: +27 10 001 1122
Fax: +27 11 278 9863
E-mail: cain.farrel@sibanyegold.co.za

DIRECTORS
Sello Moloko1 (Chairman)
Neal Froneman (CEO)
Charl Keyter (CFO)
Chris Chadwick2
Robert Chan2
Timothy Cumming1
Barry Davison1
Rick Menell1
Nkosemmtu Nika1
Keith Rayner1
Susan van der Merwe1
Jerry Vilakazi
Jiyu Yuan2
1 Independent non-executive
2 Non-executive

JSE SPONSOR
JP Morgan Equities South Africa
(Proprietary) Limited
(Registration number: 1995/011815/07)
1 Fricker Road, Illovo, Johannesburg, 2196
Private Bag X9936, Sandton, 2196, South Africa

OFFICE OF THE UNITED KINGDOM SECRETARIES
St James’s Corporate Services Limited
Suite 31, Second Floor
107 Cheapside
London
EC2V 6DN
United Kingdom
Tel: +44 20 7796 8644
Fax: +44 20 7796 8645

AUDITORS
KPMG Inc.
KPMG Crescent
85 Empire Road
Parktown 2193
Johannesburg
South Africa
Tel: +27 11 647 7111

AMERICAN DEPOSITARY RECEIPT TRANSFER AGENT
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
US Toll Free: +1 888 269 2377
Tel: +1 201 680 6825
Email: shrrelations@bnymellon.com
Kim Schwarz
Vice President, Relationship Manager
BNY Mellon
Depositary Receipts
Direct Line: +1 212 815 2852
Mobile: +1 347 515 0068
Fax: +1 212 571 3050
Email: kimberly.schwarz@bnymellon.com

TRANSFER SECRETARIES
SOUTH AFRICA
Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg
2001
PO Box 61051
Marshalltown
2107
Tel: +27 11 370 5000
Fax: +27 11 688 5248

TRANSFER SECRETARIES
UNITED KINGDOM
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
England
Tel: 0871 664 0300 (calls cost 10p a minute plus network extras, lines are open 8:30 to 17:00, Monday to Friday) or +44 20 8639 3399 (overseas)
Fax: +44 20 8658 3430
E-mail: ssd@capitaregistrars.com
FURTHER INFORMATION

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, financial condition or results of operations, resulting in a decline in the trading price of Sibanye’s ordinary shares or ADRs. 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’S BUSINESS

CHANGES IN THE MARKET PRICE FOR GOLD AND PGMS, WHICH IN THE PAST HAVE FLUCTUATED WIDELY, AFFECT THE PROFITABILITY OF SIBANYE’S GOLD AND PGM MINING OPERATIONS AND THE CASH FLOWS GENERATED BY THOSE OPERATIONS.

Sibanye’s revenues from its gold and platinum mining operations are primarily derived from the sale of gold and PGMs that they produce. Sibanye 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. As a result, it is 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 2016, the gold price fluctuated between US$1,077/oz and US$1,366/oz. During the year ended 31 December 2016, the platinum and palladium price fluctuated between US$821/oz and US$1,178/oz, and US$485/oz and US$770/oz, respectively.

The market price for gold has historically been volatile and is affected by numerous factors over which Sibanye has no control, such as general supply and demand, speculative trading activity and global supply drivers. During the period from the beginning of 2014 to 31 December 2016, the gold price has declined from a high price of US$1,385/oz in 2014 to a low price of US$1,077/oz in 2016. The market price for PGMs has been similarly volatile. Should the gold or PGM price decline below Sibanye’s production costs, it may experience losses and, should this situation remain for an extended period, Sibanye may be forced to curtail or suspend some or all of its projects, operations and/or reduce operational capital expenditures. Sibanye 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’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 LoM plans could also result in material impairments of Sibanye’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.

Exchange-traded funds for PGMs have been introduced in recent years that enable more investors to participate in the PGM markets, potentially resulting in more metal being held in inventory. The overhang from these significant investment holdings of palladium and platinum makes it more difficult to predict accurately future supply and demand for these metals and may contribute to added PGM price volatility.

Any of the above could have a material adverse effect on Sibanye’s business, operating results and financial condition. See “—Risks related to South Africa”.

BECAUSE GOLD AND PGMS ARE GENERALLY SOLD IN US DOLLARS, WHILE THE MAJORITY OF SIBANYE’S GOLD AND A SUBSTANTIAL AMOUNT OF SIBANYE’S PGM PRODUCTION COSTS ARE DENOMINATED IN RAND, SIBANYE’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 throughout the world in US dollars, but Sibanye’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 exchange rates are more stable. In recent years, 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 R13.69/US$ as at 31 December 2016. Any significant recovery or appreciation of the Rand against the US dollar would increase our operating costs in US dollar terms, which could materially adversely affect our operating results and financial condition from the South African operations. Conversely, a further weakening of the Rand may result in higher inflation in South Africa, which would increase the prices Sibanye pays for products and services. Any of the above could have a material adverse effect on Sibanye’s business, operating results and financial condition.

SIBANYE’S OPERATIONS AND PROFITS HAVE BEEN AND MAY BE ADVERSELY AFFECTED BY LABOUR UNREST AND UNION ACTIVITY.

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. While widespread strikes in the gold mining industry have not occurred since 2012, the South African platinum industry was subject to a five-month strike in 2014, which resulted in a 56% decrease in production at Aquarius’s Platinum Mile operation in its fiscal year ended 30 June 2014, as well as 167,000oz of total lost production at Rustenburg Operations during the length of the strike. In addition, 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. In October 2015, Sibanye concluded a three-year labour agreement with NUM, UASA and Solidarity, but AMCU, which currently has minority recognition status at Beatrix and Kloof and majority status at Driefontein, rejected, and continued to
Our operations in South Africa are subject to legislation regulating mineral rights. This includes BBBEE legislation designed to which are the subject of dispute.

Furthermore, rivalry between unions, such as AMCU and NUM, may destabilise labour relations in the mining sector. For example, on 5 February 2015, a conflict occurred between AMCU and NUM members at Beatrix, resulting in injuries to nine Sibanye employees. Operations at Beatrix were temporarily suspended as a result of the incident, and only resumed on 9 February 2015 after Sibanye and the rival unions agreed to commit to maintaining peaceful co-existence and a safe working environment for employees. On 11 July 2016, the Company announced that it had given notice in terms of Section 189A of the Labour Relations Act 66 of 1995 and a 60-day consultation process was entered into with trade unions and affected employees at its Cooke 4 operation. This Section 189A process was completed without any material incidents of unrest, leading to the cessation of mining operations at the Cooke 4 operation and the redeployment of the majority of affected employees to other Sibanye operations. In addition, on 27 January 2017, the Company announced that it entered into a Section 189A consultation process at its South African platinum operations. This consultation could result in the retrenchment of approximately 330 employees, which may lead to future labour unrest.

In the United States, Stillwater’s employees located at the Stillwater Mine and the Columbus processing facilities are covered by a collective bargaining agreement with the United Steelworkers Local 11-001 (USW Local 11-0001) entered into in 2015. This agreement expires on 2 June 2019 with a limited re-negotiation (for wages only) in 2017. Stillwater’s employees at the East Boulder Mine are covered by a separate collective bargaining agreement with USW Local 11-0001, which expires 31 December 2019 with a limited re-negotiation (for wages only) in 2017. As the majority of Stillwater’s workforce in the United States is unionised, Stillwater, an independent company whose acquisition by Sibanye remains subject to conditions precedent, 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’s operations, other mines’ operations or in other industries that impact its operations, or increased employment-related costs 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 will not re-commence mining until health and safety conditions are considered appropriate to do so.

SIBANYE’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 mineral rights. This includes 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 Mineral and Petroleum Resources Development Act (MPRDA) came into effect on 1 May 2004. The MPRDA provides that the mineral resources of South Africa are the common heritage of the South African people with the South African government acting as custodian 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. As custodian, the South African government 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. Mining companies were required to apply for the right to mine and/or prospect and to convert existing mining rights to “new order” mining rights. In order to qualify for these rights, applicants need to satisfy the DMR that the grant of such rights will advance the open-ended broad-based socio-economic empowerment requirements of the Mining Charter published pursuant to the MPRDA.

In order to provide guidance on the fulfilment of these broad-based socio-economic empowerment requirements to the mining industry, the DMR published the Mining Charter, which also became effective on 1 May 2004. The current requirement is 26% HDSA ownership of mining assets. 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 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 assets 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 Sibanye is consistent with that of the Chamber of Mines and is that such historical empowerment transactions should be included in the calculation of HDSA ownership. The DMR and the Chamber of Mines jointly agreed to approach the South African courts to seek a declaratory order which will provide a ruling on the interpretation of relevant legislation and the status of the Mining Charter. The Chamber of Mines and the DMR filed papers in court and the matter was placed on the role to be heard on 15 March 2016. In February 2016, an application was filed by a third party to consolidate the application by the Chamber of Mines and the DMR with its own application for a declaratory order on the empowerment aspects of the Mining Charter. The Chamber of Mines 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.
Eskom. See “Sibanye’s mining operations in South Africa depend upon electrical power generated by the national power supply utility.

There is uncertainty as to whether the national power supply utility, Eskom, will be able to meet demand for power supply in the country or for Sibanye to run its operations at full capacity or at all. While Sibanye has backup generating capacity, this is insufficient for all operations during emergencies at all its mines and also occurs at a significantly higher cost than electricity supplied by Eskom.

Any further disruption or decrease in the electrical power supply available to Sibanye’s South African-based operations could have a material adverse effect on its business, operating results and financial condition.

If the DMR were to prevail in court, Sibanye may be required to undertake further transactions in order to increase their HDSA ownership, which would result in the dilution of ownership levels of the existing Shareholders and could also have a negative impact on the financial indebtedness of Sibanye. In such event, Sibanye may be required to maintain a minimum HDSA ownership level indefinitely. On 15 April 2016, the DMR published the New Draft Mining Charter which seeks to, among other things, increase and maintain HDSA equity ownership in mining companies which would result in the dilution of existing Shareholders. Under the New Draft Mining Charter, current holders of mining rights will have a three year transitional period from the coming into effect of the New Draft Mining Charter to align themselves with the new ownership requirements. Where empowerment transactions have been concluded and empowerment partners have sold their shares and exited the structure, new empowerment transactions will need to be concluded for mining right holders to be compliant with the New Draft Mining Charter. Having first been introduced in the Amended Mining Charter, it is also proposed that HDSA entrepreneurs, communities and employees are brought into the ownership structure and all hold a mining equity stake of no less than 5% each. The New Draft Mining Charter was open for public comment for a thirty day period, and the DMR is currently in the process of reviewing the submissions that it received. The DMR’s review is likely to result in the New Draft Mining Charter undergoing revisions in the coming months. From 18 July 2016 to 31 October 2016, the DMR invited all those who made written submissions on the New Draft Mining Charter to make presentations and thereafter conclude the public commentary process.

Sibanye presented on 18 July 2016. Any adjustment to the ownership structure of Sibanye’s mining assets in order to meet BBBEE requirements could have a material adverse effect on the value of Sibanye’s shares. Further, Sibanye 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’s business, operating results and financial condition.

In terms of section 47 of the MPRDA, the Minister may suspend or cancel existing mining rights, or under section 23(3) of the MPRDA, refuse to grant applications for new mining rights by mining companies, including Sibanye, 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. However, it is this very issue which also forms part of the court application by the Chamber of Mines. If the Minister were to determine that Sibanye is not in compliance with the requirements of the MPRDA and its empowerment requirements, Sibanye may be required to engage in remedial steps, including changes to management and actions that require Shareholder approval.

There is no guarantee that any steps that have already been taken, or that Sibanye might take in the future, will ensure the successful renewal of Sibanye’s existing mining rights or the granting of applications for new mining rights.

An amendment to the MPRDA, namely the MPRDB, was passed by both the National Assembly and the South African National Council of Provinces (NCOP) on 27 March 2014. In January 2015, the President referred the MPRDB back to Parliament for reconsideration and on 1 November 2016, a 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 will receive comments on the MPRDB by 22 March 2017.

POWER STOPPAGES, FLUCTUATIONS AND USAGE CONSTRAINTS IN SOUTH AFRICA MAY FORCE SIBANYE TO HALT OR CURTAIL OPERATIONS.

Electricity supply in South Africa has been constrained over the past decade and there have been multiple power disruptions. There is uncertainty as to whether the national power supply utility, Eskom, will be able to meet demand for power supply in the future. In June 2016, Eskom made an assurance that it had adequate capacity to supply projected national electricity demands for the next six years. Such statements have, however, historically proven to be unreliable and accordingly there is a lack of confidence in Eskom’s assurance of supply. As a result, it is possible that power disruptions may continue indefinitely. In addition to supply constraints, labour unrest in South Africa has before, and may in future, disrupt the supply of coal to power stations operated by Eskom and result in curtailed supply. For example, on 10 August 2016, Eskom failed to reach a wage agreement with NUM, which led to a 2-day strike. Further, in the first quarter of fiscal 2014, rain impacted coal supply and constrained Eskom’s ability to provide power. In November 2014, Eskom declared a power emergency and required large industrial users, including Sibanye, to reduce their electricity usage by 10% for five hours as part of a broader electricity usage reduction programme. 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.

The Department of Energy is developing a power conservation 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 to run its operations at full capacity or at all. While Sibanye has backup generating capacity, this is insufficient for all operations during emergencies at all its mines and also occurs at a significantly higher cost than electricity supplied by Eskom.

Any further disruption or decrease in the electrical power supply available to Sibanye’s South African-based operations could have a material adverse effect on its business, operating results and financial condition.

POWER COST INCREASES IN SOUTH AFRICA MAY ADVERSELY AFFECT SIBANYE’S RESULTS OF OPERATIONS.

Sibanye’s mining operations in South Africa depend upon electrical power generated by the national power supply utility, Eskom. See “—Power stoppages, fluctuations and usage constraints in South Africa may force Sibanye to halt or curtail operations”. Eskom holds a monopoly on power supply in the South African market. In fiscal 2014, Eskom applied to the
National Energy Regulator of South Africa, or NERSA, for tariff increases and NERSA granted Eskom an average tariff increase of 12.69% effective 1 April 2015, being 8% plus 4.89% due to the clawing back by Eskom of prudent costs from the RCA for the three-year period from April 2010 to March 2013. On 1 March 2016, NERSA gave permission for Eskom to raise rates by an additional 9.4%, being 3.51% plus 5.89% due to the 2016 RCA adjustment for the 2014 fiscal year, in order to make up a cash flow shortfall. On 16 August 2016, the North Gauteng High Court overturned NERSA’s 2016 RCA adjustment decision. On 17 November 2016, the North Gauteng High Court granted Eskom’s and NERSA’s appeal to the Supreme Court of Appeal, which is currently pending. On 23 February 2017, NERSA granted an average tariff increase of 2.2% effective 1 April 2017, the lower percentage increase due to revenue base adjustments in previous years as a result of the approved RCA adjustments. Eskom will not be allowed to make any RCA applications until the matter is resolved in the Supreme Court of Appeal. However, NERSA has indicated that Eskom can make an application for relief in terms of section 4 of the Electricity Regulation Act if Eskom foresees any cash flow risks and implications thereof on its financial stability. The outcome of the Supreme Court of Appeal’s judgement, and possibly the outcome of a further appeal to the Constitutional Court, will likely have notable impacts on the cost of electricity. Should Sibanye experience further power tariff increases, its business operating results and financial condition may be adversely impacted.

**DUE TO THE NATURE OF DEEP LEVEL MINING AND THE EXTENSIVE ENVIRONMENTAL FOOTPRINT OF SIBANYE’S OPERATIONS, ENVIRONMENTAL HAZARDS, INDUSTRIAL ACCIDENTS, MINING ACCIDENTS AND POLLUTION MAY RESULT IN OPERATIONAL DISRUPTIONS SUCH AS 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 gases 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, flooding, 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. Furthermore, there are risks that relevant regulators, such as the DMR, the Mine Safety and Health Administration (MSHA) or the Occupational Safety and Health Administration (OSHA), may impose fines and work stoppages (known as Section 54 stoppages in South Africa) for non-compliant mining operating procedures and activities, which will reduce or halt production until lifted. The occurrence of any of these events could delay or halt production, increase production costs and result in financial and regulatory liability for Sibanye, which could have a material adverse effect on its business, operating results and financial condition. Also see “—Sibanye’s operations are subject to environmental, health and safety regulations, which could impose additional costs and compliance requirements, and Sibanye 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 may issue administrative directives and compliance notices to enforce the provisions of the relevant statutes (especially National Environmental Management Act, 1998 (Act No 107 of 1998) (NEMA), the National Water Act, 1998 (Act No 36 of 1998) (National Water Act) and the Waste Act in South Africa) 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’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.

Seismic activity is of particular concern in the underground mining environment, particularly in South Africa as a consequence of the extent and extreme depth of mining. Seismic events have caused death and injury to employees and contractors and may result in safety-related stoppages. Seismic activity may also cause a loss of mining equipment, damage to, or destruction of mineral properties or production facilities, monetary losses, environmental damages and potential legal liabilities.

As a result, the occurrence of any of these events may have a material adverse effect on Sibanye’s business, operating results and financial condition.

**TO THE EXTENT THAT SIBANYE SEeks TO EXPAND FURTHER THROUGH ACQUISITIONS, IT MAY EXPERIENCE DELAYS OR OTHER ISSUES IN EXECUTING ACQUISITIONS OR MANAGING AND INTEGRATING THE ACQUISITIONS WITH ITS EXISTING OPERATIONS.**

Sibanye has pursued and may continue to pursue growth opportunities through acquisitions 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. For example, in 2014, Sibanye completed the acquisitions of Wits Gold, Cooke and, through the Wits Gold acquisition, Burnstone.

Sibanye 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, during 2016, Sibanye concluded the Rustenburg Operations acquisition and the Aquarius acquisition. See “—Risks related to the Acquisitions”. Further growth may occur through the acquisition of other companies and assets, development projects, or by entering into joint ventures. The Stillwater Acquisition, which remains subject to conditions precedent, is expected to conclude during the second quarter of 2017 and is expected to expand Sibanye’s operations to new geographies in which Sibanye has no prior operational experience. As an operator of mines in the United States, Sibanye will be exposed to increased US reporting requirements with which it may have difficulties complying. In addition, Sibanye has limited experience with the MSHA, which oversees and enforces regulations pertaining to the health and safety of workers at Stillwater’s operations.
Sibanye also intends to fund the Stillwater Acquisition through a US$2.65 billion bridge loan facility (the Bridge Loan Facility) and then to refinance the acquisition through capital markets transactions or other structures. If Sibanye is unable to conclude such refinancing transactions or such transactions are delayed, Sibanye will incur additional costs and be exposed to additional risks which may have a material adverse effect on Sibanye’s business, operating results and financial position. For example, the margin of the Bridge Loan Facility increases by 1% every 90 days, resulting in higher required interest payments should the refinance be delayed. Additionally, the Bridge Loan Facility has maturity dates ranging from 31 October 2017 to 364 days after the closing date of the Stillwater Acquisition. Should Sibanye be unable to refinance the relevant tranche of the Bridge Loan Facility before the relevant date, as applicable, it would be in default of the Bridge Loan Facility agreement, which would also trigger default provisions in Sibanye’s other financing agreements. In such an event, Sibanye will immediately seek to secure from its lenders an amendment or waiver of the Bridge Loan Facility or other relevant facilities. However, this would likely incur significant cost to Sibanye in the form of additional fees payable to the lenders, increased interest rates under the Bridge Loan Facility and/or additional restrictions on corporate actions, and could adversely affect or delay implementation of Sibanye’s strategic priorities. There is also no guarantee that such an attempt to refinance would ultimately prove to be successful.

Should Sibanye fail to conclude the Stillwater Acquisition, whether due to lack of receipt of regulatory approval, lack of shareholder approval, or other forces beyond Sibanye’s control, it would be subject to the payment of a termination fee equal to US$33.0 million plus reimbursement expenses of up to US$10.0 million. A failure to conclude the Stillwater Acquisition may also adversely impact the price of Sibanye shares.

Any future acquisitions or joint ventures may change the scale of Sibanye’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 to the risk of operating in an environment and market with which its management has less experience. In addition, to the extent Sibanye 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 jeopardise the success of the project. There can be no assurance that any acquisition or joint venture, including the acquisitions of Stillwater (which remains subject to conditions precedent), the Rustenburg Operations, Aquarius, Cooke, Wits Gold and Burnstone, 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’s business, operating results and financial condition.

Sibanye faces intense competition for the acquisition of attractive mining properties. From time to time, Sibanye 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 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’s current management team has sufficient capacity, nor 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 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 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 is currently undertaking brownfields exploration at selected operations in South Africa. Brownfields exploration aimed at the depth extensions of Sibanye’s Beatrix operations is currently underway. 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, 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 explores the production of commodities other than gold or PGMs, Sibanye may be exposed to further risk of operating in an environment and market with 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 to expand its reserves through such projects could have a material adverse effect on its business, operating results and financial condition.

SIBANYE’S MINERAL RESERVES ARE ESTIMATES BASED ON A NUMBER OF ASSUMPTIONS, WHICH, IF CHANGED, MAY REQUIRE SIBANYE TO LOWER ESTIMATED MINERAL RESERVES.

The mineral reserves of Sibanye are estimates based on assumptions regarding, among other things, Sibanye’s costs, expenditures, commodity prices, exchange rates, metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors, many of which are beyond our control. 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 drillings sample, which may prove to be unreliable or unrepresentative. Should Sibanye 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’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.

**DUE TO AGEING INFRASTRUCTURE AT OUR GOLD MINING OPERATIONS, UNPLANNED BREAKDOWNS 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, 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. Due to the mature infrastructure at our mining operations, unplanned breakdowns, statutory mandated modifications and stoppages may result in production delays, increased costs and industrial accidents. 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 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’S OPERATIONS AND PROFITS.**

Sibanye’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 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 may require Sibanye to find acceptable substitute suppliers and could require Sibanye to pay higher prices for such materials. The prices of certain of Sibanye’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’s operating costs and affect production considerations.

**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 mine do 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 significantly more stable than revenues, the latter being driven by commodity price and exchange rates which can be volatile. Accordingly, changes in revenues due to commodity price or exchange rate movements could have a material adverse effect on Sibanye’s growth or financial performance. Above inflation increases in fixed costs such as labour or electricity costs may cause parts of Sibanye’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 our business, operating results and financial condition. See “Annual Financial Report—Overview—Management’s discussion and analysis of the financial statements—Factors affecting Sibanye’s performance—Costs”.

**THEFT OF GOLD, PGM AND PRODUCTION INPUTS, AS WELL AS ILLEGAL ARTISANAL MINING, MAY OCCUR ON SOME OF SIBANYE’S PROPERTIES. THESE ACTIVITIES ARE DIFFICULT TO CONTROL, CAN DISRUPT SIBANYE’S BUSINESS AND CAN EXPOSE SIBANYE TO LIABILITY.**

Sibanye has experienced illegal and artisanal mining activities and theft of precious metals bearing materials (which may be by employees or third parties). The activities of illegal and artisanal miners could lead to 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 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. The occurrence of any of these events could have a material adverse effect on Sibanye’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’S OPERATIONS MAY DISRUPT ITS BUSINESS OR MAY LEAD TO GREATER SOCIAL OR REGULATORY IMPOSITIONS ON SIBANYE.**

There are a number of informal settlements located in the vicinity of some of Sibanye’s operations. These settlements are populated by mining company employees (including Sibanye employees), the families of mining company employees and other people. As at 31 December 2016, 63% of Sibanye’s workforce opted to receive a “living out allowance” and management believes that a portion 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. Any such demands or other demands from these communities may lead to increased costs or regulatory burdens on Sibanye. Such demands may also lead to protests or other actions which may hinder Sibanye’s ability to operate. Any of the above factors could have a material adverse effect on Sibanye’s business, reputation, operating results and financial condition.
BECAUSE OUR OPERATIONS ARE REGIONALLY CONCENTRATED, DISRUPTIONS IN THESE REGIONS COULD HAVE A MATERIAL ADVERSE IMPACT ON THE OPERATIONS.

Our headquarters and 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 are located in the Western Bushveld Complex in close proximity to the town of Rustenburg in the North West Province. The operations of Stillwater (the acquisition of which remains subject to conditions precedent) are concentrated in 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’s business, operating results and financial condition. See “—Risks related to South Africa”.

IF WE LOSE SENIOR MANAGEMENT OR ARE UNABLE TO HIRE AND RETAIN SUFFICIENT TECHNICALLY SKILLED EMPLOYEES OR SUFFICIENT HDISA 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, 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 expects to depend on management and other key personnel to be retained following the Stillwater Acquisition (which remains subject to conditions precedent). A loss of key management or other personnel at these operations could prevent Sibanye from capitalising on business opportunities in the United States, as prior to the Stillwater Acquisition, Sibanye does 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 HDISA 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. If we are unable to hire or retain appropriate management and technically skilled personnel or are unable to obtain sufficient HDISA 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.

SIBANYE’S INSURANCE COVERAGE MAY NOT ADEQUATELY SATISFY ALL POTENTIAL CLAIMS IN THE FUTURE.

Sibanye 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’s existing property and liability insurance contains specific exclusions and limitations on coverage. For example, should Sibanye be subject to any regulation or criminal fines or penalties, these amounts would not be covered under its insurance programme. Should Sibanye 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’s insurance coverage may not fully cover the extent of claims against it or any cross-claims made.

SIBANYE UTILISES INFORMATION TECHNOLOGY AND COMMUNICATIONS SYSTEMS, THE FAILURE OF WHICH COULD SIGNIFICANTLY IMPACT ITS OPERATIONS AND BUSINESS.

Sibanye utilises and is reliant on various information technology and communications systems, in particular SAP, payroll and time and attendance applications. Damage or interruption to Sibanye’s information technology and communications systems, whether due to accidents, human error, natural events or malicious acts, may lead to important data being irretrievably lost or damaged, thereby adversely affecting Sibanye’s business, operating results and financial condition.

These systems may be subject to security breaches (e.g. cybercrime 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.

SIBANYE IS SUBJECT TO RISKS ASSOCIATED WITH LITIGATION AND REGULATORY PROCEEDINGS.

As with most large corporations, Sibanye is involved, from time to time, as a party to 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 faces risks associated with adverse judgements or outcomes in these matters. Even in cases where Sibanye may ultimately prevail on the merits of any such dispute, Sibanye 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 therewith. Sibanye is currently engaged in a number of legal and regulatory proceedings, including as described under “Annual Financial Report—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’s business, operating results and financial condition. Also see “—Sibanye’s operations are subject to environmental, health and safety regulations.”
which could impose additional costs and compliance requirements, and Sibanye 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 LICENSES OR PERMITS AND IMPACT NEGATIVELY UPON OUR EMPOWERMENT STATUS AND MAY DAMAGE SIBANYE’S REPUTATION.

The legal and regulatory framework in which Sibanye 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’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 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 and civil fines, litigation, public and private censure, loss of operating licenses or permits and impact negatively upon Sibanye’s empowerment status and may damage its reputation. The occurrence of any of these events could have a material adverse effect on Sibanye’s business, operating results and financial condition.

TITLE TO SIBANYE’S PROPERTIES MAY BE UNCERTAIN AND SUBJECT TO CHALLENGE.

Certain of Sibanye’s properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous people. The presence of those stakeholders may have an impact on Sibanye’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) and the Labour Tenants Act (1996) provide for various landholding rights. Such legislation is complex, difficult to predict and outside of Sibanye’s control, and could therefore negatively affect the business results of new or existing projects. Where consultation with stakeholders is statutorily or otherwise mandated, relations may not remain amicable and disputes may lead to reduced access to properties or delays in operations. Title to Sibanye’s properties, particularly undeveloped ones, may also be defective or subject to challenge. Title review does not necessarily preclude third parties from contesting ownership.

The properties of Stillwater (the acquisition of which remains subject to conditions precedent) include a number of unpatented mining licenses or permits and impact negatively upon our empowerment status and may damage its reputation. The occurrence of any of these events could have a material adverse effect on Sibanye’s business, operating results and financial condition.

In addition, 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 properties, in accordance with applicable laws. However, Sibanye cannot be certain that applicable laws will not be changed nor that 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 the 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’S OPERATIONS ARE SUBJECT TO ENVIRONMENTAL, HEALTH AND SAFETY REGULATIONS, WHICH COULD IMPOSE ADDITIONAL COSTS AND COMPLIANCE REQUIREMENTS, AND SIBANYE HAS FACED, AND MAY FACE FURTHER, CLAIMS AND LIABILITY FOR BREACHES, OR ALLEGED BREACHES, OF SUCH REGULATIONS AND OTHER APPLICABLE LAWS.

Sibanye’s operations are subject to various environmental and health and safety laws, regulations, permitting requirements and standards in South Africa. For example, Sibanye is required to fund environmental rehabilitation costs by making contributions into South African environmental trust funds and with insurance guarantees. Sibanye has and may in the future incur significant costs to comply with environmental and 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. For example, the regulations which determine the extent of financial provision required to fund environmental rehabilitation costs were recently revised in GNR 1147 of 20 November 2015. These regulations now expressly require financial provision to be set aside for annual rehabilitation. They also place an emphasis on the need for adequate provision for latent and post closure impacts, an impact which mines often did not fully provide for in the past. The regulations have been strongly opposed by the mining industry generally. The reason for doing so is a perception that they substantially increase the amount of financial provision now required and that they are unduly burdensome to new mining entrants. There is also 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 DEA has issued a clarification note and is engaging with industry to address their concerns. There are likely to be amendments to these regulations in the near or mid-term future in order to clarify these issues.

Sibanye has and may in the future also be subject to litigation and other costs as well as actions by authorities relating to environmental and health and safety matters, including mine closures, the suspension of operations and prosecution for industrial accidents as well as significant penalties and fines for non-compliance. In addition, there can be no assurance that unions will not take action in response to industrial accidents, which could lead to losses in Sibanye’s production and negatively affect Sibanye’s reputation. Any additional stoppages in production or increased costs associated with such incidents, could have a material adverse effect on Sibanye’s business, operating results and financial condition.
As environmental laws and regulations are becoming more complex and stringent, Sibanye's environmental management plans and/or programmes and other environmental licenses 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's rights. The occurrence of any of these risks could have a material adverse effect on Sibanye's business, financial condition, results of operations and prospects.

The principal health risks associated with Sibanye'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's workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and COAD) as well as NIHL. Employees have sought and may continue to seek compensation for certain illnesses, such as silicosis, from their employers, 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's mines.

Two suits have been filed against Sibanye and several South African mining companies on behalf of current and former gold mine workers and the dependents of gold mine workers who have contracted or died from silicosis or tuberculosis. A consolidated application for certification of these classes was granted by the High Court in Johannesburg on 13 May 2016. The certification of the class means that the claimants are able to sue the mining companies as a class. The class will, however, still have to prove its claim as required by the law. If a significant number of individual claims were suitably established against Sibanye, the payment of damages for the claims could have a material adverse effect on Sibanye's business, reputation, results of operations and financial position. 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 Judge Majopelo, Judge Valli and Acting Judge Windell on 23 June 2016. An oral judgement was handed down in the Application for Leave to Appeal on 24 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 applications for Leave to Appeal in the Supreme Court of Appeal on 15 July 2016. The Supreme Court of Appeal granted Leave to Appeal the Certification of the Class Action on 19 September 2016. No date has been allocated for the hearing of the appeal when the mining companies will be afforded the opportunity to present arguments in opposition to the certification. It is expected that the appeal will be heard over five days in July or August 2017. Further, any new regulations, potential litigations or any changes to health and safety laws which increase the burden of compliance or the penalties for non-compliance may cause Sibanye to incur further significant costs and could have a material adverse effect on Sibanye'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, Section 54 orders have been more prevalent in the PGM industry and, as such, the Rustenburg Operations and Aquarius are at a heightened risk of being affected by stoppages resulting from such orders. In addition, South Africa's deputy Mineral Resources Minister 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 2016, Sibanye's gold operations experienced 171 work stoppages (2015: 109 and 2014: 77) in the gold and uranium division and 35 Section 54 orders in the platinum division (for the full 2016 year) it is Sibanye’s policy to halt production at its operations when serious accidents occur in order to rectify dangerous situations 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’s production. Any additional stoppages in production, or increased costs associated with such incidents, could have a material adverse effect on Sibanye’s business, operating results and financial condition. Such incidents may also negatively affect Sibanye’s reputation with, among others, employees, unions and regulators.

In the United States, the business of Stillwater (the acquisition of which remains subject to conditions precedent) is subject to extensive federal, state and local environmental controls 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 relating to the protection of threatened and endangered species under the Endangered Species Act. The body of environmental laws is continually changing and, as a general matter, is becoming more restrictive. Compliance with these regulations requires 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 Stillwater's ability to conduct its operations.

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. There can be no assurance that future political or regulatory efforts will not further restrict or seek to terminate Stillwater's operations in this sensitive area. In addition, environmental hazards or damage may exist on mineral properties held by Stillwater that were caused by previous owners or operators or that may have occurred naturally, and that are unknown to Sibanye at the present time. In some cases, assuming Sibanye completes the Stillwater Acquisition, Sibanye could be required to remedy such damage.

Stillwater’s 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. Stillwater employs various measures in its operating facilities in an effort to protect the health and safety of its workforce. Underground mines in the US, including the Stillwater and East Boulder mines, are continuously inspected by MSHA, which inspections often lead to notices of violation. Any such mines could be subject to a temporary or extended shut down as a result of a violation alleged by 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.
Stillwater is required to post and maintain surety for its reclamation obligations, which are substantial. 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.

SIBANYE 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’S OPERATIONS AND PROFITS.

In recent years, governments, communities, non-governmental organisations and trade unions in several jurisdictions have sought and, in some cases, have implemented greater cost impacts on the mining industry, including through the imposition of additional taxes and royalties. Such resource nationalism, whether in the form of cost impacts, interference in project management, mandatory social investment requirements, local content requirements or creeping expropriation could impact the global mining industry and Sibanye’s business, operating results and financial condition.

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. 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, any of which could have a material adverse effect on Sibanye’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 are 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. A further report is awaited from the committee after receiving public comment.

REGULATION OF GHG EMISSIONS AND CLIMATE CHANGE ISSUES MAY MATERIALLY ADVERSELY AFFECT SIBANYE’S OPERATIONS.

Energy is a significant input and cost to Sibanye’s mining and processing operations. Regulatory initiatives to curb carbon emissions could increase Sibanye’s energy, production and transport costs, specifically costs relating to its energy-intensive assets and assets that emit significant amounts of GHGs. For example, the South African government plans to introduce a carbon tax. The carbon tax was intended to come into effect from 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 in order to allow sufficient time for consultation on draft legislation and the implementation process. In November 2015, the South African National Treasury published for comment a draft carbon tax bill with a view to the implementation of the tax by January 2017. This time-frame has subsequently changed to be mid 2017 or January 2018, following the anticipated publication of a revised draft carbon tax bill in early 2017. In June 2016, the South African National Treasury published the draft regulations on the “Carbon Offset”. The Carbon Offset is one of the allowances proposed in terms of the draft carbon tax bill which reduces the potential liability of taxpayers through the carbon tax. A further iteration of this draft is anticipated to be released in mid-2017. In addition, the DEA is also considering the imposition of so-called “carbon budgets” on entities in identified high-emitting industries, including mining. These budgets are intended to operate as statutory limits for CO2e, the exceedance of which may entail a fine or other punitive measures. The proposed legislative mechanisms to impose a “carbon budget” are still under consideration. In the meantime, the DEA is in the process of gathering the relevant information from emitting companies which in turn will be used to inform the size of the carbon budget. In terms of the current draft carbon tax bill, companies which also participate in the carbon budget system will be eligible for a 5% tax free allowance under the carbon tax. While many aspects of the proposed carbon tax remain uncertain, the financial implications of government’s proposed carbon tax for Sibanye, in today’s terms, at the 2016 carbon footprint and at an anticipated rate of R120/t of CO2e, would be between approximately R4 million and R25 million per annum on the premise that electricity (i.e. Scope 2 emissions) is excluded. In the event that electricity (Scope 2 emissions) is included in the tax, liability can increase to between approximately R249 million and R271 million per annum. In its current form, the potential net effect of tax free exemptions under the draft carbon tax bill is to reduce tax liability to between 60% to 90% of total emissions. In other words, Sibanye’s final liability will be significantly informed by the extent it is able to make use of the available tax free exemptions. Since these may be revised in a further iteration of the bill, this estimated liability is subject to change. The mining industry has raised concerns through the Chamber of Mines at various forums, including the Davis Tax Committee, on the potential negative financial impact of the tax, particularly in relation to marginal mining operations. In an attempt to address these concerns, the South African National Treasury has proposed that revenue will be spent on sustainable interventions or that there will be other measures to make the tax revenue neutral, for example a reduction in the fossil fuel electricity levy or support for free basic electricity. For more information, see “—Environmental and regulatory matters—Environmental”.

In the United States, the business of Stillwater (the acquisition of which remains subject to conditions precedent) 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 (CAA), and in response the US Environmental Protection Agency (EPA) promulgated an endangerment finding paving the way for regulation of GHG emissions under the CAA. 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 CAA. 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 already are 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 US beginning in 2011. Given the higher level of air quality emissions, the Stillwater Mine holds a Title V Major Air Quality Permit. As a result, Stillwater is required to annually calculate the GHG emissions from the Stillwater Mine and compare these amounts against reporting thresholds. However, Stillwater 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 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. The Clean Power Plan remains subject to a stay imposed by the US Supreme Court pending a review and decision from the US District of Columbia Circuit Court of Appeals. The Trump administration’s proposed changes for the leadership of the EPA indicate that the regulation of GHGs may be less of a priority and it remains unclear as to whether the new administration will continue to defend the Clean Power Plan. However, numerous states have indicated that they may move forward with increased GHG regulation and their own defence of the Clean Power Plan. 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 cannot predict the financial impact of future US GHG regulations and related developments on the Stillwater operations.

There can be no assurance that Sibanye 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 lower limits than those currently contemplated, could be enacted, all of which could have a material adverse effect on Sibanye’s business, financial condition, results of operations and prospects. Furthermore, the potential physical impacts of climate change on Sibanye’s operations are highly uncertain and may adversely impact the cost, production and financial performance of Sibanye’s operations.

**RISKS RELATED TO SOUTH AFRICA**

**ECONOMIC, POLITICAL OR SOCIAL INSTABILITY AFFECTING THE REGIONS WHERE SIBANYE OPERATES MAY HAVE A MATERIAL ADVERSE EFFECT ON SIBANYE’S OPERATIONS AND PROFITS.**

Sibanye 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. High levels of unemployment and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign investment. The volatile and uncertain labour environment, which severely impacts on the local economy and investor confidence, has led and may lead to further downgrades in national credit ratings, making investment more expensive and difficult to secure. See "—Risks related to Sibanye’s business—Sibanye’s operations and profits have been and may be adversely affected by labour unrest and union activity" and "—A further downgrade of South Africa’s credit rating may have an adverse effect on Sibanye’s ability to secure financing". This may restrict Sibanye’s future access to international financing and could have a material adverse effect on Sibanye’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 new smaller political parties have stated publicly and in the media that the government should embark on a programme of nationalisation. Any threats, or actual proceedings, to nationalise any of Sibanye’s assets, could halt or curtail operations, resulting in a material adverse effect on Sibanye’s business, operating results and financial condition and could cause the value of Sibanye’s securities to decline rapidly and dramatically, possibly causing investors to lose the entirety of their respective investments.

**A FURTHER DOWNGRADE OF SOUTH AFRICA’S CREDIT RATING MAY HAVE AN ADVERSE EFFECT ON SIBANYE’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 one level above non-investment grade, or junk, by Standard & Poor’s and Fitch Ratings. However, on April 3, 2017, Standard & Poor’s downgraded South Africa’s sovereign credit rating to non-investment grade (BB+) with a negative outlook due to, among other things, political and economic uncertainty caused by changes in the government and cabinet in South Africa. Sibanye’s sovereign credit rating also suffered downgrades in fiscal 2015. As of April 3, 2017, Moody’s South African sovereign credit rating was Baa2 with a negative outlook and Fitch Ratings’ was BBB- with a negative outlook, two and one notches above non-investment grade, respectively. On April 3, 2017, Moody’s announced that it had put South Africa’s sovereign credit rating on a watch for a possible downgrade.

Further downgrading of South Africa’s sovereign credit rating to non-investment grade status by Moody’s or Fitch Ratings may adversely affect the South African mining industry, including Sibanye, 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
Any of the above could have a material adverse effect on Sibanye’s business, operating results and financial condition.

SIBANYE’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, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland, known collectively as the CMA. Transactions between South African residents (including companies) and non-residents of the CMA are subject to exchange controls enforced by the SARB. As a result, Sibanye’s ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder Sibanye’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 IN TERMS OF LOST PRODUCTIVITY AND INCREASED COSTS.

The prevalence of HIV/AIDS in South Africa poses risks to Sibanye 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’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.

SIBANYE’S OPERATIONS ARE SUBJECT TO WATER USE REGULATION, WHICH COULD IMPOSE SIGNIFICANT COSTS AND BURDENS.

Sibanye’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 licenses 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. Kloof currently operates under a new order water use license. The Driefontein water use license was issued on 9 March 2017 and the new conditions are in the process of being reviewed. Beatrix currently operates under a pre-existing permit of indefinite length; however, it has submitted an application for a license under the current regime. The Rand Uranium section of the Cooke operations was issued a water license in November 2013 which defines the water management regulatory requirements for the Cooke surface operations, as well as for the Cooke 1, 2 and 3 underground mining operations. The Ezuwini Mining Company (Proprietary) Limited (Cooke 4) was issued a new order water use license in June 2015 and a request was made for changes to some of the conditions. The Aquarius operations currently operate under a water license issued by DWS on 17 March 2016. Sibanye expects to incur significant expenditure to achieve and maintain compliance with the license requirements at each of its operations. Any failure on Sibanye’s part to achieve or maintain compliance with the requirements of these licenses with respect to any of its operations could result in Sibanye being subject to substantial claims, penalties, fees and expenses; significant delays in operations; or the loss of the relevant water use license, which could curtail or halt production at the affected operation. Any of the above could have a material adverse effect on Sibanye’s business, operating results and financial condition. For example, Aquarius has been continually engaging with the DWS for several years regarding the issue of a water use licence for Kroondal’s West-West Pit. This was initially refused by the DWS on the basis that the liner design did not fulfil the Department’s engineered design requirements. The water use license was issued once the DWS was satisfied with the revised design.

Sibanye 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’s current preventative measures not be successful such that Sibanye were to experience any AMD issues, it could result in failure to comply with its water use license requirements and could expose Sibanye to potential liabilities.

RISKS RELATED TO THE ACQUISITIONS

SIBANYE MAY FACE CHALLENGES IN THE INTEGRATION OF STILLWATER’S BUSINESS, THE RUSTENBURG OPERATIONS AND AQUARIUS’ BUSINESS FOLLOWING COMPLETION OF THE ACQUISITIONS, WHICH COULD DISRUPT ITS CURRENT OPERATIONS OR RESULT IN HIGHER COSTS OR WORSE OVERALL PERFORMANCE THAN WE ANTICIPATE.

If we are unable to integrate Stillwater’s business (the acquisition of which remains subject to conditions precedent), the Rustenburg Operations, or Aquarius’ business with our own operations in a timely and cost-effective manner, the potential benefits of the Acquisitions, 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 those of Stillwater, the Rustenburg Operations and Aquarius 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’s business, operating results and financial condition.
OUR GROWTH STRATEGY, INCLUDING THE ACQUISITIONS AND REORGANISATION OF OUR BUSINESS, MAY NOT BE SUCCESSFUL.

Prior to the Rustenburg Operations acquisition and the Aquarius acquisition, our core businesses were primarily related to owning and operating four 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’s business—Changes in the market price for gold and PGMs, which in the past have fluctuated widely, affect the profitability of Sibanye’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 Rustenburg Operations acquisition and the Aquarius acquisition, key components of our strategy have been to reorganise the Group’s operations into a PGM division and a gold and uranium division, 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 you 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 STILLWATER, THE RUSTENBURG OPERATIONS 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 the results of operations and cash flows generated by Stillwater (the acquisition of which remains subject to conditions precedent), the Rustenburg Operations 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 STILLWATER, THE RUSTENBURG OPERATIONS OR AQUARIUS OR OTHER FACTS OF WHICH WE ARE NOT AWARE THAT COULD EXPOSE SIBANYE TO LOSS.

Although Sibanye has received certain representations, warranties and indemnities regarding Stillwater (the acquisition of which remains subject to conditions precedent), the Rustenburg Operations and Aquarius under the terms of the Stillwater Merger Agreement, the Rustenburg acquisition agreements and the Aquarius acquisition agreements, respectively, and it has conducted general due diligence in connection with the Acquisitions, such due diligence was necessarily limited. There can be no assurance that Sibanye identified all the liabilities of, and risks associated with, the Acquisitions 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 has been involved in the operational management of the Acquisitions. Sibanye may incur losses in excess of this maximum amount or the matters giving rise to the losses may not be recoverable against the warranties or indemnities or at all.

SIBANYE’S OPERATIONS IN ZIMBABWE ARE SUBJECT TO RULES AND REGULATIONS THAT LIMIT THEIR 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’s joint ventures, the Mimosa Operations, is located in Zimbabwe. The Mimosa Operations delivered attributable production for the nine months ended 31 December 2016, since acquisition, of 91,076oz (4E) and contributed a profit of R115 million to Sibanye’s profit for the year ended 31 December 2016. Under Zimbabwean exchange control legislation, up to 50% of the revenue generated from Sibanye’s Zimbabwe operations must be retained in the country. Sibanye 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 January 2018. If such royalty is imposed, it could have a material adverse effect on Sibanye’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 other things, the time required, the substantial capital expenditure and a lack of adequate infrastructure.

The Zimbabwean Empowerment Act, promulgated in 2008, requires the transfer of a 51% shareholding in all foreign-owned companies to indigenous Zimbabweans. On 12 April 2016, in a statement clarifying the Empowerment Act, Zimbabwe’s President announced that foreign mines could retain ownership control as long as 75% of the gross value of exploited resources are retained in Zimbabwe. The President’s statement clarifying the Empowerment Act have yet to be codified into law. Although Sibanye 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 ZIMBABWIAN 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 US, EU and the UK. 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$2.1 million in fiscal 2016. 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 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’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’s business and operations in Zimbabwe as well as their financial condition.

RISKS RELATED TO SIBANYE’S SHARES AND ADRS

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.

Securities laws of certain jurisdictions may restrict Sibanye’s ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Sibanye. In particular, holders of Sibanye securities who are located in the United States (including those who hold ordinary shares or ADRs) may not be able to participate in securities offerings by or on behalf of Sibanye 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’s ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Sibanye. 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 securities.

INVESTORS IN THE UNITED STATES AND OTHER JURISDICTIONS OUTSIDE SOUTH AFRICA MAY HAVE DIFFICULTY BRINGING ACTIONS, AND ENFORCING JUDGEMENTS, AGAINST SIBANYE, 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 is incorporated in South Africa. All of the directors and executive officers reside outside of the United States. Substantially all of the assets of these persons and substantially all of the assets of Sibanye are located outside the United States. As a result, it may not be possible for investors to enforce against these persons or Sibanye a judgement obtained in a United States 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 judgement 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, show 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 United States 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 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’s current dividend policy is to return at least 25 to 35% of normalised earnings to Shareholders. Sibanye 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’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 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), 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 “—Additional Information—Taxation—Certain South African Tax Considerations—Withholding Tax on Dividends” and “—Additional Information—Financial information—Dividend policy and dividend distributions”.

SIBANYE’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’s shares have historically been paid in Rand. The US dollar or other currency equivalent of future dividends or distributions with respect to Sibanye’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 “—Additional Information—South African Exchange Control limitations affecting security holders”.

SIBANYE’S SHARES ARE SUBJECT TO DILUTION AS A RESULT OF ANY NON-PRE-EMPTIVE SHARE ISSUANCE, INCLUDING UPON THE EXERCISE OF SIBANYE’S OUTSTANDING SHARE OPTIONS, ISSUES OF SHARES BY THE BOARD IN COMPLIANCE WITH BBBEE LEGISLATION OR IN CONNECTION WITH ACQUISITIONS, AND A LARGE VOLUME OF SALES OF SIBANYE’S SHARES, OR THE PERCEPTION THAT SUCH LARGE SALES MAY OCCUR, COULD ADVERSELY AFFECT THE TRADING PRICE OF SIBANYE’S SHARES.

Shareholders’ equity interests in Sibanye will be diluted to the extent of future exercises or settlements of rights under the Sibanye Limited 2013 Share Plan and any additional rights. Sibanye 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’s business—Sibanye’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”.

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 15 May 2014, Sibanye concluded the acquisition of Cooke. As consideration for the acquisition, Sibanye issued 156,894,754 new Sibanye shares at R28.61, representing 17% of Sibanye’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, 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 must acquire its shares in Newshelf 1114 based on the net attributable fair value of the underlying assets and liabilities of the Newshelf 1114 group by issuing the number of shares in Sibanye determined on the basis of the 30 day VWAP of Sibanye 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 2016 was R613.1 million. The option can be exercised until 8 February 2018.

A large volume of sales of Sibanye’s shares by this partner or another Shareholder, all at once or in blocks, could decrease the prevailing market price of Sibanye’s shares and could impair Sibanye’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’s shares and could have a negative effect on Sibanye’s ability to raise capital in the future. Further, anticipated downward pressure on Sibanye’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’s shares, which may itself cause the price of the shares to decline.
RESERVES OF SIBANYE AS OF 31 DECEMBER 2016

INTRODUCTION
Sibanye 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 2016, 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.

GOLD DIVISION

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 6,000-meter vertical thickness of sedimentary rocks, extending laterally for some 350 kilometers northeast to southwest by some 120 kilometers 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 4,000 meters 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 beds 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 two meters 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.

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 facies variation and channel directions. Consequently, the modeling 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 modeling, structural modeling, underground mapping, underground channel sampling and geostatistical estimation. The reefs are initially explored by drilling from the surface on an approximately 500-meter to 2,000-meter grid. Once underground access is available, definition drilling is undertaken on an approximately 30-meter to 90-meter grid. Underground channel sampling perpendicular to the reef is undertaken at three-meter intervals in development areas and five-meter intervals at stope faces. Estimation is constrained within both geologically homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged small-scale grids. Areas close to current workings will have smaller block sizes ranging from 10-meter to 50-meter and is generally derived from either ordinary or simple kriging. Areas further away will have blocks sizes ranging from 50 meters to 420 meters, and is estimated using simple Kriging in combination with declustered averaging or Sichel “T” techniques.

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 × 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 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.

The quality of the Kriged estimate is benchmarked using the 90% lower confidence limit on the estimates. The Kriging variance is used in conjunction with the estimated value to calculate the 90% lower confidence limit for each block. The 90% lower confidence limit value estimate is then divided by the estimate and expressed as a percentage. Blocks with a value of greater than 50% are considered to have measured confidence (assuming that the geological confidence is also good enough). Blocks with values of between 20% and 50% are considered to have indicated confidence, and block with values of less than 20% are classified as inferred confidence. 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. Blocks classified as measured confidence are generally adjacent to closely spaced sampling and generally pierced by a relatively dense irregular pattern of boreholes. Blocks classified as indicated confidence are generally adjacent to blocks classified as measured confidence. In cases where the mining engineer deems it necessary, he may downgrade the classification from proved to probable based on expected mining complexity.
As of 31 December 2016, Sibanye had aggregate proved and probable gold reserves of approximately 28.7 Moz as set forth in the following table.

<table>
<thead>
<tr>
<th>Operations</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>Grade</td>
</tr>
<tr>
<td></td>
<td>(M)</td>
<td>(g/t)</td>
</tr>
<tr>
<td><strong>Total underground</strong></td>
<td>36.0</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Driefontein</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved (AI)</td>
<td>20.7</td>
<td>6.6</td>
</tr>
<tr>
<td>Probable (AI)</td>
<td>5.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Total (AI)</td>
<td>26.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Probable (BI)</td>
<td>8.8</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Total underground</strong></td>
<td>35.3</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Kloof</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved (AI)</td>
<td>18.4</td>
<td>7.9</td>
</tr>
<tr>
<td>Probable (AI)</td>
<td>6.2</td>
<td>5.9</td>
</tr>
<tr>
<td>Total (AI)</td>
<td>24.6</td>
<td>7.4</td>
</tr>
<tr>
<td>Probable (BI)</td>
<td>2.5</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>Total underground</strong></td>
<td>27.1</td>
<td>7.4</td>
</tr>
<tr>
<td><strong>Cooke</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved (AI)</td>
<td>4.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Probable (AI)</td>
<td>0.6</td>
<td>4.8</td>
</tr>
<tr>
<td>Total (AI)</td>
<td>4.9</td>
<td>5.2</td>
</tr>
<tr>
<td>Probable (BI)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total underground</strong></td>
<td>4.9</td>
<td>5.2</td>
</tr>
<tr>
<td><strong>Total underground operations</strong></td>
<td>103.2</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Current SRD and TSF</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beatrix (Probable)</td>
<td>4.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Driefontein (Probable)</td>
<td>4.0</td>
<td>0.6</td>
</tr>
<tr>
<td>Kloof (Probable)</td>
<td>11.9</td>
<td>0.5</td>
</tr>
<tr>
<td>Randfontein Surface (Proved)</td>
<td>4.5</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total SRD and TSF</strong></td>
<td>24.8</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total (excluding projects)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beatrix</td>
<td>40.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Driefontein</td>
<td>39.2</td>
<td>5.5</td>
</tr>
<tr>
<td>Kloof</td>
<td>39.0</td>
<td>5.3</td>
</tr>
<tr>
<td>Cooke</td>
<td>9.4</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Total (excluding projects)</strong></td>
<td>128.1</td>
<td>4.4</td>
</tr>
<tr>
<td><strong>Underground projects (Probable)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burnstone (Probable)</td>
<td>17.5</td>
<td>3.8</td>
</tr>
<tr>
<td>De Bron Merriespruit (Probable)</td>
<td>15.4</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Total underground projects</strong></td>
<td>32.9</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Surface projects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WRTTRP (Probable)</td>
<td>677.3</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total surface projects</strong></td>
<td>677.3</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total projects</strong></td>
<td>710.2</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total underground (including projects)</strong></td>
<td>136.1</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Total surface (including projects)</strong></td>
<td>702.1</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total mineral reserves</strong></td>
<td>838.2</td>
<td>1.1</td>
</tr>
</tbody>
</table>

1. Quoted as mill delivered metric tons and Run-of-Mine (RoM) grades, inclusive of all mining dilutions and gold 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 specific mineral product actually recovered from ore treated at the plant to its total specific mineral content before treatment. The approximate metallurgical factors for gold are as follows: (i) Driefontein Plants (BP1-Underground feed 97%, BP 2 SRD feed 82% and DP 1 SRD feed 81%), (ii) Kloof Plants (KP1 SRD feed 88%, KP 2 Underground feed 98%), (iii) Beatrix Plants (BP1 Underground feed 96%, BP1 SRD feed 86%, BP2 Underground feed 95%, BP2 SRD feed 96%), (iv) Cooke Doornkop Plant Underground feed 96%, Ezulwini Plant Underground Feed 96%, Ezulwini Plant SRD feed 90%, Cooke Plant TSF feed 58%, (v) De Bron Merriespruit underground utilising BP1 96%, (vi) WRTTRP TSF feed 53% and (vii) Burnstone 96%.

2. A gold price of R490.00/kg (US$1.20/oz at an exchange rate of R12.70/US$) 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 14% higher in Rand terms than the prices used for the 31 December 2015 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) Driefontein 53%; (ii) Kloof 120%; (iii) Beatrix 47%, (iv) Cooke 16%, (v) De Bron Merriespruit (in Dp mine design) 48% and (vi) Burnstone 14%.

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) Driefontein 53%; (ii) Kloof 120%; (iii) Beatrix 47%, (iv) Cooke 16%, (v) De Bron Merriespruit 89%, (vi) Burnstone 102% and (vii)
WRTRP 100%. 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.

5. 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) Driefontein 1,230cm.g/t, (ii) Kloof 1,560cm.g/t, (iii) Beatrix 720cm.g/t and (iv) Cooke 980cm.g/t.

6. Totals may not sum due to rounding.

7. 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: Driefontein 87%, Kloof 81%, Beatrix 85%, Cooke 83%, DBM 81% and Burnstone 88%.

8. The WRTRP (assessing the potential for extraction of gold and uranium from Sibanye’s West Wits Line and the adjacent Cooke TSFs) is based on a Definitive Feasibility Study. The 31 December 2016 reserves are based on the DFS, but have been updated with deposition to the active TSF’s during 2016.

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 US$1,200/oz (R490,000/kg) 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>R441,000/kg</th>
<th>R490,000/kg</th>
<th>R539,000/kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driefontein</td>
<td>6.369</td>
<td>6.926</td>
<td>7.569</td>
</tr>
<tr>
<td>Kloof</td>
<td>6.195</td>
<td>6.650</td>
<td>6.996</td>
</tr>
<tr>
<td>Beatrix</td>
<td>2.696</td>
<td>3.775</td>
<td>3.968</td>
</tr>
<tr>
<td>Cooke</td>
<td>0.766</td>
<td>0.872</td>
<td>0.954</td>
</tr>
<tr>
<td>WRTRP</td>
<td>-</td>
<td>6.222</td>
<td>6.222</td>
</tr>
<tr>
<td>De Bron Merriespruit</td>
<td>-</td>
<td>2.112</td>
<td>2.207</td>
</tr>
<tr>
<td>Burnstone</td>
<td>1.431</td>
<td>2.137</td>
<td>2.240</td>
</tr>
<tr>
<td>Total</td>
<td>17.456</td>
<td>28.694</td>
<td>30.156</td>
</tr>
</tbody>
</table>

Driefontein, Kloof, Beatrix and Cooke operations’ reserves include Run-of-Mine ore stockpiles, tailings and SRD.

Our attributable gold reserves decreased from 31.0Moz at 31 December 2015 to 28.7Moz at 31 December 2016, as set forth in the following table:

<table>
<thead>
<tr>
<th>Gold (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life of Mine 31 December 2015</td>
</tr>
<tr>
<td>2016 depletion</td>
</tr>
<tr>
<td><strong>Post depletion Life of Mine</strong></td>
</tr>
<tr>
<td>Changes in geology structure at operations</td>
</tr>
<tr>
<td>Changes in estimation models at operations</td>
</tr>
<tr>
<td>Technical factors (Mine Call Factor, percentage waste mining, etc)</td>
</tr>
<tr>
<td><strong>Specific inclusions:</strong></td>
</tr>
<tr>
<td>Extension of Beisa Central and Beatrix 4 shaft</td>
</tr>
<tr>
<td>Burnstone Project inclusion of additional areas</td>
</tr>
<tr>
<td>White areas and general additions</td>
</tr>
<tr>
<td>Secondary reefs at Driefontein 8 shaft and Kloof 2 shaft and Cooke 3 shaft</td>
</tr>
<tr>
<td>Additional SRD’s at Driefontein, Kloof and Beatrix</td>
</tr>
<tr>
<td><strong>Specific exclusions:</strong></td>
</tr>
<tr>
<td>Overbank area at Driefontein 5 shaft</td>
</tr>
<tr>
<td>Tail management, pay limit changes and unpay exclusions</td>
</tr>
<tr>
<td>WRTRP unpay exclusions</td>
</tr>
<tr>
<td>Closure of Cooke 4 shaft</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
URANIUM ORE RESERVE STATEMENT AS OF 31 DECEMBER 2016 1, 2

As of 31 December 2016, we had probable uranium reserves of approximately 113.2 Mlb as set forth in the following table:

<table>
<thead>
<tr>
<th>Operations</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons (Mlb)</td>
<td>Grade (kg/t)</td>
</tr>
<tr>
<td>Beatrix</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved (A1)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Probable (A1)</td>
<td>10.2</td>
<td>0.711</td>
</tr>
<tr>
<td>Total underground</td>
<td>10.2</td>
<td>0.711</td>
</tr>
<tr>
<td>Cooke</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved (A1)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Probable (A1)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total underground</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total underground operations</td>
<td>10.2</td>
<td>0.711</td>
</tr>
<tr>
<td>Beatrix</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (excluding projects)</td>
<td>10.2</td>
<td>0.711</td>
</tr>
<tr>
<td>Cooke</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (excluding projects)</td>
<td>10.2</td>
<td>0.711</td>
</tr>
<tr>
<td>Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surface projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WRTRP (Probable)</td>
<td>677.3</td>
<td>0.065</td>
</tr>
<tr>
<td>Total surface</td>
<td>677.3</td>
<td>0.065</td>
</tr>
<tr>
<td>Total projects</td>
<td>677.3</td>
<td>0.065</td>
</tr>
<tr>
<td>Total underground and surface</td>
<td>687.5</td>
<td>0.075</td>
</tr>
</tbody>
</table>

1. Managed, unless otherwise stated.
2. Quoted as mill delivered metric tons and Run-of-Mine (R/oM) grades, inclusive of all mining dilutions and uranium losses except mill recovery.
3. 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. The approximate metallurgical factor is 67% for Beatrix Beisa Project and 47% for WRTRP.
4. A uranium price of R1,260 per kilogram ($45/lb at an exchange rate of R12.70/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 $47/lb. The reserve price is approximately 10% higher in South African Rand terms than the price used for the 31 December 2015 declaration.
5. For the South African operations, 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: Beatrix Beisa Project 90%.
6. The mining recovery factor relates to the proportion or percentage of ore mined from the defined ore body at the gold price used for the declaration of reserves. This percentage will vary from mining area to mining area and reflects 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 for the operations with uranium reserves are as follows: Beatrix 66%.
7. Uranium is mined as a co-product and as such the pay-limit does not apply.
8. Totals may not sum due to rounding.
9. A mine call factor based on historic performance and planned improvements are applied to the mineral reserves. The following mine call factor has been applied: Beatrix Beisa Project 90%.
10. Above infrastructure reserves relate to mineralisation which is located at a level at which an operation currently has infrastructure sufficient to allow mining operations to occur.

PLATINUM DIVISION

CAUTIONARY NOTE

Sibanye acquired Aquarius in April 2016 and announced on 9 September, 2015 that it had entered into a series of agreements to acquire the Rustenburg Operations from RPM. The transaction, transferring Rustenburg Operations to Sibanye was concluded in November 2016. Neither Aquarius nor Anglo American Platinum, the previous owner of the Rustenburg Operations, was listed on the NYSE and therefore, neither was required to, nor did, comply with the requirements of the SEC’s Industry Guide 7 at the time of publishing their Mineral Reserves on 30 June 2015 and 31 December 2015, respectively. Accordingly, the following 4E PGM Reserve Statement as of 31 December 2016 does not include Mineral Reserve information for the operations of Aquarius or the Rustenburg Operations as at 30 June 2015 or 31 December 2015, respectively.

Investors should also be aware that the following reserve statement does not include the reserves information regarding the Mimosa operation for any period due to the fact that the reserves of the Mimosa operation have not been prepared in accordance with the SEC’s Industry Guide 7. Sibanye expects to prepare Industry Guide 7-compliant reserve information for the Mimosa operation in the future.

Investors are cautioned that the following reserve statement may not be comparable to Sibanye’s reserve statement declared in South Africa or Sibanye’s reserve statement in subsequent years.

GEOLOGY

Kroondal and Rustenburg (South Africa operations)

The Kroondal and Rustenburg Mining operations are located within the Western Limb of the Bushveld Complex (BC). The BC 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) BC is divided into the basal Rustenburg Layered Suite (RLS) of ultramafic to mafic rocks,
the overlying Lebowa Granite Suite (LGS) and the felsic extrusive rocks of the Rashaop Granophyre Suite (RGS). It is the RLS that host to the PGMs at Kroondal and Rustenburg operations. 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.

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 5 cm to 60 cm, over large areas. However, variation does occur and the pegmatoidal feldspathic reef can vary locally in thickness, from a few centimeters up to approximately 1.5 meters. 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 55 cm and 75 cm, and comprises a single, well developed chromitite layer. Within the Rustenburg Lease Area, the UG2 Reef occurs vertically between 90 m and 150 m 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 typically 2 meters to 3 meters thick, but is locally up to 20 meters 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 modeling, structural modeling, 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.

At Rustenburg operations, modelling is completed using Datamine Software. Both MRM and borehole data are imported and rigorously validated in Datamine. The validated data files were regressed and then composited over the different Reef elements. Geostatistical data per Reef element is investigated and modelled using the “Snowden Supervisor” software package; and the modelling parameters were then imported back into Datamine.

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.

At Kroondal operations, modelling is completed using Surpac Software. Data from Visual Geobase database is used to create the Surpac Database which is used for modeling to create the resource models. Variograms are modelled for true width, 4E cmt (UG2L and UG2), density and prill split. A kriging neighbourhood analysis is carried out to determine the number of samples that should be used to estimate a block. The slope of regression is used to assess the quality of estimate. The slope of regression versus the number of informing samples is plotted for each block size. Estimation is done using ordinary kriging into an 80x80m block size model, using the variogram parameters derived above. 30 composites are used to estimate each block.

At Mimosa operations, Surpac Software is also utilised to create the Resource models. Geological ore body modeling is done by extracting X/Y/Z 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 2 metre 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 3 and a maximum of 7.

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 Life of Mine in accordance with guidelines of the SAMREC Code (2016) and SEC guidelines. A key aspect to the conversion of the Mineral Resources to Mineral Reserves is economic viability which utilizes 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 ORE RESERVE STATEMENT AS OF 31 DECEMBER 2016

As of 31 December 2016, Sibanye declared maiden 4E PGM reserves, excluding Mimosa, of approximately 21.5 Moz as set forth in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Tons</th>
<th>Grade (g/t)</th>
<th>4E PGM (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kroondal (50% attributable) (South African operation)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UG2 Proved</td>
<td>21.01</td>
<td>2.67</td>
<td>1.80</td>
</tr>
<tr>
<td>Probable</td>
<td>5.75</td>
<td>2.64</td>
<td>0.49</td>
</tr>
<tr>
<td>Total</td>
<td>26.76</td>
<td>2.66</td>
<td>2.29</td>
</tr>
<tr>
<td>Rustenburg (excluding tailings) (South African operations)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR Proved</td>
<td>9.57</td>
<td>5.20</td>
<td>1.60</td>
</tr>
<tr>
<td>Probable</td>
<td>0.80</td>
<td>4.87</td>
<td>0.13</td>
</tr>
<tr>
<td>Total</td>
<td>10.38</td>
<td>5.18</td>
<td>1.73</td>
</tr>
<tr>
<td>UG2 Proved</td>
<td>113.57</td>
<td>3.71</td>
<td>13.56</td>
</tr>
<tr>
<td>Probable</td>
<td>5.88</td>
<td>4.10</td>
<td>0.78</td>
</tr>
<tr>
<td>Total</td>
<td>119.46</td>
<td>3.73</td>
<td>14.34</td>
</tr>
<tr>
<td>Combined Proved</td>
<td>123.15</td>
<td>3.83</td>
<td>15.17</td>
</tr>
<tr>
<td>Probable</td>
<td>6.68</td>
<td>4.19</td>
<td>0.90</td>
</tr>
<tr>
<td>Total</td>
<td>129.83</td>
<td>3.85</td>
<td>16.07</td>
</tr>
<tr>
<td>Tailings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined Proved</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Probable</td>
<td>90.38</td>
<td>1.08</td>
<td>3.14</td>
</tr>
<tr>
<td>Total</td>
<td>90.38</td>
<td>1.08</td>
<td>3.14</td>
</tr>
<tr>
<td>Total</td>
<td>144.16</td>
<td>3.68</td>
<td>16.97</td>
</tr>
<tr>
<td>Probable</td>
<td>102.81</td>
<td>1.37</td>
<td>4.53</td>
</tr>
<tr>
<td>Total</td>
<td>246.97</td>
<td>2.71</td>
<td>21.50</td>
</tr>
</tbody>
</table>

A platinum price of R15,500/oz (US$1,222/oz), palladium price of R8,100/oz (US$717/oz), rhodium price of R10,000/oz (US$787/oz) and gold price of R15,200/oz (US$1,200/oz) (at an exchange rate of R12.70/US$) was applied in valuing the ore reserve. The prices used for reserves is the approximate three-year trailing average metal prices.

CORPORATE GOVERNANCE

The Competent Persons that take responsibility for the reporting of mineral reserves are the respective operation (per mining unit) or project based Mineral Resource Manager or Manager Geology. 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 company’s figures and responsibility for the generation of a Group consolidated statement has been overseen by the Technical Services team listed below. This team, who consent to the disclosure of the 31 December 2016 Mineral Reserve Statement, are permanent employees of Sibanye, and function independently of the operating mines and projects.

<table>
<thead>
<tr>
<th>Competent Person</th>
<th>Title</th>
<th>Qualifications</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold Division</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gerhard Janse van Vuuren PLATO PMS 243</td>
<td>Vice President: Mine Technical Services</td>
<td>B Tech (MRM); GDE (Mining Engineering); MBA; MSCC</td>
<td>28</td>
</tr>
<tr>
<td>Johan van Eeden SACNASP 400043/092</td>
<td>Group Geologist</td>
<td>MSc (Geology)</td>
<td>32</td>
</tr>
<tr>
<td>Leon Tolmay SAIMM 7041403</td>
<td>Group Evaluator</td>
<td>NHD (Mine Survey); GDE (Mining Engineering); MSCC</td>
<td>39</td>
</tr>
<tr>
<td>Steven Wild SAIMM 706556</td>
<td>Group Mine Planner</td>
<td>GDE Mining Engineering; NHD MRM</td>
<td>20</td>
</tr>
<tr>
<td>Werner de Klerk PLATO PMS233</td>
<td>Group Surveyor</td>
<td>GDE Mining Engineering; MSCC and ND Survey</td>
<td>33</td>
</tr>
<tr>
<td>Chris Opperman SAIMM 706906</td>
<td>Mineral Resource Manager</td>
<td>ND Mine Survey; LDP; MAP</td>
<td>35</td>
</tr>
<tr>
<td>Gerhard Backer ECSA H875664</td>
<td>Mineral Resource Manager</td>
<td>BEng; Mining Engineering; MMCC</td>
<td>34</td>
</tr>
</tbody>
</table>

197
<table>
<thead>
<tr>
<th>Competent Person</th>
<th>Title</th>
<th>Qualifications</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephan Stander</td>
<td>Mineral Resource Manager</td>
<td>BSc Hons Geology; GDE Mining; BCom; MB: DPL PM</td>
<td>14</td>
</tr>
<tr>
<td>Charl Labuschagne</td>
<td>Mineral Resource Manager</td>
<td>GDE (Mining Engineering); BSc (Hons) (Geology); MSc ENV Management</td>
<td>19</td>
</tr>
<tr>
<td>Masigan Tandree</td>
<td>Mineral Resource Manager</td>
<td>ND Mine Survey; MSc ENV</td>
<td>19</td>
</tr>
<tr>
<td>Manie Keyser</td>
<td>Mineral Resource Manager</td>
<td>MEng (Mining Engineering); GDE; NHD MRM; ND Survey</td>
<td>23</td>
</tr>
<tr>
<td>Lance Madondo</td>
<td>Mineral Resource Manager</td>
<td>BSc Geology</td>
<td>12</td>
</tr>
<tr>
<td>Stephanus Louw</td>
<td>Mineral Resource Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hansie Engelbrecht</td>
<td>Mineral Resource Manager</td>
<td>GDE (Mining Engineering); MSc ENV</td>
<td>34</td>
</tr>
<tr>
<td>Shadrack Dekeda</td>
<td>Mineral Resources Manager</td>
<td>B Tech MRM; MSc CC</td>
<td>15</td>
</tr>
<tr>
<td>Ian Davidson</td>
<td>Mineral Resource Manager</td>
<td>BSc (Hons) (Geology)</td>
<td>34</td>
</tr>
<tr>
<td>Quartus Meyer</td>
<td>Project Geologist</td>
<td>MSc Geology; Pr.Sci.Nat</td>
<td>31</td>
</tr>
<tr>
<td>M Greenhalgh</td>
<td>Group Sampler</td>
<td>GDE Mining Engineering</td>
<td>32</td>
</tr>
</tbody>
</table>

**Platinum Division**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Qualifications</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew Brown</td>
<td>VP Mine Technical Services</td>
<td>M.Sc. (Mining Engineering); MSAIMM</td>
<td>32</td>
</tr>
<tr>
<td>Leonard Changara</td>
<td>Resource Geologist</td>
<td>M.Sc. (Geology); B.Sc. Hons (Geology); B.Sc. Gen (Geology &amp; Mathematics); Pr.Sci.Nat; GSSA</td>
<td>18</td>
</tr>
<tr>
<td>Etienne Malherbe</td>
<td>Resource Geologist</td>
<td>BSc. Hons (Geology); Pr.Sci.Nat.</td>
<td>21</td>
</tr>
<tr>
<td>Brian Smith</td>
<td>Chief Surveyor</td>
<td>NHD (Mine Survey); MSc 1775; M.Eng MRM; PLATO, MSAIMM.</td>
<td>30</td>
</tr>
<tr>
<td>Gawie van Heerden</td>
<td>Planning, LoM and Mineral Resources</td>
<td>M.Eng. (Mining Engineering); B.Eng. (Hons.) (MOT); MMCC; MSAIMM; Pr.Eng (ECSA)</td>
<td>19</td>
</tr>
</tbody>
</table>
ENVIRONMENTAL AND REGULATORY MATTERS

ENVIRONMENTAL

Sibanye’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 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 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. From 08 December 2014, the “One Environmental System”, which was a significant step change for the mining industry insofar as the regulatory regime for environmental issues was concerned, came into force following the promulgation of legislation creating the new regime on 2 September 2014. In terms of the “One Environmental System” (OES), the Minister of Mineral Resources (and thus by delegation, the prescribed officials of the DMR) became the competent authority to grant environmental authorisations under the NEMA framework for listed activities pertaining to prospecting/mining operations, a responsibility which was previously administered by the Department of Environmental Affairs (DEA). From that point, environmental authorisations replaced the traditional environmental management programme (EMP) reports for all prospecting and mining projects (with existing MPRDA-approved EMP reports remaining valid until formally requested to convert). However, the DEA remains the appeal authority on all DMR-issued environmental authorisations. Company directors, in their personal capacity, may be held liable under provisions of NEMA for any environmental degradation and/or the remediation thereof.

In terms of the 2014 NEMA Amendment Act, the Minister of Mineral Resources is obliged to appoint environmental mineral resource inspectors to monitor the compliance of mining companies, 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 Government’s adherence to the timeframes for issuing environmental authorisations is concerned. Through the Chamber of Mines and other industry associations, the mining industry is working closely with Government to improve this system.

The Regulations on Financial Provisioning, issued on 20 November 2015 under auspices of the “One Environmental System”, remain controversial and largely untenable to industry. As a result of widespread criticism from industry, 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 Department of Environmental Affairs, 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.

To date, neither legislation nor the actual implementation of a carbon tax, has been finalised and/or introduced. Post the release of draft Carbon Tax Bill for public comment, in November 2015, it was widely anticipated that the carbon tax would have been introduced on 1 January 2017. This did not happen and industry is awaiting further guidance from Government on the issue, including the promulgation of the much-anticipated Carbon Tax Act. In parallel, the mining industry has raised concerns through the Chamber of Mines at various forums, including the Davis Tax Commission, on the potential negative financial impact of the carbon tax, particularly in relation to marginal mining operations. Insofar as the design of the carbon tax is concerned: it requires the calculation of tax liability to be based on the volume of fossil fuel input which results in Scope 1 greenhouse gas emissions, and for such liability to commence at R120/t of CO₂, increasing by 10% per annum. The design also anticipates a tax free threshold of 60% and various allowances that would permit a tax liable entity to further mitigate its liability. Such allowances include an increased tax free threshold for traded exposed sectors and the use of carbon offsets against a carbon tax liability.

The National Treasury has alluded that electricity may not be taxed during the first phase until 2020. While many aspects of the proposed carbon tax remain uncertain, the financial implications of government’s proposed carbon tax for Sibanye, in today’s terms, the 2016 carbon footprint and at an anticipated rate of R120/t of CO₂, would be between approximately R4 million and R25 million per annum on the premise that electricity (i.e. Scope 2 emissions) is included in the tax, liability can increase to between approximately R249 million and R271 million per annum.

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. 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 stockpiles and residue deposits are now subject to regulation under the Waste Act and waste management licenses 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 (MRDS), were published on 24 July 2015. 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 to regulate MRDS (under a different definition than the current “hazardous waste” under the Waste Act), that MRDS be statutory excluded from the Waste Act and its amendments, and to rather provide for the management of MRDS under a NEMA amendment. The
Department of Environmental Affairs 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. With regards to the requirements of the Waste Act, applications for waste management licences for all of the relevant waste management activities have been made. Sibanye currently has two waste disposal facilities at each of its Beatrix and Driefontein operations. 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 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 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 85.8% which is higher than the benchmark of 80%. Each of Sibanye’s mining operations possesses and maintains a Certificate of Registration (CoR) 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 Department of Water and Sanitation) 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’s approach has been to work with Government and 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, 1996 (Act No 29 of 1996) (MHSA). The MHSA, among others, requires the mining companies as employers and their contractors to ensure that their operating and non-operating mines maintain a safe and healthy working environment; confers on employees the right to refuse to perform hazardous work or enter into an unsafe working place, and describes the powers and functions of the Mine Health and Safety Inspectorate (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 health risks associated with mining operations in South Africa 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 see “Annual Financial Report—Annual financial statements—Notes to the consolidated financial statements—Note 31: Contingent liabilities—Occupational healthcare services”.

A failure to comply with MHSAs 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 Mine Health and Safety Act. The maximum administrative fine that may be imposed is R1 million per offence.

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 conducts mining operations in breach of the MPRDA, 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

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or mining right. In November 2006, the DMR approved the conversion of Sibanye’s mining licences under the old regulatory regime at Kloof, Driefontein and Beatrix into rights under the new regime. All of Sibanye’s mines have received 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 HDSAs 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 agreed 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 HDSAs own at least 50% plus one share of the company and have management control), strategic joint ventures or partnerships (where HDSAs 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 an ongoing review process.

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% + 1 vote of their share capital must be owned by HDSAs) 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 are required to monitor and evaluate their compliance to the Amended Mining Charter and must 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 will amount to a breach of the MPRDA and may 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 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.

Specifically, on 31 March 2015, the Chamber of Mines 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 assets 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 guideline under the Mining Charter. The position of Sibanye is consistent with that of the Chamber of Mines, and is that such empowerment transactions should be included in the calculation of HDSA ownership. The DMR and the Chamber have agreed to approach the South African courts to seek a declaratory order which will provide a ruling on the relevant legislation and the status of the Mining Charter. The Chamber of Mines and the DMR filed papers in court and the matter was placed on the role to be heard on 15 March 2016. In February 2016, an application was filed by a third party to consolidate the application by the Chamber of Mines and the DMR with its own application for a declaratory order on the empowerment aspects of the Mining Charter. The Chamber of Mines 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.
things, increase and maintain HDSA equity ownership in mining companies which would result in the dilution of existing Shareholders. Under the New Draft Mining Charter, current holders of mining rights will have a three year transitional period from the coming into effect of the New Draft Mining Charter to align themselves with the new ownership requirements. Where empowerment transactions have been concluded and empowerment partners have sold their shares and exited the structure, new empowerment transactions will need to be concluded for mining right holders to be compliant with the New Draft Mining Charter. Having first been introduced in the Amended Mining Charter, it is also proposed that HDSA entrepreneurs, communities and employees are brought into the ownership structure and all hold a mining equity stake of no less than 5% each. The New Draft Mining Charter was open for public comment for a thirty day period, and the DMR is currently in the process of reviewing the submissions that it received. The DMR’s review is likely to result in the New Draft Mining Charter undergoing revisions in the coming months. From 18 July 2016 to 31 October 2016, the DMR invited all those who made written submissions on the New Draft Mining Charter to make presentations and thereafter conclude the public commentary process. Sibanye presented on 18 July 2016.

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 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 MPDB was published for comment. While the stated purpose of the MPDB is, among other things, to remove ambiguities and enhance sanctions, the MPDB has been criticised by stakeholders in the mining industry. Comments on the MPDB were submitted and a second draft, known as the Mineral and Petroleum Resources Development Amendment Bill B15-2013 (MPDB 2013) was published on 31 May 2013. A further revised version of the MPDB 2013, the Mineral and Petroleum Resources Development Amendment Bill B15B-2013 (the Revised MPDB 2013) was approved by the National Assembly of Parliament on 12 March 2014 and by the National Council of Provinces on 27 March 2014. The President must now assent to the Revised MPDB 2013 if he finds it to be in accordance with the Constitution of South Africa. If the President assents to the Revised MPDB 2013, it will become an Act of Parliament and will come into effect on a date to be proclaimed by the President. It is unclear whether the President will assent to the Revised MPDB in 2013 in its current form or whether the Bill will be subject to further amendment. At the investing in Africa Mining Indaba conference held in February 2016, the Minister of Mineral Resources indicated that the MPDB will be finalised in the first half of 2016.

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 HDSAs 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 licenses 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. 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 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 MPRDAA.

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 CEE 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 CEE Codes immediately. Both the BBBEE Amendment Act and the Revised CEE 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 MPRDAA 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 President of South Africa 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 of 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.

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 dividing earnings before interest and taxes (EBIT) by the product of 12.5 times 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 revenue has been introduced for refined minerals. Sibanye currently pays a royalty based on the refined minerals royalty calculation as applied to its gross revenue.

The South African President has appointed the Davis Tax Review Committee to look into and review the current mining tax regime. The Committee’s First Interim Report on Mining, which was relapsed 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 to phase out the 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. A further report is awaited from the committee after receiving public comment.

EXCHANGE CONTROLS

South African law provides for Exchange Control Regulations which, among other things, restrict the outward flow of capital from the CMA. The Exchange Control Regulations, which are administered by the Financial Surveillance Department of the SARB, are applied throughout the CMA and regulate international transactions involving South African residents, including companies. The South African government has committed itself to gradually relaxing exchange controls and various relaxations have occurred in recent years.

SARB approval is required for Sibanye and its subsidiaries to receive and/or repay loans to non-residents of the CMA. Funds raised outside of the CMA by any future Sibanye non-South African resident subsidiaries (whether through debt or equity) can be used for overseas expansion, subject to any conditions imposed by the SARB. Sibanye and its South African subsidiaries would, however, require SARB approval in order to provide guarantees for the obligations of any of Sibanye’s subsidiaries with regard to funds obtained from non-residents of the CMA. Debt raised outside the CMA by any future Sibanye non-South African subsidiaries must be repaid or serviced by those foreign subsidiaries. Absent SARB approval, income earned in South Africa by Sibanye and its South African subsidiaries cannot be used to repay or service such foreign debts. Unless specific SARB approval has been obtained, income earned by any future Sibanye foreign subsidiaries cannot be used to finance the operations of another foreign subsidiary.

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, without specific SARB approval, be processed by an authorised dealer, subject to all existing criteria and reporting obligations.

Sibanye 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’s use of the proceeds of any such capital-raising, such as limits on Sibanye’s ability to retain the proceeds of the capital-raising outside South Africa or requirements that Sibanye seeks further SARB approval prior to applying any such funds to a specific use.
FINANCIAL INFORMATION

DIVIDEND POLICY AND DIVIDEND DISTRIBUTIONS

Sibanye may make distributions from time to time, provided that any such distribution is pursuant to an existing legal obligation of Sibanye 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 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, if it is a distribution of capital, that such capital be used to subscribe for shares in Sibanye.

Sibanye 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 must hold all unclaimed distributions due to the shareholders of Sibanye 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 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 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 taxation.

A final dividend in respect of the six months ended 31 December 2016 of 60 Rand cents per share, subject to a 20% withholding tax, was declared resulting in a total dividend of 145 Rand cents per share for fiscal 2016.

Under South African law, Sibanye 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

As of 4 April 2017, the issued share capital of Sibanye consisted of 930,056,784 ordinary shares.

LISTING DETAILS

As of 31 December 2016, 280 record holders of Sibanye’s ordinary shares, holding an aggregate of 323,263,787 ordinary shares (35%), were listed as having addresses in the United States.

JSE TRADING HISTORY

The tables below show the high and low closing prices in Rand and the average daily volume of trading activity on the JSE for Sibanye’s ordinary shares for the periods indicated.

The following table sets out ordinary share trading information on a yearly basis for the last four fiscal years since the shares began trading on 11 February 2013, as reported by I-Net Bridge, a South African financial information service:

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Ordinary share price</th>
<th>Average daily trading volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High (R/share)</td>
<td>Low (R/share)</td>
</tr>
<tr>
<td>31 December 2013</td>
<td>16.30</td>
<td>6.73</td>
</tr>
<tr>
<td>31 December 2014</td>
<td>29.52</td>
<td>12.34</td>
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<tr>
<td>31 December 2015</td>
<td>32.26</td>
<td>13.66</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>70.23</td>
<td>21.98</td>
</tr>
<tr>
<td>through 4 April 2017</td>
<td>32.79</td>
<td>24.01</td>
</tr>
</tbody>
</table>

The following table sets out ordinary share trading information on a quarterly basis for the periods indicated in Sibanye’s two most recent full financial years, as reported by I-Net Bridge:

<table>
<thead>
<tr>
<th>Quarter ended</th>
<th>Ordinary share price</th>
<th>Average daily trading volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High (R/share)</td>
<td>Low (R/share)</td>
</tr>
<tr>
<td>31 March 2015</td>
<td>32.26</td>
<td>21.75</td>
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<tr>
<td>30 June 2015</td>
<td>28.87</td>
<td>18.75</td>
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<td>30 September 2015</td>
<td>20.78</td>
<td>13.66</td>
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<tr>
<td>31 December 2015</td>
<td>25.06</td>
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<tr>
<td>31 March 2016</td>
<td>61.20</td>
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<tr>
<td>30 June 2016</td>
<td>60.37</td>
<td>43.46</td>
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<tr>
<td>30 September 2016</td>
<td>70.23</td>
<td>46.48</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>47.83</td>
<td>21.98</td>
</tr>
<tr>
<td>31 March 2017</td>
<td>31.15</td>
<td>24.01</td>
</tr>
</tbody>
</table>

The following table sets out ordinary share trading information on a monthly basis for each of the last six months, as reported by I-Net Bridge:

<table>
<thead>
<tr>
<th>Month ended</th>
<th>Ordinary share price</th>
<th>Average daily trading value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High (R/share)</td>
<td>Low (R/share)</td>
</tr>
<tr>
<td>31 October 2016</td>
<td>47.83</td>
<td>36.75</td>
</tr>
<tr>
<td>30 November 2016</td>
<td>39.49</td>
<td>29.13</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>29.35</td>
<td>21.98</td>
</tr>
<tr>
<td>31 January 2017</td>
<td>30.55</td>
<td>25.59</td>
</tr>
<tr>
<td>28 February 2017</td>
<td>31.15</td>
<td>26.31</td>
</tr>
<tr>
<td>31 March 2017</td>
<td>30.16</td>
<td>24.01</td>
</tr>
</tbody>
</table>

On 4 April 2017, the closing price of the ordinary shares on the JSE was R28.70.
NYSE TRADING HISTORY

The tables below show the high and low closing prices in US dollars and the average daily volume of trading activity on the NYSE for the periods indicated.

The following table sets out ordinary share trading information on a yearly basis for the last four fiscal years since the shares began trading on 11 February 2013, as reported by Bloomberg:

<table>
<thead>
<tr>
<th>Year ended</th>
<th>High ($/ADS)</th>
<th>Low ($/ADS)</th>
<th>Average daily trading volume (number of ADSs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2013</td>
<td>7.47</td>
<td>2.65</td>
<td>887,984</td>
</tr>
<tr>
<td>31 December 2014</td>
<td>11.09</td>
<td>4.69</td>
<td>844,925</td>
</tr>
<tr>
<td>31 December 2015</td>
<td>11.35</td>
<td>4.21</td>
<td>1,122,803</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>20.78</td>
<td>6.16</td>
<td>1,666,327</td>
</tr>
<tr>
<td>through 4 April 2017</td>
<td>20.78</td>
<td>6.41</td>
<td>1,740,075</td>
</tr>
</tbody>
</table>

The following table sets out ADS trading information on a quarterly basis for the periods indicated, as reported by Bloomberg:

<table>
<thead>
<tr>
<th>Year ended</th>
<th>High ($/ADS)</th>
<th>Low ($/ADS)</th>
<th>Average daily trading volume (number of ADSs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2015</td>
<td>11.35</td>
<td>7.52</td>
<td>1,162,621</td>
</tr>
<tr>
<td>30 June 2015</td>
<td>9.68</td>
<td>6.20</td>
<td>852,273</td>
</tr>
<tr>
<td>30 September 2015</td>
<td>6.80</td>
<td>4.21</td>
<td>1,339,318</td>
</tr>
<tr>
<td>31 December 2015</td>
<td>7.27</td>
<td>4.60</td>
<td>1,134,637</td>
</tr>
<tr>
<td>31 March 2016</td>
<td>15.71</td>
<td>6.16</td>
<td>1,843,201</td>
</tr>
<tr>
<td>30 June 2016</td>
<td>16.35</td>
<td>11.47</td>
<td>1,556,359</td>
</tr>
<tr>
<td>30 September 2016</td>
<td>20.78</td>
<td>13.64</td>
<td>1,380,049</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>13.94</td>
<td>6.41</td>
<td>1,897,603</td>
</tr>
<tr>
<td>31 March 2017</td>
<td>9.40</td>
<td>7.45</td>
<td>2,133,038</td>
</tr>
</tbody>
</table>

The following table sets out ADS trading information on a monthly basis for each of the last six months, as reported by Bloomberg:

<table>
<thead>
<tr>
<th>Year ended</th>
<th>High ($/ADS)</th>
<th>Low ($/ADS)</th>
<th>Average daily trading volume (number of ADSs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 October 2016</td>
<td>13.94</td>
<td>10.76</td>
<td>1,368,370</td>
</tr>
<tr>
<td>30 November 2016</td>
<td>11.68</td>
<td>8.31</td>
<td>1,794,128</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>8.47</td>
<td>6.41</td>
<td>2,510,303</td>
</tr>
<tr>
<td>31 January 2017</td>
<td>9.06</td>
<td>7.59</td>
<td>2,078,349</td>
</tr>
<tr>
<td>28 February 2017</td>
<td>9.27</td>
<td>7.91</td>
<td>2,128,898</td>
</tr>
<tr>
<td>31 March 2017</td>
<td>9.40</td>
<td>7.45</td>
<td>2,184,014</td>
</tr>
</tbody>
</table>

On 4 April 2017, the closing price of Sibanye’s ADSs quoted on the NYSE was US$9.70.
ADDITIONAL INFORMATION

MEMORANDUM OF INCORPORATION

A summary of Sibanye’s Memorandum of Incorporation can be found in the 2012 Annual Report on Form 20-F filed on 26 April 2013.

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 in the period under review.

R6.0 BILLION REVOLVING CREDIT FACILITY

See “Annual Financial Report—Annual financial statements—Notes to the consolidated financial statements—Note 23.1: R6.0 Billion Revolving Credit Facility”.

STILLWATER BRIDGE FACILITIES

See “Annual Financial Report—Annual financial statements—Notes to the consolidated financial statements—Note 23.6: Acquisition Bridge Facilities—Stillwater Bridge Facility”.

STILLWATER ACQUISITION

On 9 December 2016, Sibanye 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 (Merger Sub).

The Merger Agreement provides that, among other things and subject to the terms and conditions therein, (1) Merger Sub will be merged with and into Stillwater and (2) at the effective time of the merger, each outstanding share of common stock of Stillwater, par value US$0.01 per share (Stillwater Shares) (other than Stillwater Shares owned by Stillwater, Sibanye or their respective subsidiaries or Stillwater Shares with respect to which appraisal rights are validly exercised and not lost in accordance with Delaware law) will be converted into the right to receive US$18.00 per share in cash without interest.

The closing of the merger is subject to (1) the adoption of the Merger Agreement by the holders of a majority of the outstanding Stillwater Shares, (2) the approval of the merger by the holders of a majority of Sibanye’s shares present and voting, (3) the approval of the related issuance of shares by Sibanye in a rights offering by the holders of at least 75% of Sibanye’s shares present and voting, (4) Committee on Foreign Investment in the United States clearance and (5) other customary conditions.

The closing of the merger is not subject to a financing condition.

The Merger Agreement also contains termination rights, including that either Stillwater or Sibanye may terminate the Merger Agreement if the merger is not completed on or prior to June 30, 2017, subject to extension in certain circumstances. Sibanye is required to pay Stillwater a break-up fee of US$33.0 million plus reimbursement of expenses up to US$10.0 million in the event that the merger agreement is terminated in certain circumstances, including the failure to obtain Sibanye shareholder or certain other approvals. Stillwater is required to pay Sibanye a break-up fee of US$16.5 million plus reimbursement of expenses up to US$10 million in the event the merger agreement is terminated in certain circumstances, including if Stillwater’s Board of Directors changes its recommendation in favor of the merger and in certain other events.

The parties expect the closing to occur in the first half of 2017.

DEPOSIT AGREEMENT

In connection with the establishment of an ADR facility in respect of Sibanye’s shares, Sibanye entered into a deposit agreement with BNYM in respect of Sibanye’s shares among Sibanye, 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 ADRs attached thereto. Terms used in this section and not otherwise defined will have the meanings set forth in the Deposit Agreement. Copies of the Deposit Agreement are available for inspection at the Corporate Trust Office of the Depositary, located at 101 Barclay Street, New York, New York 10286. BNYM’s principal executive office is located at One Wall 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.
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 ADRs represent.

Cash

BNYM will convert any cash dividend or other cash distribution Sibanye 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 so requests, distribute new ADRs representing any ordinary shares Sibanye 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.

Rights to purchase additional ordinary shares

If Sibanye offers holders of securities any rights, including rights to subscribe for additional ordinary shares, BNYM may make these rights available to you. Sibanye must first instruct BNYM to do so and furnish it with satisfactory evidence that it is legal to do so. If Sibanye 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 ADRs 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 ADRs issued after exercise of rights. For example, you may not be able to trade these ADRs freely in the United States. In this case, BNYM may deliver the ADRs 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 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 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 distributed, in which case ADRs 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 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 makes on its ordinary shares or any value for them if it is illegal or impractical for Sibanye to make them available to you.
DEPOSIT, WITHDRAWAL AND CANCELLATION

HOW ARE ADRS ISSUED?
BNYM will deliver the ADRs that you are entitled to receive in the offer against deposit of the underlying ordinary shares. BNYM will deliver additional ADRs 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 ADRs in the names you request and will deliver the ADRs to the persons you request.

HOW DO ADR HOLDERS CANCEL ADRS AND OBTAIN ORDINARY SHARES?
You may submit a written request to withdraw ordinary shares and turn in your ADRs 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 ADS AND UNCERTIFICATED ADS?
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 will 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 asks for your instructions, BNYM will notify 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 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 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, 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, unless Sibanye 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 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 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:

| Persons depositing or withdrawing shares or ADS holders must pay | For
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.00 (or less) per 100 Sibanye ADRs (or portion of 100 Sibanye ADRs)</td>
<td>Issuance of Sibanye ADRs, including issuances resulting from a distribution of ordinary shares or rights or other property or...</td>
</tr>
</tbody>
</table>
Persons depositing or withdrawing shares or ADS holders must pay

<table>
<thead>
<tr>
<th>Persons depositing or withdrawing shares or ADS holders must pay</th>
<th>For</th>
</tr>
</thead>
<tbody>
<tr>
<td>$.05 (or less) per ADR (or portion thereof)</td>
<td>cancellation of Sibanye ADRs for the purpose of withdrawal, including if the deposit agreement terminates</td>
</tr>
<tr>
<td>A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and those ordinary shares had been deposited for issuance of ADRs</td>
<td>Any cash distribution pursuant to the Deposit Agreement</td>
</tr>
<tr>
<td>$.05 (or less) per ADRs per calendar year</td>
<td>Distribution of securities distributed to holders of deposited securities which are distributed by BNYM to Sibanye’s ADR holders</td>
</tr>
<tr>
<td>Registration or transfer fees</td>
<td>Depositary services</td>
</tr>
<tr>
<td>Expenses of BNYM</td>
<td>Transfer and registration of shares on Sibanye’s ADR register to or from the name of BNYM or its agent when you deposit or withdraw ordinary shares</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>Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) converting foreign currency to US dollars</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 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 ADRs or restrict or refuse the withdrawal of your underlying deposited securities until you pay any taxes owed on your Sibanye 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 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**

If Sibanye

Reclassifies, splits up or consolidates any of the Sibanye ordinary shares

Distributes securities on any of the Sibanye ordinary shares that are not distributed to you

Recapitalises, reorganises, merges, consolidates, sells its assets, or takes any similar action

Then

The cash, ordinary shares or other securities received by BNYM will become new deposited securities under the Deposit Agreement. Each Sibanye ADR will automatically represent the right to receive a proportional interest in the new deposited securities.

BNYM may, and will if Sibanye asks it to, deliver new Sibanye ADRs representing the new deposited securities or ask you to surrender your outstanding Sibanye ADRs in exchange for new Sibanye ADRs identifying the new deposited securities.

**AMENDMENT AND TERMINATION**

**HOW MAY THE DEPOSIT AGREEMENT BE AMENDED?**

Sibanye 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 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 ADRs.

**HOW MAY THE DEPOSIT AGREEMENT BE TERMINATED?**

BNYM will terminate the Deposit Agreement if Sibanye 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 that it would like to resign and Sibanye does not appoint a new depositary bank within 90 days.

If any Sibanye ADRs remain outstanding after termination, BNYM will stop registering the transfer of Sibanye ADRs, will stop distributing dividends to Sibanye 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’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 ADR holders that have not surrendered their Sibanye 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’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 and BNYM. It also limits the liability of Sibanye and BNYM. Sibanye 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 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 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 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 ADR, make a distribution on a Sibanye 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 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 ADRs generally when the transfer books of BNYM are closed or at any time if BNYM or Sibanye thinks it advisable to do so.

**YOUR RIGHT TO RECEIVE THE ORDINARY SHARES UNDERLYING YOUR ADRS**

You have the right to cancel your Sibanye ADRs and withdraw the underlying ordinary shares at any time, except:

- due to temporary delays caused by BNYM or Sibanye closing its transfer books, the transfer of ordinary shares being blocked in connection with voting at a shareholders’ meeting, or Sibanye 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 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 ADRS**

In certain circumstances, subject to the provisions of the Deposit Agreement, BNYM may deliver Sibanye ADRs before deposit of the underlying ordinary shares. This is called a pre-release of Sibanye ADRs. BNYM may also deliver ordinary shares prior to the receipt and cancellation of pre-released Sibanye ADRs (even if those Sibanye 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 ADRs instead of ordinary shares to close out a pre-release. BNYM may pre-release Sibanye 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 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 ADRs that may be outstanding at any time as a result of pre-release.
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’s ordinary shares or ADSs under current South African law. Changes in the law may alter the tax treatment of Sibanye’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’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 under current South African law. Changes in the law may alter the tax treatment of Sibanye’s ordinary shares or ADSs, possibly on a retroactive basis.

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.

There are no exchange control restrictions on the remittance in full of dividends declared out of trading profits to non-residents of the CMA. Provided the share certificates held by non-resident Sibanye shareholders have been endorsed with the words “non-resident”, the same endorsement, however, will not be applicable to ADRs of Sibanye held by non-resident shareholders. Additionally, where ordinary shares are sold on the JSE on behalf of shareholders of Sibanye 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.

DIRECTIONS FOR INSPECTION OF THE 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 makes generally available to holders of deposited securities. The Depositary will send you copies of those communications if Sibanye 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.

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 makes generally available to holders of deposited securities. The Depositary will send you copies of those communications if Sibanye 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.

There are no exchange control restrictions on the remittance in full of dividends declared out of trading profits to non-residents of the CMA. Provided the share certificates held by non-resident Sibanye shareholders have been endorsed with the words “non-resident”, the same endorsement, however, will not be applicable to ADRs of Sibanye held by non-resident shareholders. Additionally, where ordinary shares are sold on the JSE on behalf of shareholders of Sibanye 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

The discussion in this section sets out the material South African tax consequences of the purchase, ownership and disposition of Sibanye’s ordinary shares or ADSs under current South African law. Changes in the law may alter the tax treatment of Sibanye’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’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 ADSs will be treated as the owner of the Sibanye ordinary shares represented by such ADSs. Sibanye recommends that you consult your own tax adviser about the consequences of holding Sibanye’s ordinary shares or ADSs, as applicable, in your particular situation.
WITHHOLDING 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 reciprocal 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 income or capital gains tax in South Africa with respect to the disposal of those ordinary shares or ADSs unless those ordinary shares or ADSs are attributable to a permanent establishment of the non-resident in South Africa or where the non-resident holds 20% or more of the ordinary shares or ADSs of which 80% or more of the market value of the ordinary shares or ADSs are directly or indirectly derived from immovable property (including prospecting and/or mining rights) located in South Africa.

As Sibanye 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. In the instances where non-resident shareholders hold 20% or more of the ordinary shares or ADSs and dispose of the same, the purchaser of the ordinary shares or ADSs will be obliged to withhold a percentage (between 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% on the taxable amount of 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.

The word “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 is not regarded as a transfer.

STT is levied on the taxable amount of a security. The taxable amount of a listed security is the greater of the consideration given for the security declared by the transferee or the closing price of that security. The taxable amount of an unlisted security is 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. The liability for tax with respect to the transfer of listed securities lies with the party facilitating the transfer or the recipient of the security.

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 ADS holders, interest withholding tax will be levied at a rate of 5% 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). Any interest withholding tax may further be reduced by the applicable Double Taxation Treaty.

DAVIS TAX COMMITTEE

The Davis Tax Committee has been established to review the current South African mining tax regime and to consider input from the industry on practical elements not currently taken into account by the mining tax legislation. No update has been provided on the status of the outcome of the Davis Tax Committee’s investigations. This does not currently affect any non-resident shareholders or non-resident ADS holders, although it could have an indirect effect in future depending on the findings of the Davis Tax Committee and the impact thereof on the mining tax regime in South Africa.

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
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’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;
- persons that have ceased to be US citizens or lawful permanent residents of the United States;
- persons that have ceased to be US citizens or lawful permanent residents living abroad; or
- investors whose functional currency is not the US dollar.

Sibanye 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’s possible status as a PFIC must be determined annually and therefore may be subject to change. If Sibanye 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 would not be eligible for the reduced rate of tax described below under “Taxation of Dividends”. The remainder of this discussion assumes that Sibanye 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 by you. This summary 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:

- US Holders of ADRs

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’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 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’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 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 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 in “—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. 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.

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, 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 with respect to the payment.

For purposes of the foreign tax credit limitation, foreign source income is classified in one of two “baskets”, and the credit for foreign taxes on income in any basket is limited to US federal income tax allocable to that income. Dividends paid by Sibanye generally will constitute foreign source income in the “passive income” basket.

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**

Your tax basis in an ordinary share or ADR will generally be its US dollar cost. The US dollar cost of an ordinary share purchased with foreign currency will generally be the US dollar value of the purchase price on the date of purchase or, in the case of ordinary shares traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis taxpayer (or an accrual basis taxpayer that so elects), on the settlement date for the purchase. Such an election by an accrual basis taxpayer must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

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 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. This capital gain or loss will be long-term capital gain or loss if you 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. Any gain or loss will generally be US source.

The amount realised on a sale or other taxable disposition of ordinary shares for an amount in foreign currency generally will be the US dollar value of such amount on the settlement date, in the case of a cash basis US Holder, or the trade date in the case of an accrual basis US Holder, of such sale or other taxable disposition. On the settlement date, an accrual basis US Holder generally will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to any difference between the US dollar value of the amount received based on the exchange rates in effect on the trade date and the settlement date. However, in the case of ordinary shares traded on an established securities market, accrual basis US Holders may elect to determine the US dollar value of the amount realised on the sale or other taxable disposition of the ordinary shares based on the exchange rate in effect on the settlement date, and no exchange gain or loss will be recognised on such date.

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 “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 $50,000 at the end of the taxable year or $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’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 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’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 and can be accessed at http://www.sibanyegold.co.za.

SUBSIDIARY INFORMATION

Not applicable.

REFINING AND MARKETING

Sibanye has appointed Rand Refinery Proprietary Limited (Rand Refinery) to refine all of Sibanye’s South African-produced gold. Rand Refinery is a private company in which Sibanye holds a 33.1% 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 of the gold production from Sibanye’s operations. As from the Spin-off, Rand Refinery advises Sibanye’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 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 relating to such amount of gold and deposits the balance of the proceeds into the nominated US dollar account of Sibanye.

CERTAIN INFORMATION AS AT 4 APRIL 2017

EXCHANGE RATES

For the average exchange rates for the five most recent financial years, and the high and low exchange rates for each month during the previous six months, see “Annual Financial Report—Overview—Five-year financial performance—Footnote 9”. The average exchange rate for 2017 through 4 April 2017, as reported by I-Net Bridge, was R13.23/US$.

The following table sets forth the high and low exchange rates for the month ended 31 March 2017 through 4 April 2017:

<table>
<thead>
<tr>
<th>Month ended</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2017</td>
<td>13.44</td>
<td>12.42</td>
</tr>
<tr>
<td>Through 4 April 2017</td>
<td>13.89</td>
<td>13.59</td>
</tr>
</tbody>
</table>

The closing exchange on 4 April 2017, as reported by I-Net Bridge, was R13.59/US$.

COMMODITY PRICES

The volatility of commodity prices is illustrated in “Annual Financial Report—Overview—Management’s discussion and analysis of the financial statements—Factors affecting Sibanye’s performance—Commodity prices”. The annual high, low and average of the commodity prices for 2017 through 4 April 2017 is illustrated in the table below:

<table>
<thead>
<tr>
<th>2017 (through 4 April 2017)</th>
<th>US$/oz1</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
<td>Average</td>
</tr>
<tr>
<td>Gold</td>
<td>1,258</td>
<td>1,151</td>
<td>1,220</td>
</tr>
<tr>
<td>Platinum</td>
<td>1,028</td>
<td>934</td>
<td>980</td>
</tr>
</tbody>
</table>

*Rounded to the nearest US dollar.

On 4 April 2017, the London afternoon fixing price of gold was US$1,258/oz and the London market price of platinum was US$980/oz.

FOREIGN CURRENCY SENSITIVITY

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. See “Annual Financial Report—Annual financial statements—Notes to the consolidated financial statements—Note 29.2: Risk management activities—Sensitivity analysis”.

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FOREIGN CURRENCY ECONOMIC HEDGING EXPERIENCE
As of 4 April 2017 there were no material foreign currency positions.

FOREIGN CURRENCY SENSITIVITY ANALYSIS
A sensitivity analysis of the mark-to-market valuation has not been performed as there were no material foreign currency contracts as of 4 April 2017.
CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures:
Sibanye has carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of Sibanye, of the effectiveness of the design and operation of Sibanye’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. Based upon that evaluation, Sibanye’s Chief Executive Officer and Chief Financial Officer concluded that, as of 31 December 2016, Sibanye’s disclosure controls and procedures were effective.

(b) Management’s Report on Internal Control over Financial Reporting:
Sibanye’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.

Sibanye acquired Aquarius in April 2016, and the Rustenburg Operations in October 2016 (together, the Acquired Businesses). Management has excluded from its assessment of internal control over financial reporting as of 31 December 2016, the Acquired Businesses’ internal control over financial reporting associated with approximately 47% of consolidated total assets (including 7% of consolidated total assets related to acquisition accounting adjustments to property, plant and equipment, and goodwill at the respective acquisition dates that was included within the assessment) and approximately 12% of consolidated revenues, included in the consolidated financial statements as of and for the year ended 31 December 2016.

Sibanye’s management assessed the effectiveness of its internal control over financial reporting as of 31 December 2016. In making this assessment, Sibanye’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’s management concluded that, as of 31 December 2016, its internal control over financial reporting is effective based upon those criteria.

KPMG Inc., an independent registered public accounting firm that audited the consolidated financial statements included in this annual report on Form 20-F, has issued an attestation report on the effectiveness of Sibanye’s internal control over financial reporting as of 31 December 2016.

(c) Attestation Report of the Registered Public Accounting Firm:

(d) Changes in Internal Control Over Financial Reporting:
There has been no change in Sibanye’s internal control over financial reporting that occurred during fiscal 2016 that has materially affected, or is reasonably likely to materially affect, Sibanye’s internal control over financial reporting.
The following instruments and documents are included as Exhibits to this annual report.

<table>
<thead>
<tr>
<th>No.</th>
<th>Exhibit</th>
</tr>
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<tbody>
<tr>
<td>1.1</td>
<td>Memorandum of Incorporation of Sibanye.</td>
</tr>
<tr>
<td>2.1</td>
<td>Form of Deposit Agreement among Sibanye, BNYM, as depositary, and the owners and beneficial owners from time to time of ADRs.</td>
</tr>
<tr>
<td>2.2</td>
<td>Form of ADR.</td>
</tr>
<tr>
<td>2.3</td>
<td>The Sibanye 2013 Share Plan, adopted 21 November 2012.</td>
</tr>
<tr>
<td>2.4</td>
<td>Trust Deed among Orogen, as issuer; Gold Fields, GFIMSA, GFO and GFH, as guarantors; and Citicorp Trustee Company Limited, as trustee, dated 7 October 2010 in relation to the Notes.</td>
</tr>
<tr>
<td>4.3</td>
<td>Second Addendum to the R4.5 billion term and revolving credit facilities agreement between Bank of China Limited Johannesburg Branch, FirstRand Bank, ABSA Bank Limited, J.P. Morgan Chase Bank, N.A., Johannesburg Branch, Standard Bank, Nedbank, the Financial Institutions listed in Schedule 1, Opiconsivia Trading 305 (RF) Proprietary Limited and Sibanye dated 12 May 2014.</td>
</tr>
<tr>
<td>4.6</td>
<td>Fifth Addendum to the R4.5 billion term and revolving credit facilities agreement between Bank of China Limited Johannesburg Branch, FirstRand Bank, ABSA Bank Limited, J.P. Morgan Chase Bank, N.A., Johannesburg Branch, Standard Bank, Nedbank, the Financial Institutions listed in Schedule 1, Opiconsivia Trading 305 (RF) Proprietary Limited and Sibanye dated 8 October 2014.</td>
</tr>
<tr>
<td>4.15</td>
<td>First Addendum to the Merger Agreement between Sibanye, Gold One International Limited, and Newshelf 1114 Proprietary Limited dated 26 September 2013.</td>
</tr>
<tr>
<td>4.16</td>
<td>Second Addendum to the Merger Agreement between Sibanye, Gold One International Limited, and Newshelf 1114 Proprietary Limited dated 17 February 2014.</td>
</tr>
<tr>
<td>4.18</td>
<td>Fourth Addendum to the Merger Agreement between Sibanye, Gold One International Limited, and Newshelf 1114 Proprietary Limited dated 30 April 2014.</td>
</tr>
<tr>
<td>4.19</td>
<td>Fifth Addendum to the Merger Agreement between Sibanye, Gold One International Limited, and Newshelf 1114 Proprietary Limited dated 6 May 2014.</td>
</tr>
<tr>
<td>4.21</td>
<td>Indemnity Agreement among Orogen, Gold Fields, GFO, GFH and Sibanye, in respect of Sibanye’s obligations under the Notes, dated 20 December 2012.</td>
</tr>
</tbody>
</table>
4.23 Agreement between Neal Froneman and Sibanye, dated 7 December 2012.¹
4.24 Agreement between Charl Keyter and Sibanye, dated 7 December 2012.¹
4.25 Term Loan Facility Agreement between SGEO (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
4.26 First Amendment to the Term Loan Facility Agreement between SGEO (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
4.27 Second Amendment to the Term Loan Facility Agreement between SGEO (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
4.28 Third Amendment to the Term Loan Facility Agreement between SGEO (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
4.30 Cession in Security by SGEO (previously Southgold Exploration Proprietary Limited) in favour of Purple Rain Security SPV (RF) Proprietary Limited, dated 2 April 2014.⁴
4.32 Implementation Agreement between Sibanye Gold Limited and Sibanye Platinum Bermuda Proprietary Limited and Aquarius Platinum Limited, signed on 6 October 2015.⁴
4.34 $350 million Bridge Facility Agreement between Sibanye Gold Limited and HSBC Bank plc, dated 5 October 2015.⁵
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.

¹ Filed as an exhibit to the registration statement on Form 20-F (File No. 001-35785), filed by Sibanye 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 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 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 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 with the Securities and Exchange Commission on 21 March 2016.
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

/\ Charli Keyter
________________________
Name: Charli Keyter
Title: Chief Financial Officer
Date: 6 April 2017
FACILITY AGREEMENT

REVOLVING FACILITY AGREEMENT

ZAR 6,000,000,000

for

SIBANYE GOLD LIMITED

arranged by

NEDBANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANK 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 CORPORATE AND INVESTMENT BANKING DIVISION)

acting as Agent
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THIS AGREEMENT is made

BETWEEN:

(1) SIBANYE GOLD LIMITED (the Company);

(2) THE SUBSIDIARIES of the Company listed in Part I of Schedule 1 as original borrowers (together with the Company the Original Borrowers);

(3) THE SUBSIDIARIES of the Company listed in Part I of Schedule 1 as original guarantors (together with the Company the Original Guarantors);

(4) NEDBANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION) as co-ordinator (the Co-ordinator);

(5) 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 as mandated lead arrangers (together with the Co-ordinator the Arrangers);

(6) THE FINANCIAL INSTITUTIONS listed in Part 2 of Schedule 1 as lenders (the Original Lenders); and

(7) NEDBANK LIMITED (ACTING THROUGH ITS 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 a 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 **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;

1.1.9 **Authorisation** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

1.1.10 **Availability Period** means the period from and including the Signature Date and ending on the earlier of:

1.1.10.1 the date on which the Facility is cancelled; and

1.1.10.2 the date falling one month prior to the Termination Date;

1.1.11 **Available Commitment** means a Lender’s Commitment minus:

1.1.11.1 the amount of its participation in any outstanding Loans; and

1.1.11.2 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;

1.1.12 **Available Facility** means the aggregate for the time being of each Lender’s Available Commitment;

1.1.13 **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);

1.1.14 **Break Costs** means the amount (if any) by which:

1.1.14.1 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:

1.1.14.2 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;

1.1.15 **Burnstone** means Sibanye Gold Eastern Operations Proprietary Limited (previously known as Southgold Exploration Proprietary Limited);

1.1.16 **Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in Johannesburg;

1.1.17 **Code** means the US Internal Revenue Code of 1986;

1.1.18 **Commitment** means:

1.1.18.1 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

1.1.18.2 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;

1.1.19 **Companies Act** means the Companies Act, 2008 of South Africa and all regulations promulgated under that Act;

1.1.20 **Compliance Certificate** means a certificate substantially in the form set out in Schedule 8 (Form of Compliance Certificate);

1.1.21 **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:

1.1.21.1 any member of the Group or any of its advisers; or

1.1.21.2 another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its 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:
1.1.21.3 information that:

1.1.21.3.1 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

1.1.21.3.2 is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

1.1.21.3.3 is known by that Finance Party before the date the information is disclosed to it in accordance with Clauses 1.1.21.1 or 1.1.21.2 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

1.1.21.3.4 relates to any Funding Rate;

1.1.22 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;

1.1.23 Consolidated EBITDA has the meaning given to that term in Clause 22.1 (Financial Definitions);

1.1.24 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;

1.1.25 Defaulting Lender means any Lender:

1.1.25.1 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);

1.1.25.2 which has otherwise rescinded or repudiated a Finance Document; or

1.1.25.3 with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of Clause 1.1.25.1 above:

1.1.25.4 its failure to pay is caused by:

1.1.25.4.1 administrative or technical error; or
1.1.25.4.2 a Disruption Event; and

payment is made within five Business Days of its due date; or

1.1.25.5 the Lender is disputing in good faith whether it is contractually obliged to make the payment in question;

1.1.26 **Disruption Event** means either or both of:

1.1.26.1 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

1.1.26.2 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:

1.1.26.3 from performing its payment obligations under the Finance Documents; or

1.1.26.4 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;

1.1.27 **EBITDA** has the meaning given to that term in Clause 22.1 (Financial Definitions);

1.1.28 **Effective Date** means the date of the notice given by the Agent pursuant to Clause 4.1 (Initial conditions precedent);

1.1.29 **Encumbrance** means:

1.1.29.1 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

1.1.29.2 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

1.1.29.3 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;

1.1.30 **Eskom** means Eskom Holdings SOC Limited;
1.1.31 **Event of Default** means any event or circumstance specified as such in Clause 24 (Events of Default);

1.1.32 **Existing Facilities** means the term and revolving facilities made available to the Company pursuant to a ZAR4,000,000,000 facilities agreement entered into between amongst others, the Company, Absa Bank Limited (acting through its Absa Capital Division) Nedbank Limited (acting through its 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;

1.1.33 **Existing Facilities Repayment Amount** means the amount required by the Company to fund the prepayment or repayment (as the case may be) of any amounts owing under the Existing Facilities in full;

1.1.34 **Facility** means the revolving loan facility made available under this Agreement as described in Clause 2 (The Facility);

1.1.35 **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;

1.1.36 **Fallback Interest Period** means a period of one week;

1.1.37 **FATCA** means:

1.1.37.1 sections 1471 to 1474 of the Code or any associated regulations;

1.1.37.2 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 1.1.37.1 above; or

1.1.37.3 any agreement pursuant to the implementation of any treaty, law or regulation referred to in Clauses 1.1.37.1 or 1.1.37.2 above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

1.1.38 **FATCA Application Date** means:

1.1.38.1 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;
1.1.38.2 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 2017; or

1.1.38.3 in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within Clauses 1.1.38.1 or 1.1.38.2 above, 1 January 2017,

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;

1.1.39 FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA;

1.1.40 FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction;

1.1.41 Fee Letter means any letter or letters dated on or about the Signature Date between each Original Lender and the Company (or the Agent and the Company) setting out any of the fees referred to in Clause 13 (Fees);

1.1.42 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;

1.1.43 Finance Party means the Agent, the Arrangers or a Lender;

1.1.44 Financial Indebtedness means (without double counting) any indebtedness for or in respect of:

1.1.44.1 moneys borrowed or credit granted;

1.1.44.2 any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

1.1.44.3 any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

1.1.44.4 the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

1.1.44.5 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

1.1.44.6 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:
used primarily as a method of raising credit; or

not made in the ordinary course of business;

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;

any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

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);

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;

the amount raised by the issue of redeemable shares to the extent such shares are redeemable prior to the Termination Date; and

the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in Clauses 1.1.44.1 to 1.1.44.11 above;

Financial Half Year has the meaning given to that term in Clause 22.1 (Financial Definitions);

Financial Quarter has the meaning given to that term in Clause 22.1 (Financial Definitions);

Financial Statements means any financial statements referred to in Clause 21.1 (Financial Statements);

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;
1.1.51 **Funds Flow Confirmation Letter** means the written letter agreement entered into between the Finance Parties and the Company, pursuant to which certain matters regarding the payments in respect of the first Utilisation are regulated;

1.1.52 **Funding Rate** means any individual rate notified by a Lender to the Agent pursuant to Clause 12.3 (Cost of Funds);

1.1.53 **Group** means the Company and its Subsidiaries for the time being;

1.1.54 **Group Structure Chart** means the group structure chart in agreed form showing at least the following information:

1.1.54.1 each member of the Group, including current name and company registration number, its jurisdiction of incorporation and/or its jurisdiction of establishment;

1.1.54.2 a list of shareholders of each member of the Group; and

1.1.54.3 indicating whether it is not a company with limited liability;

1.1.55 **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);

1.1.56 **Guarantor Threshold Test** has the meaning given to that term in Clause 23.20 (Guarantors);

1.1.57 **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;

1.1.58 **Holding Company** means, in relation to a person, any other person in respect of which it is a Subsidiary;

1.1.59 **IFRS** means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant Financial Statements;

1.1.60 **Impaired Agent** means the Agent at any time when:

1.1.60.1 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;

1.1.60.2 the Agent otherwise rescinds or repudiates a Finance Document;

1.1.60.3 (if the Agent is also a Lender) it is a Defaulting Lender under Clause 1.1.25.1 or 1.1.25.2 or 1.1.25.3 of the definition of “Defaulting Lender”; or

1.1.60.4 an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of Clause 1.1.60.1 above:
1.1.60 its failure to pay is caused by:

1.1.60.5 administrative or technical error; or

1.1.60.5.1 a Disruption Event; and

1.1.60.6 payment is made within five Business Days of its due date; or

1.1.60.7 the Agent is disputing in good faith whether it is contractually obliged to make the payment in question;

1.1.61 Indebtedness for Borrowed Money means Financial Indebtedness save for any indebtedness for or in respect of Clauses 1.1.44.9 and 1.1.44.10 of the definition of “Financial Indebtedness”, or in respect of any guarantee or indemnity of such indebtedness if and to the extent only 1.1.44.9 and 1.1.44.10 are not closed-out and/or called and consequently constitute Financial Indebtedness;

1.1.62 Insolvency Event in relation to an entity means that the entity:

1.1.62.1 is dissolved (other than pursuant to a consolidation, amalgamation or merger);

1.1.62.2 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;

1.1.62.3 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;

1.1.62.4 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 1.1.62.3 above and:

1.1.62.4.1 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

1.1.62.4.2 is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
1.1.62.5 has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

1.1.62.6 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 1.1.62.3 above);

1.1.62.7 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;

1.1.62.8 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 1.1.62.1 to 1.1.62.7 above; or

1.1.62.9 takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

1.1.63 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);

1.1.64 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:

1.1.64.1 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

1.1.64.2 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;

1.1.65 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:

1.1.65.1 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
1.1.65.2 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;

1.1.66 JIBAR means, in relation to any Loan:

1.1.66.1 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

1.1.66.2 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;

1.1.67 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;

1.1.68 JSE Listings Requirements means the listings requirements published by the JSE, as amended from time to time;

1.1.69 Legal Reservations means:

1.1.69.1 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;

1.1.69.2 the time barring of claims under the Prescription Act, 1969; and

1.1.69.3 similar principles, rights and defences under the laws of any relevant jurisdiction; and

1.1.69.4 any other matters which are set out as qualification 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);

1.1.70 Lender means:

1.1.70.1 any Original Lender; and

1.1.70.2 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;
1.1.71 **LMA** means the Loan Market Association;

1.1.72 **Loan** means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan;

1.1.73 **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);

1.1.74 **Margin** means 2.4%;

1.1.75 **Material Adverse Effect** means a material adverse effect on:

1.1.75.1 the business, operations, property or financial condition of the Group taken as a whole; or

1.1.75.2 the ability of the Obligors together to perform their financial or other obligations under the Finance Documents;

1.1.76 **Material Company** means any member of the Group (other than an Obligor and a Project Finance Subsidiary) which:

1.1.76.1 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

1.1.76.2 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 Clause 1.1.76.1 and 1.1.76.2 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 Subsidiary (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;

1.1.77 **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:

1.1.77.1 subject to Clause 1.1.77.3 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;
1.1.77.2 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

1.1.77.3 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;

1.1.78 The above rules will only apply to the last Month of any period;

1.1.79 New Lender has the meaning given to that term in 25 (Changes to the Lenders);

1.1.80 Non-Obligor means any person that is not an Obligor or a Project Finance Subsidiary;

1.1.81 Non-Obligor Restricted Company means a Restricted Company that is not an Obligor;

1.1.82 Non-Project Finance Group Member means any member of the Group other than a Project Finance Subsidiary;

1.1.83 Obligor means a Borrower or a Guarantor;

1.1.84 Original Financial Statements means:

1.1.84.1 in relation to the Company, the audited consolidated financial statements of the Group for the Financial Year ended 31 December 2015;

1.1.84.2 in relation to Aquarius Platinum (South Africa) Proprietary Limited, the audited financial statements for the Financial Year-ended 30 June 2016; and

1.1.84.3 in relation to each Original Obligor other than the Company and Aquarius Platinum (South Africa) Proprietary Limited, its audited financial statements for its Financial Year ended 31 December 2015;

1.1.85 Original Obligor means an Original Borrower or an Original Guarantor;

1.1.86 Party means a party to this Agreement;

1.1.87 Permitted Acquisition means any acquisition which is not classified as a “Category 1 Transaction” of the Company in terms of the JSE Listings Requirements;

1.1.88 Permitted Disposal means any sale, lease, transfer or other disposal:

1.1.88.1 by a Restricted Company of any assets which are obsolete, redundant or no longer required for the efficient operation of the business of such Restricted Company;

1.1.88.2 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;
1.1.88.3 by an Obligor to another Obligor;

1.1.88.4 by a Restricted Company (other than an Obligor) to any other Restricted Company (other than an Obligor);

1.1.88.5 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:

1.1.88.5.1 in respect of Burnstone, exceed ZAR1.8 billion over the term of the Facility; and

1.1.88.5.2 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;

1.1.88.6 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;

1.1.88.7 of assets (other than shares or businesses) in exchange for other assets comparable or superior as to type, value and quality;

1.1.88.8 of cash equivalent investments for cash or in exchange for other cash equivalent investments;

1.1.88.9 arising as a result of any Permitted Encumbrance; or

1.1.88.10 for which the Agent (acting on the instructions of the Majority Lenders) has given its prior written consent;

1.1.89 Permitted Encumbrance means:

1.1.89.1 any Encumbrance created prior to the Signature Date which:

1.1.89.1.1 is disclosed in the Financial Statements of the Company delivered to the Agent prior to the Signature Date and

1.1.89.1.2 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;
1.1.89.2 any Encumbrance created prior to the Signature Date in favour of Opiconsivia Trading 305 (RF) Proprietary Limited;

1.1.89.3 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;

1.1.89.4 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;

1.1.89.5 any Encumbrance or Quasi-Encumbrance over or affecting any asset acquired by a member of the Group after the Signature Date if:

1.1.89.5.1 the Encumbrance or Quasi-Encumbrance was not created in contemplation of the acquisition of that asset by a member of the Group;

1.1.89.5.2 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

1.1.89.5.3 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;

1.1.89.6 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:

1.1.89.6.1 the Encumbrance or Quasi-Encumbrance was not created in contemplation of the acquisition of that company;

1.1.89.6.2 the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

1.1.89.6.3 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;
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;

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);

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;

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;

any Encumbrance or Quasi-Encumbrance arising as a result of a disposal which is a Permitted Disposal;

any Encumbrance or Quasi-Encumbrance arising as a consequence of any finance or capital lease constituting Permitted Financial Indebtedness;

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;

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 1.1.89.1 to 1.1.89.13 above and Clauses 1.1.89.15 to 1.1.89.19 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);

any other Encumbrance or Quasi-Encumbrance as agreed by the Agent (acting on the instructions of the Majority Lenders) in writing;

any Encumbrance arising pursuant to or permitted under the Finance Documents;

any Encumbrance in respect of any environmental bond which any member of the Group is required to issue under any applicable environmental law;
any Encumbrance contemplated in Clause 1.1.90.8 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

any Encumbrance contemplated in Clause 1.1.90.9 of the definition of “Permitted Financial
Indebtedness”;  

1.1.90 **Permitted Financial Indebtedness** means any Financial Indebtedness:

1.1.90.1 arising under the Finance Documents;

1.1.90.2 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;

1.1.90.3 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);

1.1.90.4 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);

1.1.90.5 between Group companies to the extent incurred for the purpose of financing general corporate and working capital requirements;

1.1.90.6 not falling within Clauses 1.1.90.1, 1.1.90.2, 1.1.90.3, 1.1.90.4 or 1.1.90.5 above and 1.1.90.7 to 1.1.90.9 below provided that the aggregate amount of all Financial Indebtedness (other than Financial Indebtedness of Obligors or Project Finance Subsidiaries) permitted under this Clause 1.1.90.6 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);
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:

such Permitted Financial Indebtedness is incurred by an Obligor; and

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;

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 such Obligors;

Project Finance Subsidiaries means:

Burnstone;

K2013164354 Proprietary Limited; and

any other company or other entity (excluding the Obligors):

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 from any other Restricted Company, exceeds 5% (five percent) of Consolidated Tangible Net Worth at any time;

whose sole business is, and remains, the ownership, development, construction, refurbishment, commissioning and/or operation of a project; and

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;

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:
1.1.93.1 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;

1.1.93.2 an Obligor sells, transfers or otherwise disposes of its receivables on recourse terms; or

1.1.93.3 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,

1.1.93.4 or any other preferential agreement or arrangement to which an Obligor is a party having a similar effect to that described in Clauses 1.1.93.1 to 1.1.93.3 above, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness;

1.1.94 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 Interbank 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);

1.1.95 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;

1.1.96 Relevant Market means the Johannesburg interbank market;

1.1.97 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);

1.1.98 Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;

1.1.99 Resignation Letter means a letter substantially in the form set out in Schedule 7 (Form of Resignation Letter);

1.1.100 Restricted Company means:

1.1.100.1 an Obligor; and

1.1.100.2 a Material Company;

1.1.101 Rollover Loan means one or more Loans:
1.1.101.1 made or to be made on the same day that a maturing Loan is due to be repaid;

1.1.101.2 the aggregate amount of which is equal to or less than the amount of the maturing Loan; and

1.1.101.3 made or to be made to the same Borrower for the purpose of refinancing that maturing Loan;

1.1.102 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;

1.1.103 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;

1.1.104 Signature Date means the date of signature of this Agreement by the Party signing it last in time;

1.1.105 Specified Time means a day or time determined in accordance with Schedule 10 (Timetables);

1.1.106 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;

1.1.107 Substitute Affiliate Lender Designation Notice has the meaning given to it in Clause 25.9 (Lender Affiliates and Facility Office);

1.1.108 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);

1.1.109 Termination Date means the third anniversary of the Effective Date;

1.1.110 Total Commitments means the aggregate of the Commitments, being ZAR6,000,000,000 at the Signature Date;

1.1.111 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;

1.1.112 Transfer Date means, in relation to a transfer, the later of:

1.1.112.1 the proposed Transfer Date specified in the Transfer Certificate; and
1.1.112.2 the date on which the Agent executes the Transfer Certificate;

1.1.113 Unpaid Sum means any sum due and payable but unpaid by an Obligor under the Finance Documents;

1.1.114 US means the United States of America;

1.1.115 US Tax Obligor means:

1.1.115.1 a Borrower which is resident for tax purposes in the US; or

1.1.115.2 an Obligor some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes;

1.1.116 Utilisation means a utilisation of the Facility;

1.1.117 Utilisation Date means the date of a Utilisation, being the date on which a Loan is to be made;

1.1.118 Utilisation Request means a notice substantially in the form set out in Schedule 3 (Utilisation Request);

1.1.119 VAT means:

1.1.119.1 any value added tax imposed in compliance with the Value added Tax Act, 1991;

1.1.119.2 any general service tax; and

1.1.119.3 any other tax of a similar nature.

1.2 Construction

1.2.1.1 Unless a contrary indication appears, any reference in this Agreement to:

1.2.1.1.1 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, its rights and/or obligations under the Finance Documents;

1.2.1.1.2 assets includes present and future properties, revenues and rights of every description;

1.2.1.1.3 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 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 eisdem generis rule must not be applied in the interpretation of such general wording or such specific examples;

1.2.1.6 a group of Lenders includes all the Lenders;

1.2.1.7 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;

1.2.1.8 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);

1.2.1.9 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;

1.2.1.10 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;

1.2.1.11 a provision of law is a reference to that provision as amended or re-enacted; and

1.2.1.12 a time of day is a reference to Johannesburg time;

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;

1.2.2 Section, Clause and Schedule headings are for ease of reference only;

1.2.3 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;

1.2.4 A Default is continuing if it has not been remedied or waived;
1.2.1.5 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;

1.2.1.6 Unless inconsistent with the context, an expression in any Finance Document which denotes the singular includes the plural and vice versa;

1.2.1.7 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;

1.2.1.8 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;

1.2.1.9 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;

1.2.1.10 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;

1.2.1.11 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$, USD** denotes the lawful currency of the United States of America.
1.4 Third party rights

1.5 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.

1.6 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.

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 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:

4.2.1 in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and,

4.2.2 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:

6.1.2.2.1 if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:
6.1.2.2.1.1 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

6.1.2.2.1.2 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

6.1.2.2 if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:

6.1.2.2.1 the relevant Borrower will not be required to make a payment under Clause 30.1 (Payments to the Agent); and

6.1.2.2.2 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 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 above 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 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:

8.1.2.1.1.1 if the shares are not listed, 50% (fifty percent); or

8.1.2.1.1.2 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; and:

8.1.3 For the purpose of Clause 8.1.1 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

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 Restricted Company is cancelled or suspended by a creditor of such 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 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) 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 Restricted Company to be Financially Distressed (as defined in the Companies Act) or the board of that 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;

8.2.3.1.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, judicial manager, business rescue practitioner or other similar officer in respect of any Non-Obligor Restricted Company; or

8.2.3.1.4 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 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

8.2.3.2 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).

8.2.4 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, at any time:

8.3.1 the Guarantor Threshold Test is not met;

8.3.2 at such time all EBITDA contributing wholly-owned Subsidiaries of the Company are or have become Guarantors; and

8.3.3 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 above, 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 above, 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 above, and if a Lender so requires and notifies the Agent after the negotiation period referred to in Clause 8.4.2 above, 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 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 laws 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 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.

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**

**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

14.1.1.3.3 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 cooperate 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 is compensated for by an increased payment under Clause 14.2 (Tax Gross-Up); or

14.3.2.3 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.

14.3.3 Clause 14.3.1 does not apply to the extent a loss, liability or cost relates to a FATCA Deduction required to be made by a Party.

14.3.4 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.

14.3.5 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 above 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 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.

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 above 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 above.

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 above, 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

16.3.1 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 willful default) which arises, directly or indirectly, as a result of or in connection with:

16.3.1.1 the provision by the Lenders of the financing provided pursuant to the Finance Documents and/or the purpose for which such financing was utilised;
16.3.1.2 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;

16.3.1.3 an environmental claim;

16.3.1.4 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;

16.3.1.5 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; 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) 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;
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
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.

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 are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (Conditions of Utilisation) or Clause 26 (Change of Obligors), 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 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  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  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 subject to Legal Reservations.

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 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, 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.

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.

20.12 Financial statements

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).

20.13 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 against it which are reasonably be 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, 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 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) 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 laws and sanctions) and Clause 23.6 (Anti corruption laws 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.

**Sanctions Authorities** means:

20.17.3.4.1 the United States government;
20.17.3.4.2 the United Nations;
20.17.3.4.3 the European Union;
20.17.3.4.4 the United Kingdom; or
20.17.3.4.5 the respective Governmental Authorities of any of the foregoing, including without limitation, OFAC, the US Department of State and Her Majesty’s Treasury.

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 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 date of the Facility Agreement, 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 of the Company.

20.24 **Repetition**

20.24.1 All the representations and warranties in this Clause are made by the Obligors on the Signature Date and the Effective Date.

20.24.2 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:

20.24.2.1 the date of each Utilisation Request and the first day of each Interest Period; and

20.24.2.2 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
21.1.2 the audited financial statements of each Obligor for that Financial Year; and

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;

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:

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 Clause 21.1.1 or Clause 21.1.2.1 (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.

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 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.

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, 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, 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, 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 above 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 Obligor 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; and

21.4.7 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 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:

22.1.1.1 any provision on account of normal, deferred and royalty taxation;
22.1.2  any interest, commission, discounts or other fees incurred or payable, received or receivable by any member of the Group in respect of indebtedness;

22.1.3  any other interest received or receivable by any member of the Group on any deposit or bank account;

22.1.4  any non-cash adjustments to the environment rehabilitation and/or reclamation expenses;

22.1.5  any amount attributable to the amortisation of intangible assets and depreciation of tangible assets;

22.1.6  any non-cash gains or losses relating to and resulting from the marked to market valuation of derivative and/or financial instruments;

22.1.7  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:

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 5:1.

22.2.2 the ratio of Consolidated Net Borrowings to Consolidated EBITDA in respect of any Measurement Period shall not exceed 2.5:1.

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 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.

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.

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 interest in (or may in the future own, operate or hold a beneficial 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 interest in (or may in the future own, operate or hold a beneficial 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
23.6.2 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

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 payment is being contested in good faith;

23.7.2 adequate reserves are being maintained for those taxes; and

23.7.3 payment can be lawfully withheld.

23.8 JSE Listing

23.8.1 The entire issued share capital of the Company shall remain listed on the JSE.

23.8.2 The Company shall comply in all material respects with the JSE Listing Requirements applicable to it.

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 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:

23.10.1.1 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;

23.10.1.2 the surviving entity is a member of the Group;

23.10.1.3 the surviving entity is incorporated in the same jurisdiction as the merged Obligor; and

23.10.1.4 such transaction will not have a Material Adverse Effect; or
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 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 above:

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 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 at all times:

23.20.1.1 the aggregate EBITDA (as defined in Clause 22.1 (Financial Definitions)) of the Guarantors; and

23.20.1.2 the aggregate gross assets of the Guarantors;

(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 (as defined in Clause 22.1 (Financial Definitions)) 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.
If, at any time, 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, bind themselves as Additional Guarantors in accordance with the procedure set out in Clause 26.4 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.

24. EVENTS OF DEFAULT

Each of the events or circumstances set out in 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), 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).

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; or

24.7.1.4 enforcement of any Encumbrance over any assets of any Obligor,

or 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.

24.8 **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.
24.9 **Unlawfulness and invalidity**

24.9.1 It is or becomes unlawful 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).

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...
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 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**

On and at any time after the occurrence of an Event ofDefault which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

24.18.1 cancel all or any part of the Total Commitments whereupon they shall immediately be cancelled;

24.18.2 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
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 delegated 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”.
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:

25.7.3 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

25.7.4 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:

25.8.1.3 when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and

25.8.1.4 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 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.

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
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.

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 paragraph 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 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 incorporated:

26.2.1.2.1 in the same jurisdiction as an existing Borrower; or
26.2.1.2.2 in a jurisdiction approved by to all Lenders;

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 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).

26.2.3 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 26.2.2 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.

26.3 Resignation of a Borrower

26.3.1 The Company may request that a Borrower (other than the Company) 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:

27.2.1.2 all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and

27.2.1.3 in all other cases, the Majority Lenders; and

27.2.1.4 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 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 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 27.7.1.3.1 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 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.

27.7.9 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; or

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.

27.10.4.3 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 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.

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
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; and

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 above; 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;

30.6.1.2 secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;

30.6.1.3 thirdly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and

30.6.1.4 fourthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

30.6.2 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.

30.6.3 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

30.8.1 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).

30.8.2 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

30.9.1 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.

30.9.2 Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

30.9.3 Any amount expressed to be payable in a currency other than rand shall be paid in that other currency.

30.10 Change of currency

30.10.1 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).

30.10.2 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 Agent is notified by 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 and each other Obligor:

Corporate Office
Libanon Business Park
1 Hospital Road
Libanon
Westonaria
1779
South Africa
Attention Mr Charl Keyter
Fax No. (011) 278 9863
Email: charl.keyter@sibanyegold.co.za
32.2.2 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
Email: specfinproman@nedbank.co.za

32.2.3 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
termtendingadmin@rmb.co.za

32.2.4 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

32.2.5 in the case of Bank of China Limited Johannesburg Branch:

Alice Lane Towers
14 – 16th Floors
15 Alice Lane
Sandton 2146
Attention: Jacqui Botha / Ryan Chen
Department: Comprehensive Risk Management Department
Fax No: +27 11 520 9685
Tel No: +27 11 520 9600
E-mail: credit@boc.co.za

32.2.6 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
32.2.7 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

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 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

36.5.2 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 below); or
an Obligor becomes obliged to repay any amount in accordance with Clause 7.1 (Illegality) or to pay additional amounts pursuant to 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 transferee concerned delivers a Transfer Certificate executed by it to the Lender concerned and pays the relevant amount to the Agent.

The replacement of a Lender pursuant to this Clause 36.6 shall be subject to the following conditions:

- the Company shall have no right to replace the Agent;
- neither the Agent nor the Lender shall have any obligation to the Company to find a Replacement Lender;
- 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;
- 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
- 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.

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 Replacement of a Defaulting Lender

36.7.1 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:

36.7.1.1 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;

36.7.1.2 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

36.7.1.3 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,

36.7.1.4 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:

36.7.1.4.1 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
36.7.1.4.2 in an amount agreed between that Defaulting Lender, the Replacement Lender and the Company and which does not exceed the amount described in Clause 36.7.1.4.1 above.

36.7.2 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 transferee concerned delivers a Transfer Certificate executed by it to the Lender concerned and pays the relevant amount to the Agent.

36.7.3 Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 36.7 shall be subject to the following conditions:

36.7.3.1 the Company shall have no right to replace the Agent;

36.7.3.2 neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;

36.7.3.3 the transfer must take place no later than ten Business Days after the notice referred to in Clause 36.7.1 above;

36.7.3.4 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

36.7.3.5 the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to Clause 36.7.1 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 to the Replacement Lender.

36.7.4 The Defaulting Lender shall perform the checks described in Clause 36.7.3.5 above as soon as reasonably practicable following delivery of a notice referred to in Clause 36.7.1 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

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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 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 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 above;

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 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;

37.2.2.9.2 in relation to Clause 37.2.2.4 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

37.2.2.9.3 in relation to Clauses 37.2.2.5, 37.2.2.6 and 37.2.2.7 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;

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 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 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.
38. CONFIDENTIALITY OF FUNDING RATES

38.1 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.

- SIGNATURES TO FOLLOW -
SIGNED at Westonaria on this the 14th day of November 2016.

For and on behalf of
SIBANYE GOLD LIMITED (AS ORIGINAL BORROWER AND AN ORIGINAL GUARANTOR)

/s/ C Keyter  
Signatory: Charl Keyter  
Capacity: CFO  
Who warrants his authority hereto
SIGNED at Westonaria on this the 14th day of November 2016.

For and on behalf of

SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED
(AS ORIGINAL BORROWER AND AN ORIGINAL GUARANTOR)

/s/ C. Keyter
Signatory: Charl Keyter
Capacity: CFO
Who warrants his authority hereto
SIGNED at Westonaria on this the 14th day of November 2016.

For and on behalf of
AQUARIUS PLATINUM (SOUTH AFRICA) PROPRIETARY LIMITED
(AS ORIGINAL BORROWER AND AN ORIGINAL GUARANTOR)

/s/ C Keyter
Signatory: Charl Keyter
Capacity: CFO
Who warrants his authority hereto
SIGNED at Westonaria on this the 14th day of November 2016.

For and on behalf of
RAND URANIUM PROPRIETARY LIMITED (AS ORIGINAL GUARANTOR)

/s/ C Keyter
Signatory: Charl Keyter
Capacity: CFO
Who warrants his authority hereto
SIGNED at Sandton on this the 14th day of November 2016.

For and on behalf of

NEDBANK LIMITED (ACTING THROUGH ITS CORPORATE AND
INVESTMENT BANKING DIVISION)

/s/ GL Webber
Signatory: GL Webber
Capacity: Authorised Signatory
Who warrants his authority hereto

/s/ PA van Kerckhoven
Signatory: PA van Kerckhoven
Capacity: Authorised Signatory
Who warrants his authority hereto
SIGNED at Rosebank on this the 14th day of November 2016.

For and on behalf of
THE STANDARD BANK OF SOUTH AFRICA LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION)

/s/ JM Kriek
Signatory: Jaco Kriek
Capacity: Head: Mining Finance
Who warrants his authority hereto
SIGNED at Johannesburg on this the 14th day of November 2016.

For and on behalf of
FIRSTRAND BANK LIMITED (ACTING THROUGH ITS RAND MERCHANT BANK DIVISION)

/s/ Mpho Mofokeng
Signatory: Mpho Mofokeng
Capacity: Authorised Signatory
Who warrants his authority hereto

/s/ W Joubert
Signatory: W Joubert
Capacity: Authorised Signatory
Who warrants his authority hereto
SIGNED at Johannesburg on this the 14th day of November 2016.

For and on behalf of
ABSA BANK LIMITED (ACTING THROUGH ITS CORPORATE
AND INVESTMENT BANKING DIVISION)

/s/ A Sam
Signatory: Anthony Sam
Capacity: Authorised
Who warrants his authority hereto

/s/ T Ehlers
Signatory: T Ehlers
Capacity: Authorised
Who warrants his authority hereto
SIGNED at Johannesburg on this the 14th day of November 2016.

For and on behalf of

BANK OF CHINA LIMITED JOHANNESBURG BRANCH

/s/ Quanlei Liu
Signatory: Dr. Quanlei Liu
Capacity: Senior Executive Vice President
Who warrants his authority hereto
# SCHEDULE 1

## THE ORIGINAL PARTIES

### PART 1

#### The 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>2007/007531/07</td>
</tr>
<tr>
<td>Aquarius Platinum (South Africa) 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>Rand Uranium Proprietary Limited</td>
<td>2007/007531/07</td>
</tr>
<tr>
<td>Sibanye Rustenburg Platinum Mines Proprietary Limited</td>
<td>2015/305479/07</td>
</tr>
<tr>
<td>Aquarius Platinum (South Africa) Proprietary Limited</td>
<td>2000/000341/07</td>
</tr>
</tbody>
</table>
# Part 2 of Schedule 1: The Original Lenders

<table>
<thead>
<tr>
<th>Name of Original Lender</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nedbank Limited (Acting through its 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>
</tbody>
</table>

**Total Commitment:** ZAR6,000,000,000
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:
      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 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. 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) 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 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 Bowmans;

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.
From: [Borrower]  
To: [Agent]  
Dated:  

Dear Sirs

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement  
dated [☐] (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 [☐] (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:
SCHEDULE 5
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 [☐] (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
SCHEDULE 6
FORM OF ACCESION LETTER

To: [☐] as Agent

From: [Subsidiary] and Sibanye Gold Limited

Dated:

Dear Sirs

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement
dated [☐] (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.

    Sibanye Gold Limited    [Subsidiary]
SCHEDULE 7
FORM OF RESIGNATION LETTER

To: [☐] as Agent
From: [resigning Obligor] and Sibanye Gold Limited
Dated:

Dear Sirs

Sibanye Gold Limited – ZAR6,000,000,000 Revolving Facility Agreement
dated [☐] (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;

46.1.3.1.1 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.

Sibanye Gold Limited [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 [☐] (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
Sibanye Gold Limited

Director
of
Sibanye Gold Limited

[insert applicable certification language]

for and on behalf of
Sibanye Gold Limited

* 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,
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 dependants 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.
EXECUTION VERSION

US$2,650,000,000 BRIDGE FACILITIES AGREEMENT

DATED 9 DECEMBER 2016

for

SIBANYE GOLD LIMITED

arranged by

CITIBANK, N.A., LONDON BRANCH

and

HSBC BANK PLC

with

CITIBANK EUROPE PLC, UK BRANCH

acting as Agent
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Signatories                                                               | 152  |
THIS AGREEMENT is dated 9 December 2016 and made

BETWEEN:

(1) SIBANYE GOLD LIMITED (the Company);

(2) THE COMPANIES listed in Part 1 of Schedule 1 (The Original Parties) as original borrowers (the Original Borrowers);

(3) THE COMPANIES listed in Part 1 of Schedule 1 (The Original Parties) as original guarantors (the Original Guarantors);

(4) CITIBANK, N.A., LONDON BRANCH and HSBC BANK PLC as bookrunners and mandated lead arrangers (whether acting individually or together, the Arranger);

(5) THE FINANCIAL INSTITUTIONS listed in Part 2 of Schedule 1 (The Original Parties) as original lenders (the Original Lenders); and

(6) CITIBANK EUROPE PLC, UK BRANCH 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 6 (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.

Acquisition means the acquisition by the Company (or by a wholly-owned Subsidiary of the Company) of the Target Shares to be effected by way of a merger on the terms of the Acquisition Documents.

Acquisition Costs means all fees, costs and expenses, stamp, registration and other Taxes incurred by the Company or any other member of the Group on or around the Closing Date in connection with the Acquisition and the Acquisition Documents.

Acquisition Documents means:

(a) the Merger Agreement; and

(b) any other document designated as an Acquisition Document by the Agent and the Company.
**Additional Borrower** means a company which becomes an Additional Borrower in accordance with Clause 26 (Changes to the Obligors).

**Additional Guarantor** means a 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 5 (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:

(a) for Facility A, the period commencing on the date of this Agreement and ending on the earlier of:

   (i) the Closing Date; and

   (ii) 30 August 2017; and

(b) for Facility B and Facility C, the period commencing on the date of this Agreement and ending on the date falling 45 Business Days after the earlier of:

   (i) the Closing Date; and

   (ii) 30 August 2017.

**Available Commitment** means, in relation to a Facility, a Lender’s Commitment under that Facility minus:

(a) the amount of its participation in any outstanding Loans under that Facility; and

(b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made under that Facility on or before the proposed Utilisation Date.

**Available Facility** means, in relation to a Facility, the aggregate for the time being of each Lender’s Available Commitment in respect of that Facility.

**Borrower** means the Original Borrowers 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, Johannesburg and New York.

**Certain Funds Period** means the period commencing on the date of this Agreement and ending on:

(a) the last day of the Availability Period for the purpose of a proposed Utilisation which is to be applied solely towards (directly or indirectly) refinancing of the Convertible Bonds and the making of payments to the holders thereof; and

(b) the Closing Date for any other purpose.

**Certain Funds Utilisation** means a Utilisation made or to be made during the Certain Funds Period.

**CFC** has the meaning given to it in Clause 19.11 (US Guarantee Limitations).

**Clean-Up Date** means the date falling 90 days from the Closing Date.

**Clean-Up Default** means a Default referred to in Clause 24.3 (Other obligations) insofar as it relates to a Clean-Up Undertaking, Clause 24.4 (Misrepresentation) insofar as it relates to a Clean-Up Representation, Clause 24.5 (Cross default), Clause 24.8 (Creditors’ process) and Clause 24.17 (Loss of Mining Rights).

**Clean-Up Representation** means any of the representations and warranties under Clause 20 (Representations).

**Clean-Up Undertaking** means any of the undertakings specified under Clause 23.3 (Environmental compliance), Clause 23.4 (Environmental claims), Clause 23.6 (Anti-corruption law and Sanctions), Clause 23.7 (Taxation), Clause 23.9 (Restrictions on disposals), Clause 23.12 (Restriction on acquisitions), Clause 23.14 (Negative pledge) and Clause 23.18 (Access).

**Closing Date** means the date on which Completion occurs.

**Code** means the US Internal Revenue Code of 1986.

**Commitment** means a Facility A Commitment, Facility B Commitment or Facility C Commitment.

**Companies Act** means the Companies Act, 2008 of South Africa and all regulations promulgated under that Act.

**Completion** means the completion of the Acquisition in accordance with the Acquisition Documents.
**Compliance Certificate** means a certificate substantially in the form set out in Schedule 8 (Form of Compliance Certificate).

**Confidential Information** means all information relating to the Company, any Obligor, the Group, the Target Group, the Finance Documents or a 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 a Facility from either:

(a) any member of the Group, the Target Group or any of its 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 the Target Group or any of its 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 the Target Group or any of their respective 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 or Reference Bank Quotation.

**Confidentiality Undertaking** means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 10 (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).

**Consolidated Net Borrowings** has the meaning given to that term in Clause 22.1 (Financial Definitions).

**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).

**Convertible Bonds** means the existing US$335,000,000 1.75% convertible bonds issued by the Target which are due in October 2032.

**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 a 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.

**Distribution** means any payment (whether in cash or in specie) by way of interest or principal (whether in respect of an intercompany loan or otherwise), dividend, capital reduction, return of capital, fee (including any management or advisory fee), royalty or other distribution or payment (including by way of the repurchase or redemption of any shares) by or on behalf of a company to or for the account of any direct or indirect shareholder of that company or an Affiliate (other than any Subsidiary of that company) or direct or indirect shareholder of that shareholder.

**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).

**Existing Facility Agreements** means each of:

(a) the US$350,000,000 revolving facility agreement dated 24 August 2015 between, amongst others, the Company as original borrower, Bank of America Merrill Lynch International Limited and HSBC Bank plc as mandated lead arrangers and Bank of America Merrill Lynch International Limited as facility agent, or any facility agreement entered into for the purposes of refinancing that revolving facility agreement;

(b) the ZAR6,000,000,000 revolving credit facility dated 16 November 2016 between, among others, the Company as an original borrower, Nedbank Limited (acting through its Corporate and Investment Banking division), First Rand 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, and Nedbank Limited (acting through its Corporate and Investment Banking division) as facility agent, or any facility agreement entered into for the purposes of refinancing that revolving facility agreement;

(c) a bilateral facility of up to ZAR900,000,000 (or its equivalent in another currency or currencies) between a member (or members) of the Group and JPMorgan Chase Bank, N.A. (or an Affiliate thereof) to be entered into after the date of this Agreement; and

(d) a bilateral facility of up to ZAR1,000,000,000 (or its equivalent in another currency or currencies) between a member (or members) of the Group and Investec Limited (or an Affiliate thereof) to be entered into after the date of this Agreement.
**Facility** means Facility A, Facility B or Facility C.

**Facility A** means the bridge loan facility made available under this Agreement as described in paragraph (a)(i) of Clause 2 (The Facilities).

**Facility A Commitment** means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading “Facility A Commitment” in Part 2 of Schedule 1 (The Original Parties) and the amount of any other Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (Increase); and

(b) in relation to any other Lender, the amount of any Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (Increase),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Facility A Loan** means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

**Facility A Termination Date** means the earlier of:

(a) the date falling 9 Months after the Closing Date; and

(b) 31 October 2017.

**Facility B** means the bridge loan facility made available under this Agreement as described in paragraph (a)(ii) of Clause 2 (The Facilities).

**Facility B Commitment** means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading “Facility B Commitment” in Part 2 of Schedule 1 (The Original Parties) and the amount of any other Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (Increase); and

(b) in relation to any other Lender, the amount of any Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (Increase),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Facility B Loan** means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

**Facility B Termination Date** means the earlier of:

(a) the date falling 9 Months after the Closing Date; and

(b) 31 October 2017.

**Facility C** means the bridge loan facility made available under this Agreement as described in paragraph (a)(iii) of Clause 2 (The Facilities).
**Facility C Commitment** means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading "Facility C Commitment" in Part 2 of Schedule 1 (The Original Parties) and the amount of any other Facility C Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (Increase); and

(b) in relation to any other Lender, the amount of any Facility C Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (Increase),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**Facility C Loan** means a loan made or to be made under Facility C or the principal amount outstanding for the time being of that loan.

**Facility C Termination Date** means the date falling 364 days after the Closing Date.

**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 Month.

**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 date of this Agreement.

**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 between the Arranger and the Company or the Agent and the Company setting out any of the fees referred to in Clause 13 (Fees), together with any agreement setting out fees payable to a Finance Party referred to in paragraph (d) of Clause 2.3 (Increase).

**Finance Document** means:

(a) this Agreement;
(b) any Fee Letter;
(c) any Accession Letter;
(d) any Resignation Letter;
(e) the Syndication Letter; and
(f) any other document designated as such by the Agent and the Company.

**Finance Party** means the Agent, an Arranger or a Lender.

**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 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 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 date of this Agreement, have been treated as an operating 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 latest Termination Date; 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 Half Year** has the meaning given to that term in Clause 22.1 (Financial Definitions).

**Financial Quarter** has the meaning given to that term in Clause 22.1 (Financial Definitions)

**Financial Statements** means any financial statements referred to in Clause 21.1 (Financial statements).

**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 12.4 (Cost of funds).

**Funds Flow Statement** means the funds flow statement in the form delivered to the Agent pursuant to Clause 4.1 (Initial conditions precedent) showing the relevant Borrower(s), the Loans to be made to those Borrower(s) on or about the Closing Date and the ultimate application of those Loans.

**Group** means the Company and its Subsidiaries from time to time.

**Group Structure Chart** means the group structure chart in the form delivered to the Agent pursuant to Clause 4.1 (Initial conditions precedent).

**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 10 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

payment is made within five Business Days of its due date; or

(ii) 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 9 (Form of Increase Confirmation).

Increase Lender has the meaning given to that term in Clause 2.3 (Increase).

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 documents in the form approved by the Company concerning the Group, the Target Group and the Acquisition and to be prepared at the Company’s request and on its behalf, and distributed by the Arranger to selected financial institutions on or after the date of this Agreement.

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 10.4 (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 10 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 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:

(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 Clause 2.3 (Increase) and 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 Facility A Loan, Facility B Loan or a Facility C Loan.

**Major Breach** means a breach of any undertaking with respect to the Company only under any of Clause 23.1 (Authorisations), Clause 23.6 (Anti-corruption law and Sanctions), Clause 23.10 (Restrictions on merger), Clause 23.14 (Negative pledge) and Clause 23.21 (Acquisition Documents).

**Major Default** means, with respect to the Company only, any circumstances constituting a Default under any of Clause 24.1 (Non-payment), Clause 24.3 (Other obligations) insofar as it relates to a Major Breach, Clause 24.4 (Misrepresentation) insofar as it relates to a Major Representation, Clause 24.6 (Insolvency), Clause 24.7 (Insolvency proceedings), Clause 24.8 (Creditors’ process), Clause 24.9 (Unlawfulness and invalidity) and Clause 24.14 (Repudiation and rescission of agreements).

**Major Representation** means a representation or warranty with respect to the Company only under any of Clause 20.1 (Status) to Clause 20.5 (Validity and admissibility in evidence) and Clause 20.17 (Anti-corruption law and Sanctions).

**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).

**Margin** means the percentage rate per annum calculated in accordance with Clause 10.3 (Margin adjustments – leverage).

**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.

**Measurement Date** has the meaning given to such term in Clause 22.1 (Financial Definitions).

**Measurement Period** has the meaning given to that term in Clause 22.1 (Financial Definitions).

**Merger** means the merger contemplated under the Merger Agreement.

**Merger Agreement** means the agreement and plan of merger dated on or about the date of this Agreement and made between the Company, Thor US Holdco Inc., Thor Mergco Inc. and the Target.

**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).

**Non-Obligor** means any member of the Group 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.

**Obligation** has the meaning given to it in Clause 19.11 (US Guarantee Limitations).

**Obligor** means a Borrower or a Guarantor.

**Obligors' Agent** means the Company, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.4 (Obligors' Agent).
**Original Financial Statements** means:

(a) in relation to the Company, the audited consolidated financial statements of the Group for the Financial Year ended 31 December 2015;

(b) in relation to each Original Obligor other than the Company, Kroondal Operations (Pty) Limited and Thor Mergco Inc., its audited financial statements for its Financial Year ended 31 December 2015;

(c) in relation to Kroondal Operations (Pty) Limited, its audited financial statements for its Financial Year ended 30 June 2016; and

(d) in relation to the Target, the annual audited financial statements for its Financial Year most recently ended before the Closing Date.

**Original Obligor** means the 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 Acquisition; and

(b) 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 any assets which are obsolete, redundant or no longer required for the efficient operation of the business of such Restricted Company;

(b) 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;

(c) by an Obligor to another Obligor;

(d) by a Restricted Company (other than an Obligor) to any other Restricted Company (other than an Obligor);

(e) 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 ZAR1.8 billion over the term of the Facilities; 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 Facilities;

(f) 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% of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) in any Financial Year and 25% of Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) over the term of the Facilities;

(g) of assets (other than shares or businesses) in exchange for other assets comparable or superior as to type, value and quality;

(h) of cash equivalent investments for cash or in exchange for other cash equivalent investments;

(i) arising as a result of any Permitted Encumbrance; or

(j) 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 date of this Agreement which:

(i) is disclosed in the Financial Statements of the Company delivered to the Agent prior to the date of this Agreement; and

(ii) in all circumstances secures only indebtedness outstanding or a facility available at the date of this Agreement if the principal amount or original facility thereby secured is not increased after the date of this Agreement;

(b) any Encumbrance created prior to the date of this Agreement 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 date of this Agreement 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;
any Encumbrance or Quasi-Encumbrance over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, 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;

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;

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);

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 date of this Agreement or in a form no more onerous to the Obligors than the form delivered to the Agent;

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;

any Encumbrance or Quasi-Encumbrance arising as a result of a disposal which is a Permitted Disposal;

any Encumbrance or Quasi-Encumbrance arising as a consequence of any finance or capital lease constituting Permitted Financial Indebtedness;

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;

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 (r) below) does not exceed 5% 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 another currency or currencies) at any time;

(s) any Encumbrance or Quasi-Encumbrance in respect of Unrestricted Margin Stock; or

(t) any Encumbrance contemplated in paragraph (i) of the definition of “Permitted Financial Indebtedness”.

**Permitted Financial Indebtedness** means any Financial Indebtedness:

(a) arising under the Finance Documents and the documents listed in paragraphs (c) and (d) of the definition of “Existing Facility Agreements”;

(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, restructure 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 conditions precedent) on the date of this Agreement (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) and, for the avoidance of doubt, this shall include any Financial Indebtedness arising under:

(i) the documents listed in paragraphs (a) and (b) of the definition of “Existing Facility Agreements”; and

(ii) the Convertible Bond;

(e) between Group companies to the extent incurred for:

(i) the purpose of financing general corporate and working capital requirements; or

(ii) the purposes of effecting a push down of amounts borrowed under this Agreement to Subsidiaries of the Company (whether by way of loans, shareholder contributions, the subscription of equity or otherwise) for the purposes of funding the consideration
for the Acquisition or the refinancing of such borrowed amounts or for payments to be made to the holders of the Convertible Bonds;

(f) not falling within paragraphs (a), (b), (c), (d) or (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% of the Consolidated Tangible Net Worth (as determined in accordance with the most recent Financial Statements) (or its equivalent in another currency);

(g) created or incurred with the prior written consent of the Agent (acting on the instructions of the Majority Lenders);

(h) 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) promptly after announcement of the relevant transaction the Company delivers a Compliance Certificate to the Agent confirming that it will be in compliance with its obligations under Clause 22 (Financial Covenant) prior to and immediately post incurring such indebtedness;

(i) incurred for the purposes of refinancing the Financial Indebtedness arising under this Agreement (subject to the proceeds of the Financial Indebtedness so incurred being applied in accordance with Clause 8.6 (Disposal and Funding Proceeds), if applicable); or

(j) 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 that member of the Group.

**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) any other company or other entity (excluding the Obligors):

(i) that since the date of this Agreement 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 from any other Restricted Company, exceeds 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 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.

**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) a Restricted Company 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 Restricted Company;

(b) a Restricted Company sells, transfers or otherwise disposes of its receivables on recourse terms; or

(c) money or the benefit of a bank account of a Restricted Company may be applied, set-off or made subject
to a combination of accounts to, against or with that of a person that is not a Restricted Company,
or any other preferential agreement or arrangement to which a Restricted Company 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).

**Reference Bank Quotation** means any quotation supplied to the Agent by a Reference Bank.

**Reference Bank Rate** means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied
to the Agent at its request by the Reference Banks in relation to LIBOR as either:

(a) if:

   (i) the Reference Bank is a contributor to the applicable Screen Rate; and

   (ii) it consists of a single figure,

   the rate (applied to the relevant Reference Bank for dollars and for the relevant period) which contributors
to the applicable Screen Rate are asked to submit to the relevant administrator; or

(b) in any other case, the rate at which the relevant Reference Bank could fund itself in dollars for the relevant
period with reference to the unsecured wholesale funding market.

**Reference Banks** means, in relation to LIBOR, the principal London offices of any three banks as may be appointed
by the Agent in consultation with the Company, provided that any bank appointed as a Reference Bank by the Agent
must consent to its appointment as such.
**Register** has the meaning given to it in Clause 25.11 (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 20.7 (Insolvency), Clause 20.8 (No filing or stamp taxes), Clause 20.9 (No deduction of Tax), paragraph (a) of Clause 20.10 (No default), Clause 20.11 (No misleading information), Clause 20.13 (No proceedings pending or threatened), Clause 20.22 (Group Structure Chart) and Clause 20.25 (Acquisition Documents, disclosure and other documents).

**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 7 (Form of Resignation Letter).

**Restricted Company** means:

(a) an Obligor; or

(b) a Material Company.

**Restricted Margin Stock** means, as of any date of determination with respect to an extension of credit under this Agreement (as determined in accordance with the Margin Regulations), the maximum amount of Margin Stock which may be subject to the Restrictive Arrangements, such that, as of such date of determination, after applying the proceeds of such credit, not more than 25 per
cent. of the aggregate value of the assets subject to the Restrictive Arrangements (including the value of such Margin Stock subject to the Restrictive Arrangements) is represented by Margin Stock.

**Restrictive Arrangements** means any restriction on the right or ability of the Group to sell, pledge or otherwise dispose of Margin Stock owned by the Group contained in Clause 23.14 (Negative pledge).

**SARB Approval** means the written approval of the Financial Surveillance Department of the South African Reserve Bank (the SARB) of the entry into and performance of the transactions contemplated in the Finance Documents by the Company, the Original Obligors and the Additional Guarantors required to accede under paragraph 2 of Part 2 of Schedule 2 (Conditions Precedent).

**Selection Notice** means a notice substantially in the form set out in Part 2 of Schedule 3 (Requests) given in accordance with Clause 11 (Interest Periods).

**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.

**Shareholder Resolutions** means the resolutions of the shareholders of the Company to approve:

(a) the increase in the authorised share capital of the Company by such number of shares, when combined with any other authorised but not allotted share capital of the Company, as would be required to raise not less than US$750,000,000 where such shares are issued at a nominal price per share as agreed between the Company and the underwriters of such equity issuance; and

(b) the grant of authority to the board of directors of the Company to issue and allot the shares referred to in paragraph (a) above (or to instruct others (including brokers and investment banks) to issue and allot on behalf of the Company such shares) for the purpose of raising the proceeds referred to in that paragraph.

**Specified Time** means a day or time determined in accordance with Schedule 11 (Timetables).

**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.

**Syndication Letter** means the syndication letter between, among others, the Company and the Arranger dated the date of this Agreement.

**Target** means Stillwater Mining Company, a Delaware corporation, which shall be the surviving entity of the Merger and, upon consummation of the Merger in accordance with the Merger Agreement, shall succeed to and assume all the rights and obligations of Thor Mergco Inc. hereunder and shall accordingly, with effect from the time immediately following consummation of the
Merger, be an Original Borrower and an Original Guarantor under this Agreement in substitution of Thor Mergco Inc.

**Target Group** means the Target and its Subsidiaries.

**Target Shareholders** means the holders of Target Shares other than the Company and its Subsidiaries and the Target and its Subsidiaries.

**Target Shares** means all of the issued shares in the capital of the Target.

**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 the Facility A Termination Date, the Facility B Termination Date or the Facility C Termination Date.

**Total Commitments** means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments, being US$2,650,000,000 at the date of this Agreement.

**Total Facility A Commitments** means the aggregate of the Facility A Commitments, being US$750,000,000 at the date of this Agreement.

**Total Facility B Commitments** means the aggregate of the Facility B Commitments, being US$300,000,000 at the date of this Agreement.

**Total Facility C Commitment** means the aggregate of the Facility C Commitments, being US$1,600,000,000 at the date of this Agreement.

**Transaction Documents** means:

(a) the Finance Documents; and

(b) the Acquisition Documents.

**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.

**Unrestricted Margin Stock** means any Margin Stock which is not Restricted Margin Stock in respect of the Merger.
**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 organized 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 Material Company** means any Material Company 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," IRS Form W-8BEN or W-8BEN-E and a certificate to the effect that such Lender is not (1) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (2) 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 (3) 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 Facilities.
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 Part 1 of 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, the 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 a Transaction Document or any other agreement or instrument is a reference to that Finance Document or Transaction 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 this Agreement.

(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”.

1.3 **Currency symbols and definitions**

(a) **US$$, USD** 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 FACILITIES**

2.1 **The Facilities**

(a) Subject to the terms of this Agreement, the Lenders make available:

(i) a dollar equity bridge facility in an aggregate amount equal to the Total Facility A Commitments;

(ii) a dollar cash bridge facility in an aggregate amount equal to the Total Facility B Commitments; and

(iii) a dollar debt bridge facility in an aggregate amount equal to the Total Facility C Commitments.

(b) Each Facility will be available to the relevant Borrower(s) as specified in the Funds Flow Statement.

2.2 **Finance Parties’ rights and obligations**

(a) The obligations of each Finance Party under the Finance Documents are several.

(b) 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.

(c) No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(d) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and they include the right to repayment of any debt owing to that Finance Party under the Finance Documents.
(e) Any debt arising under the Finance Documents to a Finance Party is a separate and independent debt. 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 is a debt owing to that Finance Party by that Obligor (including if it is payable to the Agent on that Finance Party's behalf).

(f) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.3 Increase

(a) The Company may by giving prior written notice to the Agent after the effective date of the cancellation of:

(i) the Available Commitments of a Defaulting Lender in accordance with Clause 36.8 (Right of cancellation in relation to a Defaulting Lender); or

(ii) the Commitments of a Lender in accordance with:

   (A) Clause 7.1 (Illegality);

   (B) Clause 7.4 (Right of cancellation and repayment in relation to a single Lender);

   (C) Clause 8.4 (General procedure in respect of specified prepayment events); or

   (D) Clause 8.5 (Sanctions),

request that the Commitments relating to any Facility be increased (and the Commitments relating to that Facility shall be so increased) in an amount of up to the amount of the Available Commitments or Commitments relating to that Facility so cancelled as follows:

(iii) 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;

(iv) 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;

(v) 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;

(vi) the Commitments of the other Lenders shall continue in full force and effect; and
any increase in the Commitments relating to a Facility 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 a Facility will only be effective on:

(i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender;

(ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:

(A) the Increase Lender entering into the documentation required for it to accede as a party to this Agreement; and

(B) 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.

(d) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and that Increase Lender in a Fee Letter.

(e) Clause 25.4 (Limitation of responsibility of Existing Lenders) shall apply mutatis mutandis to this Clause 2.3 (Increase) 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.

2.4 Obligors’ Agent

(a) Each 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, Utilisation Requests and Selection Notices), 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 Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to that 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 Obligor to be so bound, in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests and Selection Notices) 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 Obligors’ Agent or given to the Obligors’ Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it.

(c) The respective liabilities of each of the 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 Obligors’ Agent;

(ii) the Obligors’ Agent acting (or purporting to act) in any respect outside any authority conferred upon it by any Obligor; or

(iii) any actual or purported failure by, or inability of, the Obligors’ Agent to inform any 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 Obligors’ Agent and any other Obligor, those of the Obligors’ Agent shall prevail.

3. PURPOSE

3.1 Purpose

Each Borrower shall apply all amounts borrowed by it under Facility A, Facility B and/or Facility C towards (directly or indirectly):

(a) the payment of the purchase price for the Target Shares under the terms of the Acquisition Documents;

(b) the payment of the Acquisition Costs (other than periodic fees); and

(c) refinancing of the Convertible Bonds,

as described in the Funds Flow Statement.

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) The Lenders will only be obliged to comply with Clause 5.4 (Lenders’ participation) in relation to any Utilisation if:
(i) on the date of this Agreement, 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 (and the Agent shall notify the Company and the Lenders promptly upon being so satisfied); and

(ii) on or before the proposed first Utilisation Date, the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent) which must be, where specifically stated to be so, in form and substance satisfactory to the Agent acting reasonably (and 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)(i) and paragraph (a)(ii) above (as applicable), 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) in relation to a Utilisation other than one to which Clause 4.4 (Utilisations during the Certain Funds Period) applies, if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) no Default is continuing or would result from the proposed Loan; and

(b) the Repeating Representations to be made by each Obligor are correct in all material respects.

4.3 Maximum number of Loans

A Borrower (or the Company) may not deliver a Utilisation Request if as a result of the proposed Utilisation:

(a) more than one Facility A Loan;

(b) more than one Facility B Loan; and

(c) more than three Facility C Loans,

would be outstanding.

4.4 Utilisations during the Certain Funds Period

(a) Subject to Clause 4.1 (Initial conditions precedent), during the Certain Funds Period, the Lenders will only be obliged to comply with Clause 5.4 (Lenders’ participation) in relation to a Certain Funds Utilisation if, on the date of the Utilisation Request and on the proposed Utilisation Date:

(i) no Major Default is continuing or would result from the proposed Utilisation; and

(ii) all the Major Representations are true in all material respects.

(b) During the Certain Funds Period (save in circumstances where, pursuant to paragraph (a) above, a Lender is not obliged to comply with Clause 5.4 (Lenders’ participation) and subject as provided in Clause 7.1 (Illegality)), none of the Finance Parties shall be entitled to:
(i) cancel any of its Commitments to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;

(ii) rescind, terminate or cancel this Agreement or any Facility or exercise any similar right or remedy or make or enforce any claim under the Finance Documents it may have to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;

(iii) refuse to participate in the making of a Certain Funds Utilisation;

(iv) exercise any right of set-off or counterclaim in respect of a Utilisation to the extent to do so would prevent or limit the making of a Certain Funds Utilisation; or

(v) cancel, accelerate or cause repayment or prepayment of any amounts owing under this Agreement or under any other Finance Document to the extent to do so would prevent or limit the making of a Certain Funds Utilisation,

provided that immediately upon the expiry of theCertain Funds Period all such rights, remedies and entitlements shall be available to the Finance Parties notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

5. UTILISATION

5.1 Delivery of a Utilisation Request

A Borrower (other than, until such time as the Arranger has confirmed to the Agent and the Company that 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 Thor Mergco Inc. being a Borrower and a Guarantor under this Agreement, Thor Mergco Inc.) (or the Company on its behalf) may utilise a 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) it identifies the Facility to be utilised;

   (ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

   (iii) the currency and amount of the Utilisation comply with Clause 5.3 (Currency and amount); and

   (iv) the proposed Interest Period complies with Clause 11 (Interest Periods).

(b) Multiple Loans may be requested in a Utilisation Request where the proposed Utilisation Date is the Closing Date. Only one Loan may be requested in each subsequent 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 relevant Available Facility and which is a minimum of US$5,000,000 or, if less, the relevant Available Facility.
5.4 Lenders’ participation

(a) If the conditions set out in this Agreement have been met, 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.

(c) The Agent shall promptly 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).

5.5 Cancellation of Commitments

(a) The Facility A Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility A.

(b) The Facility B Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility B.

(c) The Facility C Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility C.

6. REPAYMENT

6.1 Repayment of Loans

(a) Each Borrower must repay each Facility A Loan made to it in full on the Facility A Termination Date.

(b) Each Borrower must repay each Facility B Loan made to it in full on the Facility B Termination Date.

(c) Each Borrower must repay each Facility C Loan made to it in full on the Facility C Termination Date.

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 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 and in integral multiples of US$1,000,000) of an Available Facility. Any cancellation under this Clause 7.2 shall reduce the Commitments of each Lender under that Facility pro rata.

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 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 paragraph (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 paragraph (a) above 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 or group of persons acting in concert gains control of the Company, the Company shall comply with the provisions of Clause 8.4 (General procedure in respect of specified prepayment events).

(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, 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% 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 of more than 50% 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 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 paragraphs (i) to (iv) above exceeds an amount of US$15,000,000 (or its equivalent in another currency), 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 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 in respect of any indebtedness of any Non-Obligor Restricted Company,
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; or

(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 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,

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, 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 22.3 (General);

(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, 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:

(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 Facilities;

(c) during the negotiation period referred to in paragraph (b) above, no Lender shall be obliged to fund any Utilisation; 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(s) 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(s) 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.

Paragraphs (c) and (d) above shall not apply during the Certain Funds Period.

8.5 Sanctions

(a) If:

(i) a misrepresentation 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) no Lender shall 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(s) 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 due and payable, in which case the Commitment(s) 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.

(c) Paragraph (b)(ii) and (iii) shall not apply during the Certain Funds Period.

8.6 Disposal and Funding Proceeds

(a) For the purpose of this Clause 8.6:

Disposal means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

Disposal Proceeds means the consideration received by any member of the Group (including any amount received in repayment of intercompany debt and any non-cash proceeds which have been converted into cash but excluding any funds held in escrow until such escrow conditions have been satisfied) for any Disposal made by any member of the Group except for Excluded Disposal Proceeds or the proceeds of any Disposal made in the ordinary course of trading and including any compensation or consideration received as a result of the occurrence of any expropriation or analogous event which does not constitute an Event of Default.

Excluded Disposal Proceeds means:

(i) any non-cash proceeds prior to their conversion into cash; and

(ii) the initial US$50,000,000 or its equivalent of the aggregate Net Disposal Proceeds in respect of all Disposals by any member of the Group to take place following the Closing Date.

Excluded Funding Proceeds means proceeds received by any member of the Group:

(i) from the Existing Facility Agreements (or refinancing of those Existing Facility Agreements);

(ii) from uncommitted treasury line general banking facilities or similar uncommitted lines; or

(iii) in the form of dividends or Distributions (whether in cash or in specie) or the proceeds of the repayment of any loan, in each case received by a member of the Group from another member of the Group (but in each case other than proceeds received by a member of the
Group (other than the Target and its Subsidiaries) from the Target or any of its Subsidiaries)).

**Funding Proceeds** means the proceeds received by any member of the Group from any funding (whether debt or equity) raised by it after the date of this Agreement or any cash upstreamed from the Target to any member of the Group (other than the Target and its Subsidiaries), whether by way of dividend, loan or otherwise, in each case, other than Excluded Funding Proceeds.

**Net Disposal Proceeds** means Disposal Proceeds after deducting:

(i) any Financial Indebtedness incurred for the purpose of acquiring the relevant asset and which is required to be repaid from the disposal proceeds of that asset;

(ii) any reasonable expenses and costs which are incurred by any member of the Group with respect to that Disposal to persons who are not members of the Group; and

(iii) any Tax incurred and required to be paid by any member of the Group in connection with that Disposal (as reasonably determined by such member of the Group, on the basis of existing rates and taking account of any available credit, deduction or allowance).

**Net Funding Proceeds** means Funding Proceeds less:

(i) any reasonable expenses and costs which are incurred by any member of the Group with respect to those Funding Proceeds; and

(ii) any Tax incurred and required to be paid by any member of the Group in connection with those Funding Proceeds.

(b) Subject to paragraph (d) below in respect of Net Disposal Proceeds, the Company shall ensure that the Borrowers prepay Utilisations in amounts equal to the following amounts at the times and in the order of application contemplated by paragraph (c) below:

(i) the amount of Net Funding Proceeds; and

(ii) the amount of Net Disposal Proceeds.

(c)

(i) Subject to sub-paragraphs (ii) and (iii) below, a prepayment of Utilisations made under this Clause 8.6 shall be made promptly upon receipt of the relevant Net Funding Proceeds or Net Disposal Proceeds.

(ii) Notwithstanding sub-paragraph (i) above, the Company may elect that any prepayment under this Clause 8.6 be applied in prepayment of a Loan on the last day of the Interest Period relating to that Loan. If the Company makes that election, then a proportion of the Loan equal to the amount of the relevant prepayment will be due and payable on the last day of its Interest Period.

(iii) If the Company has made an election under sub-paragraph (ii) above but a Default has occurred and is continuing, that election shall no longer apply and a proportion of the Loan in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Majority Lenders otherwise agree in writing).
(iv) If any Net Funding Proceeds or Net Disposal Proceeds are received before the Closing Date, the Company shall notify the Agent and the Total Commitments shall be automatically reduced by the amount of the Net Funding Proceeds or Net Disposal Proceeds on the date of receipt of the relevant Net Funding Proceeds or Net Disposal Proceeds.

d) Notwithstanding paragraph (b) above, if after the Closing Date, the Company sends to the Agent a certificate signed by the chief financial officer and any other director of the Company showing that the ratio of Consolidated Net Borrowings to Consolidated EBITDA on a pro-forma basis as a result of the relevant Disposal in respect of the most recent Measurement Period is:

(i) between 1.5:1 and 1:1, then only 50% of the Net Disposal Proceeds needs to be applied in prepayment of the Loans; or

(ii) is less than 1:1, then none of the Net Disposal Proceeds needs to be applied in prepayment of the Loans.

e) Any partial prepayment of the Loans under this Clause 8.6 will be applied first against Facility A, then Facility B and then Facility C and against the Loans comprised in each Facility pro rata.

f) Any partial cancellation of the Total Commitments under this Clause 8.6 will be applied against first the Facility A Commitments, then the Facility B Commitments and then the Facility C Commitments.

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 No reborrowing of the Facilities

No Borrower may re-borrow any part of a Facility which is 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:

(a) Margin; and

(b) LIBOR.

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 Margin adjustments – leverage

(a) Subject to paragraphs (b), (c) and (d) below, the Margin shall be the percentage rate per annum specified in column 2 of the table below opposite the applicable period set out in column 1 of the table below:

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2 Margin (% per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period</td>
<td></td>
</tr>
<tr>
<td>From (and including) the date of this Agreement to (but excluding) the Closing Date</td>
<td>2.75</td>
</tr>
<tr>
<td>From (and including) the Closing Date to (but excluding) the date falling 90 days after the Closing Date</td>
<td>3.25</td>
</tr>
<tr>
<td>From (and including) the date falling 90 days after the Closing Date to (but excluding) the date falling 180 days after the Closing Date</td>
<td>4.25</td>
</tr>
<tr>
<td>From (and including) the date falling 180 days after the Closing Date to (but excluding) the date falling 270 days after the Closing Date</td>
<td>5.25</td>
</tr>
<tr>
<td>From (and including) the date falling 270 days after the Closing Date onwards</td>
<td>6.25</td>
</tr>
</tbody>
</table>
Subject to paragraphs (c) and (d) below, the Margin determined in accordance with paragraph (a) above (other than for the period from the date of this Agreement to (but excluding) the date falling 90 days after the Closing Date) will be increased by one percentage point if (and for so long as) the ratio of Consolidated Net Borrowings to Consolidated EBITDA is equal to or greater than 2.0:1 such that the Margin shall be the percentage rate per annum specified in column 2 of the table below opposite the applicable period set out in column 1 of the table below:

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2 Margin (% per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>From (and including) the date falling 90 days after the Closing Date to (but excluding) the date falling 180 days after the Closing Date</td>
<td>5.25</td>
</tr>
<tr>
<td>From (and including) the date falling 180 days after the Closing Date to (but excluding) the date falling 270 days after the Closing Date</td>
<td>6.25</td>
</tr>
<tr>
<td>From (and including) the date falling 270 days after the Closing Date onwards</td>
<td>7.25</td>
</tr>
</tbody>
</table>

Any change in the Margin will, subject to paragraph (d) below, apply from the start of the period specified in paragraph (a) above or, in the case of paragraph (b) above (including where paragraph (b) ceases to apply) from the Business Day after the date a Compliance Certificate is received by the Agent showing that the ratio of Consolidated Net Borrowings to Consolidated EBITDA is equal to or greater than 2.0:1 (or, if applicable, lower than 2.0:1).

For so long as:

(i) the Company is in default of its obligations under this Agreement to supply to the Agent a Compliance Certificate under Clause 21.2 (Compliance Certificate) together with (if applicable) the relevant financial statements under Clause 21.1 (Financial statements); or

(ii) an Event of Default is continuing,

the Margin will be that applying under paragraph (b) above at the time whilst the circumstances in sub-paragraph (i) or (ii) continue.

If the Margin has been reduced under this Clause in reliance on a Compliance Certificate but the subsequent Financial Statements of the Company do not confirm the reduction, the reduction will be reversed with retrospective respect. The Margin will instead be that calculated by reference to the relevant Financial Statements of the Company. If, in this event, any amount of interest has been paid by the Company on the basis of the Compliance Certificate, the Company must within 3 Business Days of demand pay to the Agent any shortfall in the amount which would have been paid to the Lenders if the Margin had been calculated by reference to the relevant Financial Statements.

Without prejudice to any other term of the Agreement, the Agent has no obligation to review or verify any Compliance Certificate and/or Financial Statements and may rely on the confirmation as to the Margin given by the Company in the Compliance Certificate.
10.4 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 10.4 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.

10.5 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 or (if the Loan has already been borrowed) in a Selection Notice.

(b) Each Selection Notice for a Loan is irrevocable and must be delivered to the Agent by the Borrower (or the Company on behalf of the Borrower) to which that Loan was made not later than the Specified Time.

(c) If a Borrower (or the Company) fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be one Month.

(d) 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.

(e) An Interest Period for a Loan shall not extend beyond the Termination Date for the Facility which that Loan relates to.

(f) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.
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) **Reference Bank Rate**

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 the applicable LIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Loan and for a period equal in length to the Interest Period of that Loan.
(f) Cost of funds

If paragraph (e) above applies but no Reference Bank Rate is available for dollars or the relevant Interest Period there shall be no LIBOR for that Loan and Clause 12.4 (Cost of funds) shall apply to that Loan for that Interest Period.

12.2 Calculation of Reference Bank Rate

(a) Subject to paragraph (b) below, if LIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.

(b) If at or about noon on the Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.

12.3 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 12.4 (Cost of funds) shall apply to that Loan for the relevant Interest Period.

12.4 Cost of funds

(a) If this Clause 12.4 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 applicable 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 12.4 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.

12.5 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 must pay to the Agent (for the account of each Lender) a commitment fee computed at the rate set out below on that Lender's Available Commitment under each Facility:

(i) for the period from (and including) the date of this Agreement to (but excluding) the date falling one Month after the date of this Agreement, the relevant rate is 0.4125% per annum;

(ii) for the period from (and including) the date falling one Month after the date of this Agreement to (but excluding) the date falling two Months after the date of this Agreement, the relevant rate is 0.6875% per annum; and

(iii) for the period from (and including) the date falling two Months after the date of this Agreement, the relevant rate is 0.9625% per annum.

(b) 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 a Lender's Commitment under a Facility at the time the cancellation is effective, provided that if the due date for payment of the commitment fee would otherwise fall on a date prior to the date on which the Company has obtained the SARB Approval, the due date for the payment of the commitment fee shall be deferred until the date on which the SARB Approval has been obtained. If the SARB Approval is not received by the Company by the date falling two Months after the date of this Agreement, the Company shall promptly thereafter submit to the SARB an application in order to permit the Company to make payment of any commitment fee which has accrued and been deferred pursuant to this paragraph (b), and the Company shall use its reasonable endeavours to obtain the approval of the SARB in respect of such application promptly following its submission.

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any day on which that Lender is a Defaulting Lender.

13.2 **Underwriting fee**

The Company shall pay to the Agent (for the account of each Arranger) an underwriting 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 **Duration fee**

(a) The Company shall, or the Company shall procure that an Obligor will pay to the Agent (for the account of each Lender) within three Business Days of the date (the Calculation Date) which falls three Months after the immediately preceding Calculation Date, a duration fee calculated as 0.25 per cent. of the total outstanding principal amount of Loans on each such Calculation Date.
(b) The duration fee referred to in paragraph (a) above shall be paid by the Agent to the Lenders pro rata to each Lender’s participation in the Loans at the time the relevant duration fee is payable.

(c) The first Calculation Date shall be the date falling three Months after the Closing Date.

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
(iii) 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:

(a) a US Person;
(b) a US Treaty Lender; or
(c) 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:

(a) 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;
(b) 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
(c) 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:

(i) with respect to any Tax assessed on a Finance Party under the laws 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 promptly.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent promptly.

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.

14.5 Lender status confirmation

(a) Each Lender which becomes a Party to this Agreement after the date of this Agreement shall indicate, in the Transfer Certificate, Assignment Agreement or Increase Confirmation 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, Increase Lender or Replacement Lender fails to indicate its status in accordance with this Clause 14.5 then such New Lender, Increase Lender or Replacement 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 Increase Confirmation 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 the Original Borrower is a US Tax Obligor and the relevant Lender is the Original Lender, the date of this Agreement;

(ii) where a Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender or an Increase Lender, the relevant Transfer Date or date on which an increase in Commitments takes effect pursuant to Clause 2.3 (Increase);

(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 Form W-8, Form W-9 or any other relevant 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 date of this Agreement or (iii) the implementation or application or compliance with Dodd-Frank, Basel III or CRD IV or any other law or regulation which implements Dodd-Frank, 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 a 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 date of
this Agreement (but excluding any Increased Costs arising out of Basel III or CRD IV or any other law or
regulation which implements Dodd-Frank, 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:

prudential requirements for credit institutions and investment firms; and

(B) 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.

(iv) Dodd-Frank means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

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

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:

(a) the occurrence of any Event of Default;

(b) 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);

(c) 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

(d) 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 Indemnity to the Agent

The Company shall, within three Business Days of demand, 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.

16.4 Acquisition indemnity

The Company shall, within three Business Days of demand, 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 Acquisition or the funding of the Acquisition (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the Acquisition), unless such loss or liability is caused by the gross negligence or wilful 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 Clause 16.4.
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 any 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, within three Business Days of demand, 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, within three Business Days of 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 date of this Agreement.

18.2 Amendment costs

If:

(a) an Obligor requests an amendment, waiver or consent in respect of a Finance Document or a 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 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:

(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 Subclause 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 is limited so that no obligation of, or transfer by, any US Guarantor under this Clause is subject to avoidance and turnover under any fraudulent transfer law.

(c) Each US Guarantor represents and warrants to each Finance Party that:
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 Subclause:

(i) is made by each US Guarantor on the date of this Agreement;

(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
(other than in paragraph (b) of Clause 20.10 (No default) and Clause 20.22 (Group Structure Chart)) to each Finance Party on the date of this Agreement.

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 Transaction 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 Transaction 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 Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

20.5 Validity and admissibility in evidence
All Authorisations required (other than the SARB Approval which will be sought after the date of this Agreement but prior to the first Utilisation Request being delivered under this Agreement):
(a) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and
(b) for the validity or enforceability of any Transaction Document to which each Obligor is a party or to make the Transaction 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.

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.
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 subject to Legal Reservations.

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 Transaction Documents, under the law of its jurisdiction of incorporation it is not necessary that the Transaction Documents to which it is 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 Transaction Documents or the transactions contemplated by the Transaction Documents.

20.9 No deduction of Tax

As at the date of this Agreement, 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 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 date of this Agreement, no Default is continuing or could reasonably be expected to result from the entry into of, or the performance of any transaction contemplated by, the Transaction Documents nor from its making use of any Utilisation.

(b) As at any date falling on or after the first Utilisation Date on which this representation is deemed to be made pursuant to Clause 20.27 (Repetition), no Event of Default is continuing or would reasonably be expected to result from the entry into of, or the performance of any transaction contemplated by, the Transaction 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 has or would 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.

(e) To the best of the Company’s knowledge and belief (having made due and careful enquiry), all material written information provided to a Finance Party by or on behalf of the Company in connection with the Acquisition and/or the Target Group on or before the Closing Date and not superseded before that date (whether or not contained in the Information Package) is accurate and not misleading in any material respect and all projections provided to any Finance Party on or before the Closing Date have been prepared in good faith on the basis of assumptions which were reasonable at the time at which they were prepared and supplied.

(f) To the best of the Company’s knowledge and belief (having made due and careful enquiry), all material written information provided to a Finance Party by or on behalf of the Company in connection with the Acquisition and/or the Target Group after the Closing Date (whether or not contained in the Information Package) is accurate and not misleading in any material respect and all projections provided to any Finance Party after the Closing Date will be prepared in good faith on the basis of assumptions which are reasonable at the time at which they are prepared and supplied.

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, the Target, 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 the Target (after it has become an Obligor), its latest audited annual financial statements were prepared in accordance with US GAAP 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 be 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 (taking into account the likelihood of any adverse determination) 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 another currency or currencies) in any Financial Year.

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.

**Person** means an individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership.

**OFAC** means the Office of Foreign Assets Control of the US Department of the Treasury.

**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 **Group Structure Chart**

Assuming Completion has occurred, the Group Structure Chart delivered to the Agent pursuant to Clause 4.1 (Initial conditions precedent) is true, complete and accurate in all material respects provided that, to the extent this representation is made in respect of information concerning the Target and the Target Group, this representation shall be qualified in respect of such information and shall be made by each Obligor to the best of its knowledge on the basis of information supplied to it by (or on behalf of) the Target.

20.23 **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.

20.24 **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 date of this Agreement, 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 date of this Agreement, since the date of the most recent audited annual financial of the Company.

20.25 **Acquisition Documents, disclosure and other documents**

(a) The Acquisition Documents contain all the material terms of the Acquisition.

(b) To the best of its knowledge, no representation or warranty which is given under the Acquisition Documents by any party to the Acquisition Documents and which (if untrue or misleading) could reasonably be expected to be material and adverse to the Lenders, is untrue or misleading in any material respect.

20.26 **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.

20.27 **Repetition**

(a) 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:

(i) the date of each Utilisation Request and the first day of each Interest Period; and
(ii) 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.

(b) The representation set out in Clause 20.22 (Group Structure Chart) is deemed to be made by the Company and each Obligor by reference to the facts and circumstances then existing on the first Utilisation Date.

21. INFORMATION UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the date of this Agreement 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:

(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 Covenant) and specify each Material Company as at the date as at which those Financial Statements were drawn up.

(b) The Company shall also supply to the Agent a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22 (Financial Covenant):

(i) not more than 5 Business Days before the date falling three months after the Closing Date; and

(ii) within 5 Business Days of the date of any new issue of equity by the Company:
except that:

(A) the amount of Consolidated Net Borrowings will be determined as at the end of the previous calendar month (and, if supplied for the purposes of paragraph (ii) above, the Consolidated Net Borrowings will be adjusted by deducting the net proceeds of the new issue of equity by the Company, if those proceeds have been received by the Company after the end of that calendar month); and

(B) Consolidated EBITDA will be determined as at the end of the previous Financial Quarter (as defined in Clause 22.1 (Financial Definitions)).

c) 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 the Target, US GAAP).

(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, in relation to the Target, 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, in relation to the Target, US GAAP), 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 Covenant) 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 20.23 (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) promptly, 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;

(d) promptly upon becoming aware of the relevant claim, the details of any claim which is current, threatened in writing or pending against any person in respect of the Acquisition Documents and details of any disposal which will require prepayment under Clause 8.6 (Disposal and Funding Proceeds) of this Agreement; and

(e) 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 date of this Agreement;
(ii) any change in the status of or shareholders of an Obligor (other than the Company) after the date of this Agreement; 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 in connection with 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 COVENANT

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 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.

**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 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 Financial condition

The Company 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, the ratio of Consolidated Net Borrowings to Consolidated EBITDA in respect of the Measurement Period ending on the relevant Measurement Date does not exceed:

(a) if the relevant Measurement Date falls on or before the repayment or prepayment in full of the Facility A Loan, 3.0:1; and

(b) after the repayment or prepayment in full of the Facility A Loan, 2.5:1.

22.3 General

The financial covenants contained in Clause 22.2 (Financial condition) and Clause 23.20 (Guarantors) shall be calculated and tested by reference to each set of the Financial Statements delivered pursuant to paragraphs (a)(i), (b)(i) and (c)(i) of Clause 21.1 (Financial statements), commencing with the Financial Statements for the Measurement Period ending on the last day of the first full Financial Quarter to end after the Closing Date.

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 date of this Agreement 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 Transaction Documents to which they are respectively a party to.

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:

(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 Facilities 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 Facilities, or lend, contribute or otherwise make available all or any part of the proceeds of the Facilities, 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 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 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**

(a) Subject to paragraph (b) below, 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:

(i) payment is being contested in good faith;

(ii) adequate reserves are being maintained for those taxes; and

(iii) payment can be lawfully withheld.
(b) This Clause 23.7 (Taxation) shall not apply where the aggregate amount of taxes referred to in paragraph (a) above which remains unpaid is less than US$15,000,000 (or its equivalent in another currency or currencies) in any Financial Year.

23.8 JSE Listing

(a) The entire issued share capital of the Company shall remain listed on the JSE.

(b) The Company shall comply in all material respects with the JSE Listing Requirements applicable to it.

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) the Acquisition;

(b) 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; or

(c) 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 (or in respect of) the Transaction Documents in the amounts set out in the Transaction Documents or the Funds Flow Statement delivered to the Agent or as otherwise agreed by the Agent.

23.16 **Restriction on Financial Indebtedness**

No member of the Group (other than 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 Measurement Date:

(i) the aggregate EBITDA of the Guarantors for the Measurement Period ending on that Measurement Date; and

(ii) the aggregate gross assets of the Guarantors on that 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.

(c) If on any 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 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 **Acquisition Documents**

(a) The Company shall procure that all amounts payable for the account of the Target Shareholders under the Acquisition Documents are paid in accordance with the Acquisition Documents as and when they become due (except to the extent that any such amounts are being contested in good faith by a member of the Group and where adequate reserves are set aside for any such payment).

(b) The Company shall (and the Company shall procure that each relevant member of the Group will) take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other member of the Group) and pursue any claims and remedies arising under any Acquisition Documents.

23.22 **Conditions subsequent**

(a) The Company shall ensure that Completion occurs no later than one Business Day after the first Utilisation Date.

(b) The Company will confirm within one Business Day of the first Utilisation Date whether Completion has occurred.
(c) The Company shall procure that (to the extent the Target does not merge with another Obligor pursuant to the terms of the Acquisition Documents), within 30 days after the Closing Date, the Target becomes an Additional Guarantor.

(d) The Company shall provide to the Agent, by no later than the date falling 45 Business Days after the Closing Date, evidence in form and substance satisfactory to the Agent that:

(i) the Convertible Bonds have been redeemed in full (to the extent practicable); and

(ii) any related Security, Encumbrance or guarantee in respect of the Convertible Bonds has been released in full (to the extent practicable).

(e) The Company shall procure that with effect from the Closing Date the Target is, and will remain, a wholly-owned Subsidiary of the Company.

(f) The Company shall, within ten Business Days of the passing of the Shareholder Resolutions by the required percentage of the shareholders of the Company, launch a rights issue (or obtain underwriting commitments) in respect of at least US$750,000,000 of new equity, and take all necessary steps open to it to complete the raising of that new equity as soon as practicable.

23.23 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 fifteen (15) days upon becoming aware of it notify the Agent of any Reportable Event.

24. EVENTS OF DEFAULT

Each of the events or circumstances set out in Clause 24 is an Event of Default (save for Clause 24.18 (Acceleration) and Clause 24.19 (Clean-Up Period)).

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 5 Business Days of its due date.

24.2 Financial covenants

Any requirement of Clause 22 (Financial Covenant) 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 another 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 another 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 (including a general assignment for the benefit of creditors) 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; or

(iv) enforcement of any Encumbrance over any assets of any Obligor; or

(v) any analogous procedure or step is taken in any jurisdiction, and any such procedure, 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 or a US Material Company:
(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 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 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.

(b) 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 another 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 has or 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 has or would 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, would be reasonably likely 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 date of this Agreement.

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, the US Borrower’s right to borrow under this Agreement shall be automatically cancelled and all amounts outstanding under the Finance Documents and owed by the US Borrower will be immediately and automatically due and payable, without the requirement of notice or any other formality.
24.19 **Clean-Up Period**

Notwithstanding any other provision of any Finance Document:

(a) any breach of a Clean-Up Representation or a Clean-Up Undertaking; or

(b) any Default constituting a Clean-Up Default,

will be deemed not to be a breach of representation or warranty, a breach of covenant or a Default (as the case may be) if:

(i) it would have been (if it were not for this provision) a breach of representation or warranty, a breach of covenant or a Default only by reason of circumstances relating exclusively to any member of the Target Group (or any obligation to procure or ensure in relation to a member of the Target Group);

(ii) it is capable of remedy and reasonable steps are being taken to remedy it;

(iii) the circumstances giving rise to it have not been procured by or approved by the Company or any other Obligor; and

(iv) it is not reasonably likely to have a Material Adverse Effect.

If the relevant circumstances are continuing on or after the Clean-Up Date, there shall be a breach of representation or warranty, breach of covenant or Default, as the case may be notwithstanding the above (and without prejudice to the rights and remedies of the Finance Parties).

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:

(A) any Affiliate or any other Lender; or

(B) any other bank or financial institution or to a trust, fund or other entity which is (i) regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets; and (ii) a US Qualifying Lender,

(each being a **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 Conditions of assignment or transfer

(a) The consent of the Company is required for any assignment or transfer by an Existing Lender to a New Lender before the later of (i) the end of the Certain Funds Period and (ii) the close of primary syndication of the Facilities in accordance with the Syndication Letter, unless:

(A) the New Lender is named on a list of potential Lenders agreed by the Arranger and the Company on or before the date of this Agreement, or is an Affiliate of such a potential Lender; or

(B) the New Lender is another Lender or an Affiliate of a Lender; or

(C) a Major Default is outstanding.

(b) When the consent of the Company is required under paragraph (a) above, it must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent 5 Business Days after the Existing Lender has requested it unless consent is expressly refused by the Company within that time.

(c) The consent of the Company is not required for an assignment or transfer by an Existing Lender to a New Lender after the later of (i) the end of the Certain Funds Period and (ii) the close of primary syndication of the Facilities. However, the Existing Lender shall consult with the Company (for a period not exceeding 5 Business Days) prior to any such assignment or transfer, unless the New Lender is another Lender or an Affiliate of a Lender or an Event of Default is outstanding.

(d) Any assignment, transfer or novation of part of the rights and/or obligations of a Lender in respect of a Facility must be in a minimum amount of US$5,000,000.

(e) 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.

(f) A transfer will only be effective if the procedure set out in Clause 25.5 (Procedure for transfer) is complied with.

(g) 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 in accordance with the terms of Clause 25.10 (Substitute 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 or 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 or Lender 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. This paragraph (g) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facilities.

(h) 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.

25.3 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.

25.4 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.

25.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 25.2 (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 25.9 (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 Arranger, 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 the 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 Arranger 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”.

25.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 25.2 (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 25.9 (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 25.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 25.5 (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 25.2 (Conditions of assignment or transfer).

25.7 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 an Increase Confirmation, send to the Company a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

25.8 Security over Lenders’ rights

In addition to the other rights provided to Lenders under this Clause 25.8, 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

(ii) 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.
25.9 **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 25.5 (Procedure for transfer) or any assignment pursuant to Clause 25.6 (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 25.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

In this Clause 25.9 references to “Interest Period” shall be construed to include a reference to any other period for accrual of fees.

25.10 **Substitute Facility Office for particular Borrowers**

(a) In respect of a Loan or Loans to a particular Borrower (**Designated Loans**) a Lender (**Designating Lender**) may at any time and from time to time designate (by not less than 5 Business Days’ written notice to the Agent) a substitute Facility Office from which it will make Designated Loans (**Substitute Facility Office**).

(b) Any designation by a Designated Lender only becomes effective upon the Agent confirming to the Designating Lender that it agrees to the change.

(c) The Agent shall, as soon as reasonably practicable after it has received a notice under paragraph (a) above, give the confirmation referred to in paragraph (b) above and notify the Company accordingly.

25.11 **The Register**

The Agent, acting for these purposes solely as a non-fiduciary agent of the Borrower, will maintain (and make available upon reasonable prior notice at reasonable times for inspection by the Borrower and, in respect of its own Commitments and Loans, each Lender):

(a) a copy of each notice and written confirmation referred to in Clause 25.2 (Conditions of assignment or transfer), Clause 25.5 (Procedure for transfer) and Clause 25.6 (Procedure for assignment) delivered to and accepted by it; and

(b) 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 Commitments and Loans of each Lender from time to time (**the Register**).
Absent manifest error, the entries in the Register shall be conclusive and binding for all purposes and the Borrower, 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 Borrower 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) and subject to the consent of all the Lenders, 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; and

(ii) the Subsidiary is:

(A) approved by the Majority Lenders (if incorporated in the same jurisdiction as an existing Borrower); or

(B) approved by all the Lenders (if incorporated in any other jurisdiction);

(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 3 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 3 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 cost, loss or liability whatsoever any person incurs as a result of the Agent giving any such notification.
26.3 Resignation of a Borrower

(a) The Company may request that a Borrower (other than the Company) 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 promptly of its acceptance if:

(i) no 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 3 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 3 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 all material respects 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).

27.1 **Appointment of the Agent**

(a) Each of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Arranger 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 25.7 (Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company) or Clause 25.10 (Substitute Facility Office), paragraph (b) above shall not apply to any Transfer Certificate, any Assignment Agreement or any Increase Confirmation.

(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 Arranger) 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 Arranger**

Except as specifically provided in the Finance Documents, the Arranger has 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 Arranger as a trustee or fiduciary of any other person.

(b) Neither the Agent nor the Arranger 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 Arranger 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 or Selection Notice) 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 the Arranger is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any applicable law or regulation (including but not limited to any United States federal or state law or regulation or English law or regulation) or a breach of a fiduciary duty or duty of confidentiality, and the Agent and the Arranger may, without liability, do anything which is, in its reasonable opinion, necessary to comply with any such law or regulation.

(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 the Arranger is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, 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 monitor or enquire as to:

(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 the Arranger 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 Arranger 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 Arranger.
(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

Without limiting the liability of any Obligor under the Finance Documents, 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.
The Agent’s resignation notice shall only take effect upon the appointment of a successor.

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.

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 the Arranger 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 25.9 (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 Arranger 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.

27.19 Miscellaneous

(a) The Agent is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Nothing in this Agreement shall require the Agent to carry on an activity of the kind specified by any provision of Part II (other than article 5 (accepting deposits)) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or to lend money to any Borrower in its capacity as Agent.

(b) The Agent shall be entitled to deal with money paid to it by any person for the purposes of this Agreement in the same manner as other money paid to a banker by its customers except that it shall not be liable to account to any person for any interest or other amounts in respect of the money.

(c) The fees, commissions and expenses payable to the Agent for services rendered and the performance of its obligations under this Agreement shall not be abated by any remuneration or other amounts or profits receivable by the Agent (or by any of its associates) in connection with any transaction effected by the Agent with or for the Lenders or any Obligors.

(d) Any indemnity given by a Party under or in connection with this Agreement in favour of the Agent is a continuing obligation, independent of that Party’s other obligations under or in connection with this Agreement and survives after this Agreement is terminated. It is not necessary for a person to pay any amount or incur any expense before enforcing an indemnity under or in connection with this Agreement.
27.20 Role of Reference Banks

(a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.

(b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.

(c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Clause 27.20 subject to Clause 1.4 (Third party rights) and the provisions of the Third Parties Act.

27.21 Third party Reference Banks

A Reference Bank which is not a Party may rely on Clause 27.20 (Role of Reference Banks), Clause 36.3 (Other exceptions) and Clause 38 (Confidentiality of Funding Rates and Reference Bank Quotations) subject to Clause 1.4 (Third party rights) and the provisions of the Third Parties Act.

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 Facilities 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 (as Obligors’ Agent):

Corporate Office
Libanon Business Park
1 Hospital Road
Libanon
Westonaria
1780
South Africa
Attention Mr Charl Keyter
Fax No. (011) 278 9863
Email: charl.keyter@sibanyegold.co.za

(b) 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

(c) in the case of the Agent:

5th Floor, Citigroup Centre,
Canary Wharf,
London, E14 5LB
Attention: Loans Agency
Fax No.: 0044 207 492 3980

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 5.00 p.m. 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 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.

(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 Company 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 or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facilities;

(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 2.2 (Finance Parties’ rights and obligations), Clause 23.22 (Conditions subsequent), 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, the Arranger or a Reference Bank (each in their capacity as such) may not be effected without the consent of the Agent, the Arranger or that Reference Bank, 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 under the relevant Facilities; 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 Commitments under the relevant Facilities will be reduced by the amount of its Available Commitments under the relevant Facilities 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 35.5, 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 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) of that request being made:

(i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the relevant Facility/ies 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 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 25.9 (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 25.2(e)(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 each Available Commitment of that Lender.

(b) On the notice referred to in paragraph (a) above becoming effective, each 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 Facilities, 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:

(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 25.9 (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 25.2(e)(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 25.8 (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)(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 Facilities 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 date of this Agreement;
(v) Clause 40 (Governing Law);
(vi) the names of the Agent and the Arranger;
(vii) date of each amendment and restatement of this Agreement;
(viii) amounts of, and names of, the Facilities (and any tranches);
(ix) amount of Total Commitments;
(x) currency of the Facilities;
(xi) type of the Facilities;
(xii) ranking of the Facilities;
(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,

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities 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 Facilities and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities 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 AND REFERENCE BANK QUOTATIONS

38.1 Confidentiality and disclosure

(a) The Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.

(b) The Agent may disclose:

(i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the relevant Borrower pursuant to Clause 10.5 (Notification of rates of interest); and
(ii) any Funding Rate or any Reference Bank Quotation 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 or Reference Bank, as the case may be.

c) The Agent may disclose any Funding Rate or any Reference Bank Quotation, 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 or Reference Bank Quotation 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 Reference Bank Quotation 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 or Reference Bank Quotation 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 or Reference Bank Quotation 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 or Reference Bank, as the case may be.

d) The Agent's obligations in this Clause 38 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 10.5 (Notification of rates of interest) provided that (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

38.2 Related obligations

(a) The Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) 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 or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.

(b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:
(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 Transaction Document or any transaction contemplated by any Transaction 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 ORIGINAL PARTIES

### PART 1

## THE 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>Thor Mergco Inc.</td>
<td></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>Thor Mergco Inc.</td>
<td></td>
</tr>
<tr>
<td>Kroondal Operations (Pty) Ltd</td>
<td>2000/000341/07</td>
</tr>
</tbody>
</table>
PART 2
THE ORIGINAL LENDERS

<table>
<thead>
<tr>
<th>Name of Original Lender</th>
<th>Facility A Commitment (US$)</th>
<th>Facility B Commitment (US$)</th>
<th>Facility C Commitment (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITIBANK, N.A., LONDON BRANCH</td>
<td>375,000,000</td>
<td>150,000,000</td>
<td>800,000,000</td>
</tr>
<tr>
<td>HSBC BANK PLC</td>
<td>375,000,000</td>
<td>150,000,000</td>
<td>800,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>750,000,000</td>
<td>300,000,000</td>
<td>1,600,000,000</td>
</tr>
</tbody>
</table>
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 Transaction Documents to which it is a party and resolving that it execute the Transaction 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) except with respect to the Company, 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 and Selection Notice) 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 by the Companies Act, any other applicable law or the constitutional documents of an Original Obligor (other than the Company), 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 (other than the Company) 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 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 date of this Agreement.

(h) A good standing certificate of Thor Mergco Inc. from its jurisdiction of incorporation or organisation.

(i) 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 Thor Mergco Inc. certifying as to the solvency of the company after the consummation of the transactions contemplated by the Finance Documents.

2. Finance Documents

A duly executed original of each of the following Finance Documents:

(a) this Agreement; and

(b) each Fee Letter.

3. Legal opinions

(a) A legal opinion of Allen & Overy (South Africa) LLP, legal advisers to Arranger and the Agent in England, substantially in the form distributed to the Agent prior to signing this Agreement.

(b) A legal opinion of Allen & Overy (South Africa) LLP, legal advisers to the Arranger 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 the date of this Agreement.

(d) A legal opinion of Linklaters LLP, legal advisers to Thor Mergco Inc. in the state of New York in the United States, substantially in the form distributed to the Agent prior to the date of this Agreement.

4. Acquisition

A copy of the Merger Agreement executed by all parties thereto.

5. 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) The Original Financial Statements of each Original Obligor (other than Thor Mergco Inc.).

(c) The Group Structure Chart which shows the Group assuming the Closing Date has occurred.
PART 2

CONDITIONS PRECEDENT TO BE DELIVERED PRIOR TO THE FIRST UTILISATION

1. **Acquisition**

(a) A certificate of the Company setting out details of the reasonably estimated Acquisition Costs.

(b) A certificate of the Company confirming that, as at the Closing Date:

(i) the Acquisition Documents contain all of the material terms of the Acquisition;

(ii) no amendments, variation, novations, supplements, waiver or termination of any Acquisition Documents have been made (without the consent of the Agent), save for amendments or revisions of a minor or technical nature or which would not reasonably be expected to be material and adverse to the Lenders; and

(iii) to the best of its knowledge, each representation or warranty given under the Merger Agreement by any member of the Group which is a party to the Merger Agreement is true and correct, except for any failure of such representations and warranties to be true and correct that would not, individually or in the aggregate, have a material adverse effect on the ability of Company or Merger Sub to consummate the Merger and pay the Merger Consideration, in each case, as of the date of Closing as though made on and as of such date (except to the extent such representations and warranties are expressly made as of a specific date, in which case such representations and warranties shall be so true and correct as of such specific date only) (and in this paragraph, the terms “Closing”, “Merger Sub”, “Merger” and “Merger Consideration” have the meanings given to them in the Merger Agreement).

(c) Evidence that the Shareholder Resolutions have been passed by the required percentage of the shareholders of the Company.

2. **Accession**

Evidence that each of Rand Uranium Proprietary Limited and Sibanye Rustenburg Platinum Mines Proprietary Limited has acceded as an Additional Guarantor in accordance with the procedure set out in Clause 26.4 (Additional Guarantors).

3. **Other documents and evidence**

(a) The Funds Flow Statement in form and substance satisfactory to the Agent (acting reasonably).

(b) A copy of the SARB Approval in form and substance satisfactory to the Agent (acting reasonably).

(c) 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 on or by the first Utilisation Date.
PART 3

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 and Selection Notice) 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 any authorized 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 3 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 pursuant to the transactions contemplated in the Finance Documents.

11. Other than with respect to Rand Uranium Proprietary Limited and Sibanye Rustenburg Platinum Mines Proprietary Limited, 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 5 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
REQUESTS
PART 1
UTILISATION REQUEST

From: [Borrower] / [Company]
To: Citibank Europe PLC, UK Branch
Dated:

Dear Sirs

Sibanye Gold Limited – US$2,650,000,000 Bridge Facilities Agreement
dated [●] December 2016 (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:
   - Borrower: [●]
   - Facility: [Facility A]/[Facility B]/[Facility C]
   - 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]/[no Major Default is continuing or would result from the proposed Utilisation].

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 / Company]
PART 2
SELECTION NOTICE

From: [Borrower] / [Company]
To: Citibank Europe PLC, UK Branch
Dated: 

Dear Sirs

Sibanye Gold Limited – US$2,650,000,000 Bridge Facilities Agreement
dated [●] December 2016 (the Agreement)

1. We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2. We refer to the following Loan[s] under [Facility A]/[Facility B]/[Facility C] with an Interest Period ending on [●].

3. [We request that the next Interest Period for the above Loan[s] is [●]].

4. This Selection Notice is irrevocable.

Yours faithfully

authorised signatory for
[the Company on behalf of]
[name of relevant Borrower]

---

1 Insert details of all Loans which have an interest Period ending on the same date.
SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

To: Citibank Europe PLC, UK Branch as Agent

From: [The Existing Lender] (the Existing Lender) and [The New Lender] (the New Lender)

Dated:

Sibanye Gold Limited – US$2,650,000,000 Bridge Facilities Agreement
dated [●] December 2016 (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):

   (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 25.5 (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.

   (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 25.4 (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.

---

2 Delete if 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 [•].

CITIBANK EUROPE PLC, UK BRANCH
By:
SCHEDULE 5
FORM OF ASSIGNMENT AGREEMENT

To: Citibank Europe PLC, UK Branch as Agent and Sibanye Gold Limited 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$2,650,000,000 Bridge Facilities Agreement dated [a] December 2016 (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 25.6 (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 25.4 (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]3.

8. This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 25.7 (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.

CITIBANK EUROPE PLC, UK BRANCH

By:
SCHEDULE 6
FORM OF ACCESSION LETTER

To:             Citibank Europe PLC, UK Branch as Agent

From:          [Subsidiary] and Sibanye Gold Limited

Dated:

Dear Sirs

Sibanye Gold Limited – US$2,650,000,000 Bridge Facilities Agreement
dated [●] December 2016 (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

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.]5

Sibanye Gold Limited  [Subsidiary]

---

4 For acceding Borrower
5 For acceding Guarantor
To: Citibank Europe PLC, UK Branch as Agent

From: [resigning Obligor] and Sibanye Gold Limited

Dated:

Dear Sirs

Sibanye Gold Limited – US$2,650,000,000 Bridge Facilities Agreement
dated [●] December 2016 (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. [We confirm that no Default is continuing or would result from the acceptance of this request.]

5. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

   Sibanye Gold Limited [Subsidiary]

   By: By:

---

6 For resigning Borrower
7 For resigning Guarantor
SCHEDULE 8
FORM OF COMPLIANCE CERTIFICATE

To:            Citibank Europe PLC, UK Branch as Agent
From: [Company]
Dated:

Dear Sirs

Sibanye Gold Limited – US$2,650,000,000 Bridge Facilities Agreement
dated [*] December 2016 (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 leverage covenant to be certified]

3. We confirm that the Margin is [ ]% per annum.

4. We confirm that the following are Material Companies:
   [•].

5. [We confirm that no Default is continuing.]*

Signed: ........................................  ........................................

Director of Sibanye Gold Limited

[insert applicable certification language]

..........................

for and on behalf of
Sibanye Gold Limited

* 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.
SCHEDULE 9

FORM OF INCREASE CONFIRMATION

To: Citibank Europe Plc, UK Branch as Agent and Sibanye Gold Limited as Company, for and on behalf of each Obligor

From: [the Increase Lender] (the Increase Lender)

Dated:

Sibanye Gold Limited – US$2,650,000,000 Bridge Facilities Agreement dated [●] (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 2.3 (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 (e) of Clause 2.3 (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.

---

8 Delete as applicable – each Increase Lender is required to confirm which of these three categories it falls within.
The Schedule
Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility office 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: [insert name of Potential Lender]

Re: The Facilities

Company: Sibanye Gold Limited (the “Company”)

Date: 

Amount: 

Agent: Citibank Europe PLC, UK Branch

Dear Sirs

We understand that you are considering participating in the Facilities. 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 Facilities;

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 Facilities 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 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.

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 and the provisions of the Third Parties Act.

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 English law.

2.2 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).

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 Target Group, the Finance Documents and/or the Facilities 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 or the Target 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 Facilities.

“**Facility Interest**” means a legal, beneficial or economic interest acquired or to be acquired expressly and specifically in or in relation to the Facilities, 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 Facilities.
“Target” means [●].

“Target Group” means the Target and its Subsidiaries (as such term is defined in the Companies Act 2006).

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 11

TIMETABLES

Delivery of a duly completed Utilisation Request (Clause 5.1 (Delivery of a Utilisation Request)) or a Selection Notice (Clause 11.1 (Selection of Interest Periods))

LIBOR is fixed

Reference Bank Rate calculated by reference to available quotations in accordance with Clause 12.2 (Calculation of Reference Bank Rate)

“U” = the date of the proposed Utilisation.
SIGNATORIES

THE COMPANY
SIBANYE GOLD LIMITED
By: /s/ N Froneman

THE ORIGINAL BORROWERS
SIBANYE GOLD LIMITED
By: /s/ N Froneman

THOR MERGCO INC.
By: ILLGiBLE
THE ORIGINAL GUARANTORS

SIBANYE GOLD LIMITED

By: /s/ N Froneman

KROONDAL OPERATIONS (PTY) LIMITED

By: /s/ R van Niekerk

THOR MERGCO INC.

By: ILLEGIBLE
THE ARRANGER
CITIBANK, N.A., LONDON BRANCH

By: /s/ T Lamboum

HSBC BANK PLC

By: ILLEGIBLE
THE ORIGINAL LENDERS
CITIBANK, N.A., LONDON BRANCH

By: /s/ T Lambourn

HSBC BANK PLC

By: ILLEGIBLE
THE AGENT

CITIBANK EUROPE PLC, UK BRANCH

By: /s/ C Crawford
Dated December 9, 2016

SIBANYE GOLD LIMITED,
THOR US HOLDCO INC.,
THOR MERGCO INC.

and

STILLWATER MINING COMPANY

AGREEMENT AND PLAN OF MERGER
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This Agreement and Plan of Merger (this “Agreement”), dated as of December 9, 2016, is entered into by and among:

1. STILLWATER MINING COMPANY, a Delaware corporation (the “Company”);
2. SIBANYE GOLD LIMITED, a public company organized under the laws of South Africa (“Parent”);
3. THOR US HOLDCO INC., a Delaware corporation and an indirect wholly owned Subsidiary (as defined below) of Parent (“US HoldCo”); and
4. THOR MERGCO INC., a Delaware corporation and a direct wholly owned Subsidiary of US HoldCo (“Merger Sub”).

Whereas:

(A) The Company Board (as defined below) has unanimously (i) determined and resolved that this Agreement and the transactions contemplated hereby, including the Merger (as defined below), are advisable, fair to and in the best interests of the Company and the stockholders of the Company, (ii) approved this Agreement and the Merger, (iii) determined and resolved to recommend that the stockholders of the Company adopt this Agreement, and (iv) directed that the adoption of this Agreement be submitted to a vote at a meeting of the stockholders of the Company;

(B) On the terms and subject to the conditions set forth in this Agreement, Merger Sub will be merged with and into the Company (the “Merger”), with the Company surviving the Merger as a direct wholly owned Subsidiary of US HoldCo and an indirect wholly owned Subsidiary of Parent, in accordance with the General Corporation Law of the State of Delaware (the “DGCL”) and each issued and outstanding share (each, a “Share” and collectively, the “Shares”) of common stock, par value $0.01 per share, of the Company (the “Company Common Stock”), other than Dissenting Shares (as defined below) and Shares owned by Parent or the Company or any of their respective Subsidiaries (including Shares held in treasury by the Company), will thereupon be cancelled and converted into the right to receive cash in an amount equal to the Merger Consideration (as defined below);

(C) The Parent Board (as defined below) has unanimously (i) approved this Agreement and the Merger, on the terms and subject to the conditions set forth in this Agreement, (ii) determined and resolved to recommend that the shareholders of Parent approve the transactions contemplated by this Agreement, including the Merger, and (iii) resolved that the approval and implementation of the transactions contemplated by this Agreement, including the Merger, be submitted to a vote at a meeting of the shareholders of Parent;

(D) The board of directors of each of US HoldCo and Merger Sub has approved and declared it advisable for US HoldCo and Merger Sub, respectively, to enter into this Agreement and consummate the Merger on the terms and subject to the conditions set forth herein; and

(E) Each of Parent, US HoldCo, Merger Sub and the Company (collectively, the “Parties”) desires to make certain representations, warranties and covenants in connection with the Merger and also to prescribe various conditions to the Merger.
Now, therefore, in consideration of the foregoing and the respective representations, warranties and covenants set forth below, the Parties agree as follows:

1 Definitions

1.1 Definitions

In addition to the terms defined elsewhere herein, as used herein, the following terms have the following meanings when used herein with initial capital letters:

“Acceptable Confidentiality Agreement” means a confidentiality agreement containing terms not materially less restrictive of, and otherwise not materially more favorable to, the Third Party that is party to such agreement and its Affiliates and Representatives than the terms set forth in the Confidentiality Agreement are to Parent and its Affiliates and Representatives.

“Acquisition Proposal” means any inquiry, offer or proposal (other than an inquiry, offer or proposal made or submitted by or on behalf of Parent or any of its Subsidiaries) or any other expression of interest regarding an Acquisition Transaction.

“Acquisition Transaction” means any transaction (including any single- or multi-step transaction) or series of related transactions with a Person or “group” (as used in Section 13(d)(3) of the Exchange Act) relating to (i) the acquisition (directly or indirectly) of at least 15% of the assets of, aggregate equity or voting interests (including rights to acquire such equity or voting interests and, in relation to the Company’s Convertible Notes and Senior Notes, as measured on an as-converted basis based on the conversion rate then in effect) in, or business of, the Company and its Subsidiaries, taken as a whole, pursuant to a merger, reorganization, recapitalization, consolidation, joint venture or other business combination, sale combination, sale of shares of capital stock, sale of assets, tender offer, exchange offer or otherwise, (ii) any combination of the foregoing types of related transactions if the sum of the percentage of consolidated assets (including equity securities of its Subsidiaries), consolidated revenues or net income of the Company involved is 15% or more, or (iii) any liquidation or dissolution involving the Company or any of its Subsidiaries whose assets constitute 15% or more of the consolidated assets of the Company.

“Affiliate” means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person. As used in this definition, the term “control” (including the terms “controlled by” and “under common control with”) means possession, directly or indirectly through one or more intermediaries, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by Contract or otherwise.

“Anticorruption Laws” means the US Foreign Corrupt Practices Act of 1977, as amended, the Bribery Act 2010 of the United Kingdom and any other anticorruption or anti-bribery Applicable Law, including any Applicable Law implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

“Anti-Money Laundering Laws” means any Applicable Law relating to anti-money laundering.

“Applicable Law” means, with respect to any Person, any supranational, national, federal, state, provincial, local or other law, constitution, treaty, convention, statute, ordinance, code, rule,
regulation or common law or other similar requirement enacted, adopted, promulgated or applied by any Governmental Entity, in each such case that is binding on or applicable to such Person or its Subsidiaries or its or their respective properties, assets or businesses.

“Audited Balance Sheet” means the audited consolidated balance sheets of the Company and its Subsidiaries as of December 31, 2015.

“Business Day” means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York ("NY"), Johannesburg, South Africa or London, England or Governmental Entities in the State of Delaware are authorized or required by Applicable Law to close.

“CFIUS” means the Committee of Foreign Investment in the United States.

“CFIUS Clearance” shall mean (a) the receipt by the Parties of written notice from CFIUS pursuant to Exon-Florio with its determination (i) that the transactions contemplated hereby are not subject to Exon-Florio or (ii) following a review or investigation of the transactions contemplated hereby that there are no unresolved national security concerns, or (b) if CFIUS has sent a report to the President of the United States requesting the President’s decision, (i) a determination by the President of the United States not to suspend or prohibit the transactions contemplated hereby pursuant to his authority under Exon-Florio or (ii) the President not taking any action within 15 days from the date the President received such report from CFIUS.

“Closing Date” means the date on which the Closing occurs.


“Company Benefit Plan” means each compensatory or employee benefit plan, program, agreement or arrangement, including any “employee benefit plan” as defined in Section 3(3) of ERISA and any other pension, retirement, profit-sharing, deferred compensation, stock option, employment, change in control benefit, retention, equity or equity-based compensation, stock purchase, employee stock ownership, severance pay, vacation, bonus or other incentive compensation, medical, retiree medical, vision, dental or other health benefits, life insurance, fringe benefit plan, program, agreement or arrangement, in each case, whether oral or written, funded or unfunded or insured or self-insured, for the benefit of any current or former employee, officer, director or independent contractor (in each case, who is a natural person or is a personal services entity) of the Company or any Subsidiary maintained by the Company or any Subsidiary, or to which the Company or any Subsidiary contributes or is obligated to contribute or otherwise has or would reasonably be expected to have any Liability.

“Company Board” means the board of directors of the Company.

“Company Employee” means any current or former employee or officer of the Company or any of its Subsidiaries.

“Company Expense Reimbursement” means up to $10.0 million of reasonable and documented out-of-pocket fees and expenses incurred by the Company in connection with the transactions contemplated by this Agreement.
“**Company’s Knowledge**” means, as to a particular matter, the actual knowledge of any one or more of the individuals listed on Schedule 1.01(a) after inquiry he or she determined to be reasonable in the circumstances.

“**Company Material Adverse Effect**” means any state of facts, circumstance, condition, event, change, development, occurrence, result or effect (each, an “**Effect**”) that, individually or in the aggregate, (i) has been, or would reasonably be expected to be, materially adverse to the business, financial condition (including net assets) or results of operations of the Company and its Subsidiaries, taken as a whole, or (ii) would reasonably be expected to prevent, materially impair or materially delay the timely performance by the Company of, or has had or would reasonably be expected to have a material adverse effect on the ability of the Company to, timely perform its obligations under this Agreement; provided, however, that, in the case of clause (i) above, no Effect shall constitute a Company Material Adverse Effect to the extent that such Effect arises out of or results from: (A) changes after the date of this Agreement in general global or United States economic, business or political conditions; (B) general changes after the date of this Agreement in the securities, credit or other financial markets in the United States or elsewhere in the world; (C) changes after the date of this Agreement in conditions generally affecting the industry in which the Company and its Subsidiaries operate or in respect of prices for products; (D) changes after the date of this Agreement in GAAP or Applicable Law or in the enforcement or interpretation thereof; (E) any outbreak or escalation of any military conflict, declared or undeclared war, armed hostilities or acts of foreign or domestic terrorism; (F) the announcement of this Agreement or the Merger, including any Proceeding relating thereto or arising therefrom, or actions or omissions expressly contemplated, or required of the Company or any of the Company’s Subsidiaries, by this Agreement (but including in this clause (F) the Effect of any actions or omissions required to comply with Section 6.1 only to the extent that such Effect is the direct result of Parent unreasonably withholding its consent to the Company’s written request delivered in accordance with the notice requirements set forth in Section 9.1 to take an action otherwise prohibited under Section 6.1); (G) any failure by the Company or any of its Subsidiaries to meet any internal or external projections, budgets, forecasts, estimates or analysts’ expectations in respect of revenue, profitability, cash flow or position, earnings or other financial or operating metric for any future period (but, in each case, the underlying causes of such failure shall be taken into account except to the extent such underlying causes would otherwise be excepted from this definition); or (H) changes in the trading price or trading volume of Shares (but, in each case, the underlying causes of such changes shall be taken into account except to the extent such underlying causes would otherwise be excepted from this definition) or any securities of Parent or any of its Subsidiaries; provided, further, that any Effect arising out of or resulting from any change or event referred to in clause (A), (B), (C), (D), or (E) above may constitute, and shall be taken into account in determining the occurrence of, a Company Material Adverse Effect to the extent such Effect has, or is reasonably expected to have, a disproportionately adverse effect on the business, financial condition (including net assets) or results of operations of the Company and its Subsidiaries, taken as a whole, as compared to other companies that generally operate in the mining industry.

“**Company Owned Intellectual Property**” means all Intellectual Property owned or purported to be owned by the Company or any of its Subsidiaries.
“Company Performance RSU” means a restricted stock unit award relating to shares of Company Common Stock granted under any Company Stock Plan that is subject to performance-based vesting conditions (other than or in addition to the continuation of personal services of the holder of such award).

“Company SEC Document” means all reports, schedules, registration statements and other documents (including all exhibits and other information incorporated therein, amendments and supplements thereto) filed with or furnished to the SEC by the Company.

“Company Security” means all outstanding Shares, or any other outstanding equity or debt securities of the Company.

“Company Service RSU” means a restricted stock unit award relating to shares of Company Common Stock granted under any Company Stock Plan that is not subject to any performance-based vesting conditions (other than or in addition to the continuation of personal services of the holder of such award), including deferred share units awarded under the Company’s Independent Director Deferred Share Unit Plan (“DSUs”).

“Company Stock Awards” means the Company Stock Options, Company Service RSUs and the Company Performance RSUs.

“Company Stock Option” means an option to acquire shares of Company Common Stock granted under a Company Stock Plan.

“Company Stock Plan” collectively means the 2004 Equity Incentive Plan, the Stillwater Mining Company 2012 Equity Incentive Plan, as amended by the First Amendment to the Stillwater Mining Company 2012 Equity Incentive Plan, the Stillwater Mining Company 2003 Amended and Restated General Employee Stock Plan, the Stillwater Mining Company Independent Director Deferred Share Unit Plan and the 409A Nonqualified Deferred Compensation Plan, and the forms of agreements thereunder, and any other agreement of the Company or any Subsidiary pursuant to which it granted any rights with respect to any shares of Company Common Stock to any current or former employee, officer, director or independent contractor of the Company or any of its Subsidiaries.

“Company Stockholder Litigation” means any Proceeding pending against the Company (including any class action or derivative litigation) based upon or arising out of the Agreement, the Merger or the other transactions contemplated hereby and thereby, including disclosures made under securities laws and regulations related thereto.

“Confidentiality Agreement” means the Confidentiality Agreement, dated as of August 9, 2016 between Parent and the Company.

“Continuing Company Employee” means each Company Employee who continues to be employed by Parent or the Surviving Corporation or any of their respective Subsidiaries as of the Effective Time.

“Contract” means any written or oral contract, agreement or other instrument, obligation or arrangement that is legally binding, including, to the extent legally binding, any note, bond, indenture, mortgage, guarantee, undertaking, commitment, promise, option, lease, sublease, license, sublicense, joint venture agreement, warranty or sales or purchase order.
“Convertible Notes” means the Company’s 1.75% Convertible Senior Notes due 2032 issued pursuant to the Convertible Notes Indenture.

“Data Room” means the electronic data site established for Project Odin on behalf of the Company and to which Parent and certain of its Representatives have been given access in connection with the transactions contemplated by this Agreement.

“Debt Financing” has the meaning set forth in the definition of “Financing.”

“Deliberate” means an action or omission taken or not taken by a Party that, to the Company’s Knowledge or the Parent’s Knowledge (as applicable), at the time the action was taken or omitted to be taken, was a material breach of a representation, warranty or covenant of such applicable Party of this Agreement.

“Environmental Laws” means any Applicable Law relating to (i) pollution, (ii) the protection of the environment or natural resources, (iii) Releases of or exposure to Hazardous Materials, or (iv) human health and safety.


“Financing” means the debt financing incurred or intended to be incurred pursuant to the Facilities Agreement (the “Debt Financing”) and any refinancing thereof and the Rights Offering.

“GAAP” means generally accepted accounting principles in the United States.

“Governmental Entity” means any supranational, national, federal, state, provincial, local or other government, department, authority, court, tribunal, commission, regulatory body or self-regulatory body (including any securities exchange), or any political or other subdivision, department, agency or branch of any of the foregoing.

“Hazardous Materials” means any pollutant, contaminant, chemical, petroleum or any fraction thereof, asbestos or asbestos-containing material, polychlorinated biphenyls or industrial, solid, toxic, radioactive, infectious, disease-causing or hazardous substance, material, waste or agent, including all substances, materials, wastes or agents which are identified, regulated, the subject of Liability or requirements for investigation or remediation under, or otherwise subject to, Environmental Laws.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and any rules and regulations promulgated thereunder.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board and as applicable to Parent and the Parent Shareholder Circular pursuant to the provisions of the South African Companies Act Regulations, 2011 and the Listings Requirements.
“Indebtedness” of any Person at any date means, without duplication, all obligations (whether or not due and payable as of such date) of such Person to pay principal, interest, premiums, penalties, fees, guarantees, reimbursements, damages, “make-whole” amounts, costs of unwinding, breakage fees, pre-payment fees or penalties with respect to (i) indebtedness for borrowed money, whether current or funded, fixed or contingent, secured or unsecured, (ii) indebtedness evidenced by bonds, debentures, notes, mortgages or similar instruments or debt securities, (iii) mandatorily redeemable capital stock or securities convertible into capital stock, (iv) leases that are required to be capitalized in accordance with GAAP under which such Person is the lessee, (v) the deferred purchase price of property, assets or services (including any potential future earn-out, purchase price adjustment, release of “holdback” or similar payment obligations, but excluding trade payables or accruals in the ordinary course of business consistent with past practice), (vi) obligations under interest rate, currency swap, hedging, cap, collar or futures Contracts or other derivative instruments or agreements, (vii) obligations of such Person as an account party under letters of credit, letters of guaranty and performance bonds, to the extent drawn upon or an event has occurred that (with notice or lapse of time or both) would trigger a right to draw upon, (viii) all obligations of the type described in clauses (i) through (vii) above secured by a Lien on property or assets owned or acquired by such Person, whether or not the obligations secured thereby have been assumed by such Person, and (ix) guarantees or other forms of contractual credit support (including all “keepwell” arrangements) of any obligations described in clauses (i) through (viii) above of any other Person.

“Intellectual Property” means all intellectual property and other similar proprietary rights in any jurisdiction, whether registered or unregistered, including such rights in and to: any patent (including all reissues, divisions, continuations, continuations-in-part and extensions thereof), patent application or invention; any trademark, trademark registration, trademark application, servicemark, trade dress, trade name, business name or brand name and the goodwill connected with the use of and symbolized by the foregoing; any copyright, copyright registration, computer programs and software (including all source code and object code), design, design registration or database rights; any internet domain name; trade secret, confidential know-how, or other confidential and proprietary information.

“IRS” means the United States Internal Revenue Service.

“Intervening Event” means any material change, event, effect, occurrence, consequence or development with respect to the Company or Parent, as applicable, that (i) is unknown and not reasonably foreseeable as of the date hereof, (ii) does not relate to any Acquisition Proposals, and (iii) does not arise out of or result from changes after the date of this Agreement in respect of prices or demand for products.

“JSE” means JSE Limited, registration number 2005/022939/06, a public company trading as the “Johannesburg Stock Exchange”, duly registered and incorporated under the laws of South Africa and licensed as a securities exchange under the Financial Markets Act of South Africa.

“Letter of Credit” means an irrevocable standby letter of credit to be issued by Citibank, N.A., South Africa Branch or Citibank, N.A. (New York), for the benefit of the Company, having the terms set forth in Schedule 1.01(b).

“Liability” of a Person means any and all Indebtedness or other liabilities, whether accrued or fixed, known or unknown, absolute or contingent, matured or unmatured, liquidated or
unliquidated, determined or determinable, disputed or undisputed, secured or unsecured, subordinated or unsubordinated, on or off-balance sheet and whether arising in the past, present or future, and including those arising in connection with any Contract, Proceeding or Order, including any out-of-pocket costs and expenses (including attorneys’, accountants’ or other fees and expenses).

“Lien” means, with respect to any property or asset, any charge, claim, adverse interest, community property interest, pledge, hypothecation, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, deed of trust, encumbrance, easement, encroachment, lease, sublease, license, sublicense, right of way, right of first refusal or offer or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, or any interest or restriction similar in substance to any of the foregoing.

“Listings Requirements” means the listings requirements of the JSE issued pursuant to the provisions of the Financial Markets Act of South Africa.

“Made Available” means that such information, document or material was (i) publicly filed on the SEC EDGAR database as part of a Company SEC Document (or expressly incorporated by reference into a Company SEC Document) on or after July 1, 2015 and prior to the date hereof or (ii) made available for review by Parent or Parent’s Representatives in the Data Room or in a location otherwise specified to Parent in writing by the Company or the Company’s Representatives on or prior to 5:00 P.M. NY time on the Measurement Date.

“Measurement Date” means December 6, 2016.

“Mines” means the Stillwater Mine and the East Boulder Mine (including the adjacent Blitz development area), each located in Montana.

“NY” has the meaning set forth in the definition of “Business Day.”

“NYSE” means the New York Stock Exchange.

“Order” means, with respect to any Person, any order, injunction, judgment, decision, determination, award, writ, ruling, stipulation, assessment or decree or other similar requirement of, or entered, enacted, adopted, promulgated or applied by, with or under the supervision of, a Governmental Entity or arbitrator, in each case, that is or purports to be binding upon such Person.

“Organizational Documents” means, with respect to any Person that is not an individual, the articles of incorporation, certificate of incorporation, charter, bylaws, articles of formation, certificate of formation, memorandum of incorporation, regulations, operating agreement, partnership agreement, certificate of limited partnership, trust agreement or other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of such Person, including any amendments thereto or restatements thereof.

“Parent Board” means the board of directors of Parent.
“Parent Expense Reimbursement” means up to $10.0 million of reasonable and documented out-of-pocket fees and expenses incurred by Parent, US HoldCo and Merger Sub in connection with the transactions contemplated by this Agreement.

“Parent’s Knowledge” means, as to a particular matter, the actual knowledge of any one or more of the individuals listed on Schedule 1.01(c) after inquiry he or she determined to be reasonable in the circumstances.

“Parent Shareholder Approval” means the shareholder approval to be obtained at the Parent Meeting of this Agreement and the transactions contemplated herein, including the Merger, and the Rights Offering, which approval will be in the form of (i) an ordinary resolution (supported by more than 50% of the voting rights of those entitled to vote that are present and voted on such matter at such meeting) to approve the conclusion and implementation of this Agreement, including the Merger and (ii) a special resolution (supported by more than 75% of the voting rights of those entitled to vote that are present and voted on such matter at such meeting) to approve the issue of the shares in the capital of Parent to be issued pursuant to the Rights Offering.

“Parent Shareholder Circular” means the category 1 circular and any annexes, schedules or exhibits to be sent by Parent to its shareholders to obtain their approval of the transactions contemplated by this Agreement, including the Merger and the issue of the shares in the capital of Parent to be issued pursuant to the Rights Offering, as required by the Listings Requirements.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended.

“Permits” means all permits, licenses, consents, franchises, approvals, privileges, immunities, authorizations, exemptions, registrations, certificates, variances and similar rights obtained from a Governmental Entity.

“Permitted Liens” means (i) Liens for Taxes that (A) are not yet due and payable or (B) are being contested in good faith by appropriate Proceedings, in each case, only if adequate reserves with respect thereto have been established in a balance sheet included in the Company Financial Statements to the extent required in accordance with GAAP, (ii) Liens of carriers, warehousemen, mechanics, materialmen, repairmen and other similar common law or statutory Liens arising or incurred in the ordinary course of business consistent with past practice (A) that relate to obligations that are not delinquent or that the Company or any of its Subsidiaries is contesting in good faith by appropriate Proceedings and for which, in the latter scenario, adequate reserves have specifically been established in the Audited Balance Sheet to the extent required in accordance with GAAP and (B) that are not, individually or in the aggregate, material to the business of the Company and its Subsidiaries, taken as a whole, and that do not materially adversely affect either continuation of the current use, occupancy or activity conducted by the Company or any of its Subsidiaries at a Mine or the Company’s processing facilities, (iii) Liens arising under original purchase price conditional sales Contracts and equipment leases with Third Parties entered into in the ordinary course of business consistent with past practice that are not, individually or in the aggregate, material to the business of the Company and its Subsidiaries, taken as a whole, (iv) all covenants, conditions, restrictions, easements, charges, rights-of-way, title defects or other encumbrances on title and similar matters that are filed of
record prior to the date of this Agreement in Sweet Grass County, Montana in the real property records to which they relate or are located in Stillwater County, Montana or that do not otherwise materially interfere with the operation of the Mines or the Company’s processing facilities in the ordinary course of business or materially adversely affect the profitability of the business of the Company and its Subsidiaries, taken as a whole, and (v) such Liens, imperfections in title, charges, easements, restrictions, encumbrances or other matters that are due to zoning or subdivision, entitlement and other land use Applicable Laws and do not materially interfere with the operation of the Mines or the Company’s processing facilities in the ordinary course of business or materially adversely affect the profitability of the business of the Company and its Subsidiaries, taken as a whole; provided, however, that in all cases, “Permitted Liens” shall not include any Liens that secure the payment of Indebtedness for borrowed money.

“Person” means any individual, general or limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated organization, joint venture, firm, association or other entity or organization (whether or not a legal entity), including any Governmental Entity (or any department, agency or political subdivision thereof).

“Proceeding” means any suit (whether civil, criminal, administrative, judicial or investigative), claim, action, litigation, arbitration, mediation, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, criminal prosecution or (in the case of the Company), to the Company’s Knowledge, any formal investigation or SEC “Wells” process, in each case commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Entity or any mediator, arbitrator or arbitration panel.

“Proxy Statement” means, collectively, the letter to stockholders, notice of meeting, proxy statement and form of proxy that will be provided to stockholders of the Company in connection with the Merger and any annexes, schedules or exhibits required to be filed, or actually filed, with the SEC in connection therewith (including, in each case, any amendments or supplements thereto).

“Registered Company Intellectual Property” means all patents, patent applications, registered copyrights, applications to register copyrights, registered marks (including trademarks, service marks and trade dress, to the extent registered), applications to register marks and registered domain names that are owned by the Company or any of its Subsidiaries.

“Release” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata).

“Representatives” means, with respect to any Person, the directors, officers, employees, financial advisors, attorneys, accountants, consultants, agents and other representatives and advisors of such Person.

“Required Information” means the information set forth on Schedule 1.01(d).

“Rights Offering” means the rights offering to be undertaken by Parent following the Closing pursuant to the terms of which qualifying existing shareholders of Parent will receive rights to subscribe for further shares in the capital of Parent.
“Royalties” means royalties, streaming interests or other Contracts providing for the payment of consideration measured, quantified or calculated based on, in whole or in part, any minerals produced, mined, recovered or extracted therefrom.

“Sanctioned Country” means any country or territory subject to economic sanctions or trade restrictions of the United States, the European Union, South Africa, the United Nations Security Council, Her Majesty’s Treasury or any other relevant Governmental Entity that broadly prohibits or restricts dealings with such country, including Crimea, Cuba, Iran, North Korea, Sudan and Syria.

“Sanctioned Person” means any Person with whom dealings are restricted or prohibited by any economic sanctions, trade restrictions or similar restrictions imposed by the United States, the European Union, South Africa, Her Majesty’s Treasury or the United Nations Security Council, including (i) any Person identified in any sanctions list maintained by (A) the United States government, including the United States Department of Treasury, Office of Foreign Assets Control, the United States Department of Commerce, Bureau of Industry and Security and the United States Department of State; (B) the European Union; (C) the South African government; (D) Her Majesty’s Treasury; or (E) the United Nations Security Council; (ii) any Person located, organized or resident in, or a Governmental Entity of, any Sanctioned Country, and (iii) any Person directly or indirectly owned or controlled by or acting for the benefit or on behalf of a Person described in (i) or (ii) (with the ability to vote 25% or more of outstanding voting securities presumptively constituting control and the right to receive 50% or more of assets or profits presumptively constituting ownership).

“SARB Approval” means the approval of the South African Reserve Bank as required under the exchange control regulations promulgated under the South African Currency and Exchanges Act, No. 9 of 1933, in connection with this Agreement and the transactions contemplated hereby and the consent of the South African Reserve Bank to the implementation of this Agreement.


“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933, as amended, and the rules promulgated thereunder.

“Senior Notes” means the Company’s 1.875% Convertible Senior Notes due 2028 issued pursuant to the Senior Notes Indenture.

“Senior Notes Indenture” means the Indenture dated as of March 12, 2008 between the Company, the Law Debenture Trust Company of New York and Deutsche Bank Trust Company Americas.

“Subsidiary” means, with respect to any Person, any other Person, (i) the financial condition and results of operations of which are required to be consolidated with the financial condition and results of operations of the first Person in the preparation of the consolidated financial statements of the first Person in accordance with GAAP or (ii) of which at least a majority of the securities or other equity interests having the ordinary voting power to elect at least 50% of the board of directors is directly or indirectly owned by the first Person.
“Superior Proposal” means a written Acquisition Proposal that if consummated would result in a Third Party (or in the case of a merger, consolidation or other form of business combination transaction involving a Third Party and the Company, the stockholders of the ultimate parent entity of such Third Party) acquiring, directly or indirectly, more than 40% of the Company Common Stock or the common stock of the ultimate parent entity of the acquiring, surviving or resulting entity in such transaction, or all or substantially all of the consolidated assets of the Company and the Subsidiaries, in any such case, that does not arise from a breach of Section 6.2 by the Company and that the Company Board determines in good faith, after consultation with the Company’s outside independent financial advisors and outside legal counsel, and considering all the terms of the Acquisition Proposal (including, the legal, financial and regulatory aspects of such proposal, the identity of the Third Party making such proposal, the form of consideration offered and the conditions for completion of such proposal), (i) is on terms that are more favorable to the holders of Company Common Stock than the Merger (after giving effect to all Proposed Changed Terms) and (ii) (A) is reasonably expected to be consummated on a timely basis, (B) does not contain any material conditionality of the Third Party’s obligation to consummate the Superior Proposal that is related to the Third Party’s completion of due diligence, and (C) the financing of which is fully committed or available from existing resources of such Third Party.

“Tax” means any tax or other similar governmental assessment or charge of any kind whatsoever including income, franchise, profits, corporations, advance corporation, gross receipts, transfer, excise, property, sales, use, value-added, ad valorem, license, capital, wage, employment, payroll, withholding, social security, severance, environmental, premium, occupation, import, custom, stamp, alternative, add-on minimum, environmental or other governmental taxes or charges (including such taxes, charges or other assessments that are imposed upon or incurred under Treasury Regulation §1.1502-6 (or any similar provision of state, local or non-U.S. Applicable Law) or otherwise as a result of membership in an affiliated, consolidated, combined or unitary group for any such tax purposes, and including any Liability for such taxes, charges or other assessments as a transferee or successor, by Contract or otherwise), together with any interest, penalty, addition to tax or additional amount with respect thereto, whether disputed or not, and including any obligations to indemnify or otherwise assume or succeed to the tax Liability of any other Person.

“Tax Law” means any Applicable Law relating to Taxes.

“Tax Return” means any report, return, document, declaration, form, information return, statement or other information required to be filed with or supplied to a Taxing Authority (including any amendments thereto and including any schedule or statement thereto) and any document with respect to or accompanying payments of estimated Taxes, or with respect to or accompanying requests for the extension of time in which to file any such report, return, document, declaration or other information.

“Taxing Authority” means any Governmental Entity exercising any authority to determine, impose, regulate, collect, levy, assess, enforce or administer any Tax.

“Third Party” means any Person or “group” (as used in Section 13(d)(3) of the Exchange Act) of Persons, other than Parent and its Subsidiaries (including Merger Sub).

“Third Party Auditor” means an independent certified public accounting firm.
“Treasury Regulations” means the temporary and final regulations promulgated under the Code by the United States Department of Treasury and the IRS.

Each of the following terms is defined in the Section set forth opposite such term:

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1.2 Other Definitional and Interpretative Provisions

The words “hereof,” “herein,” “hereto” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified, and references to clauses without a cross-reference to a Section or subsection are references to clauses within the same Section or, if more specific, subsection. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any initial capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References (i) to “$” and “dollars” are to the currency of the United States, (ii) from or through any date shall mean, unless otherwise specified, from and including or through and including, respectively, and (iii) to “days” shall be calendar days unless otherwise indicated.
2 The Merger

2.1 The Merger

On the terms and subject to the conditions of this Agreement, and in accordance with the DGCL, at the Effective Time (as defined below), Merger Sub shall be merged with and into the Company, whereupon the separate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation (the “Surviving Corporation”) and a direct wholly owned Subsidiary of US HoldCo and an indirect wholly owned Subsidiary of Parent, and the Surviving Corporation shall succeed to and assume all the rights and obligations of Merger Sub and the Company in accordance with Section 259 of the DGCL.

2.2 The Closing

The closing of the Merger (the “Closing”) shall take place at 9:00 a.m. (NY time) on the fourth Business Day after the satisfaction or, to the extent permitted hereunder, waiver of all conditions set forth in Article 7 (other than those conditions that by their nature are to be satisfied by actions to be taken at the Closing, but subject to the satisfaction or waiver (to the extent permitted hereunder) of such conditions at the Closing) or at such other place, date and time as the Company and Parent may agree in writing. The Closing shall be held at the offices of Linklaters LLP, 1345 Avenue of the Americas, New York, New York 10105, unless another place is agreed to in writing by the Company and Parent.

2.3 Effecting the Merger

Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL, concurrently with the Closing, Parent and the Company shall cause a certificate of merger (the “Certificate of Merger”) to be executed, acknowledged and delivered to the Office of the Secretary of State of the State of Delaware for filing, all in accordance with the applicable provisions of the DGCL.

2.4 Effective Time

The Merger shall become effective on such date and at such time as when the Certificate of Merger has been received for filing by the Secretary of State of the State of Delaware or at such later time and date as may be agreed by the Parties in writing and specified in the Certificate of Merger (the “Effective Time”).

2.5 Effects of the Merger

The Merger shall have the effects set forth in the applicable provisions of the DGCL, this Agreement and the Certificate of Merger.

2.6 Conversion of Shares

At the Effective Time, by virtue of the Merger and without any action on the part of Parent, US HoldCo, Merger Sub, the Company or the holders of any securities thereof or any other Person:
2.6.1 Conversion of Shares

Except as otherwise provided in Section 2.6.2, Section 2.8 or Section 2.9, each Share outstanding immediately prior to the Effective Time shall be cancelled and converted into the right to receive $18.00 in cash without interest (the “Merger Consideration”).

2.6.2 Cancellation of Certain Shares

(i) All Shares that are owned by the Company as treasury stock or by Merger Sub as of immediately prior to the Effective Time shall be cancelled without any conversion thereof and no payment or distribution shall be made with respect thereto; and

(ii) Any Shares owned by Parent or by a direct or indirect Subsidiary of Parent or the Company (other than those cancelled under Section 2.6.2(i)) shall not be cancelled and shall convert into a number of shares of common stock, par value $0.01 per share, of the Surviving Corporation in connection with the Merger such that Parent and each such Subsidiary owns the same percentage of the outstanding capital stock of the Surviving Corporation immediately following the Effective Time with respect to such Shares as Parent and each such Subsidiary owned in the Company immediately prior to the Effective Time.

2.6.3 Capital Stock of Merger Sub

Each share of common stock of Merger Sub outstanding immediately prior to the Effective Time shall be converted into and become one fully paid, non-assessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

2.7 Surrender and Payment

2.7.1 Paying Agent and Payment Fund

Prior to the Effective Time, US HoldCo shall appoint a paying agent reasonably acceptable to the Company (the “Paying Agent”) for the purpose of exchanging for the Merger Consideration certificates representing Shares (the “Certificates”; provided, however, that any references herein to “Certificates” are deemed to include references to effective affidavits of loss in accordance with Section 2.13 or to book-entry account statements relating to the ownership of Shares). Prior to the Effective Time, Parent shall take such actions as necessary to provide the Merger Consideration, or cause the Merger Consideration to be provided, to US HoldCo or Merger Sub pursuant to such instruments as Parent, US HoldCo and/or Merger Sub shall see fit. As of the Effective Time, US HoldCo shall have deposited, or shall have taken all steps necessary to enable and cause Merger Sub or the Surviving Corporation to deposit, with the Paying Agent the aggregate Merger Consideration to be paid in respect of the Shares pursuant to Section 2.6.1 (the “Payment Fund”) and, if requested by the Company at least five Business Days prior to the Closing Date, up to the amounts required to be paid pursuant to Section 6.12, which amounts shall be disbursed as therein provided. Promptly after the Effective Time, US HoldCo shall send, or shall cause the Paying Agent to send, to each record holder of Shares at the Effective Time, in each case whose Shares were converted into the right to receive the Merger Consideration pursuant to Section 2.6.1,
a customary letter of transmittal and instructions (which shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery or transfer of the Certificates to the Paying Agent and shall be in such form and have such other provisions as are customary for similar transactions in the United States and US HoldCo may reasonably specify) for use in such payment.

2.7.2 Surrender of Shares

Each holder of Shares that have been converted into the right to receive the Merger Consideration shall be entitled to receive the Merger Consideration in respect of the Shares represented by a Certificate promptly upon (i) surrender to the Paying Agent of a Certificate, together with a duly completed and validly executed letter of transmittal and such other documents as may reasonably be requested by the Paying Agent or US HoldCo, or (ii) receipt of an “agent’s message” by the Paying Agent (or such other evidence, if any, of transfer as the Paying Agent or US HoldCo may reasonably request) in the case of a book-entry transfer of Shares. Until so surrendered or transferred, each Share and each such Certificate shall represent after the Effective Time for all purposes only the right to receive such Merger Consideration and no other rights or interests whatsoever. No interest shall be paid or accrued on the cash payable upon the surrender or transfer of such Certificate.

2.7.3 Unregistered Transferees

If any portion of the Merger Consideration is to be paid to a Person other than the Person in whose name the surrendered Certificate is registered, it shall be a condition to such payment that (i) either such Certificate shall be properly endorsed or shall otherwise be in proper form for transfer and (ii) the Person requesting such payment shall pay to the Paying Agent any transfer or other Tax required as a result of such payment to a Person other than the registered holder of such Certificate or establish to the satisfaction of the Paying Agent that such Tax has been paid or is not payable.

2.7.4 No Other Rights

All Merger Consideration paid upon the surrender of Certificates in accordance with the terms hereof shall be deemed to have been paid in full satisfaction of all rights pertaining to the Shares formerly represented by such Certificates and, from and after the Effective Time, there shall be no further registration of transfers of Shares on the stock transfer books of the Surviving Corporation. If, after the Effective Time, any Certificate is presented to the Surviving Corporation or US HoldCo for transfer, the Surviving Corporation or US HoldCo shall use reasonable best efforts to provide the holder of such Certificates with such instructions as may be necessary to permit such holder to receive the Merger Consideration to which such holder is entitled pursuant to the Merger.

2.7.5 Termination of the Payment Fund

Any portion of the Payment Fund that remains unclaimed by the holders of Shares six months after the Effective Time shall be delivered to the Surviving Corporation, upon demand, and any such holder who has not exchanged Shares for the Merger Consideration in accordance with this Section 2.7 prior to that time shall thereafter look
only to the Surviving Corporation as a general creditor thereof for payment of the Merger Consideration.

2.8 Dissenting Shares

Notwithstanding Section 2.6 or any other provision of this Agreement to the contrary, Shares issued and outstanding immediately prior to the Effective Time and held by a holder who is entitled to appraisal and who has properly exercised and perfected appraisal rights for such shares in accordance with Section 262 of the DGCL ("Dissenting Shares") shall not be converted into a right to receive the Merger Consideration but instead shall be entitled only to such rights as are granted by the DGCL to a holder of Dissenting Shares; provided, however, that if, after the Effective Time, such holder fails to timely perfect, effectively withdraws or loses such holder’s right to appraisal pursuant to Section 262 of the DGCL or if a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 262 of the DGCL, such Shares shall immediately cease to be Dissenting Shares and shall be treated as if they had been Shares converted as of the Effective Time into the right to receive the Merger Consideration in accordance with Section 2.6.1, without interest thereon, upon surrender of any Certificate formerly representing such Shares. The Company shall provide Parent and US HoldCo prompt written notice of any demands received by the Company for appraisal of Shares, any withdrawal of any such demand and any other demand, notice or instrument delivered to the Company prior to the Effective Time pursuant to Section 262 of the DGCL that relate to such demand, and Parent and US HoldCo shall have the opportunity and right to participate in all negotiations and Proceedings with respect to such demands. Except with the prior written consent of Parent and US HoldCo, the Company shall not make any payment with respect to, or offer to settle or settle, or otherwise negotiate any such demands.

2.9 Treatment of Options and RSUs

2.9.1 Treatment of Options

At the Effective Time, each Company Stock Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time shall automatically and without any required action on the part of the holder thereof, be cancelled and shall only entitle the holder of such Company Stock Option to receive (without interest) an amount in cash equal to the product of (x) the total number of shares of Company Common Stock subject to the Company Stock Option and (y) the excess, if any, of the Merger Consideration over the per-share exercise price of such Company Stock Option, less applicable Taxes required to be withheld with respect to such payment pursuant to Section 2.11; provided that any such Company Stock Option with respect to which the per-share exercise price subject thereto is equal to or greater than the Merger Consideration shall be canceled in exchange for no consideration. The Surviving Corporation shall, and US HoldCo shall cause the Surviving Corporation to, pay to the holders of Company Stock Options the cash payments described in this Section 2.9.1 through its payroll provider on or as soon as reasonably practicable after the Closing Date, but in any event no later than the first regularly scheduled payroll date for the Continuing Company Employees following the Closing Date. From and after the Effective Time, no Company Stock Option shall be exercisable, and each Company Stock Option shall only entitle the holder thereof to the payment provided for in this Section 2.9.1.
2.9.2 Treatment of Company Service RSUs

At the Effective Time, each Company Service RSU outstanding immediately prior to the Effective Time shall, whether vested or unvested, automatically and without any required action on the part of the holder thereof, be cancelled and shall only entitle the holder of such Company Service RSU to receive (without interest) an amount in cash equal to the product of (x) the total number of shares of Company Common Stock subject to the Company Service RSU and (y) the Merger Consideration, less applicable Taxes required to be withheld with respect to such payment pursuant to Section 2.11. The Surviving Corporation shall, and US HoldCo shall cause the Surviving Corporation to, pay to the holders of Company Service RSUs the cash payments described in this Section 2.9.2 through its payroll provider (or other appropriate means for each holder who is a non-employee director) on or as soon as reasonably practicable after the Closing Date, but in any event no later than the first regularly scheduled payroll date for the Continuing Company Employees following the Closing Date.

2.9.3 Treatment of Company Performance RSUs

Except as set forth in Section 2.9.3 of the Company Disclosure Schedules, at the Effective Time, each Company Performance RSU outstanding immediately prior to the Effective Time shall, whether vested or unvested, automatically and without any required action on the part of the holder thereof, be cancelled and shall only entitle the holder of such Company Performance RSU to receive (without interest) an amount in cash equal to the product of (x) the total number of shares of Company Common Stock subject to the Company Performance RSU (assuming performance levels set forth in Section 2.9.3 of the Company Disclosure Schedules) and (y) the Merger Consideration, less applicable Taxes required to be withheld with respect to such payment pursuant to Section 2.11. Except as set forth in Section 2.9.3 of the Company Disclosure Schedules, the Surviving Corporation shall, and US HoldCo shall cause the Surviving Corporation to, pay to the holders of Company Performance RSUs the cash payments described in this Section 2.9.3 through its payroll provider on or as soon as reasonably practicable after the Closing Date, but in any event no later than the first regularly scheduled payroll date for the Continuing Company Employees following the Closing Date.

2.9.4 Corporate Actions

Prior to the Effective Time, the Company shall take any actions which are necessary to effectuate the provisions of Section 2.9.1, Section 2.9.2 and Section 2.9.3, it being understood and agreed that from and after the Effective Time, no Company Stock Award holder shall have any right with respect to any Company Stock Award other than to receive the payment provided for in this Section 2.9.

2.10 Adjustments

If, during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of capital stock of the Company shall occur by reason of any merger, reclassification, recapitalization, stock split (including reverse stock split), subdivision or combination, exchange or readjustment of shares, or any stock dividend or stock distribution with a record date during such period, all references herein to specified numbers of shares
affected thereby, and any calculations that are based upon such numbers of shares affected thereby, including the Merger Consideration and any other amounts payable pursuant to this Agreement, shall be equitably adjusted. Nothing in this Section 2.10 shall be construed as permitting the Company to take any action that is otherwise prohibited by this Agreement.

2.11 Withholding Rights

Each of Parent, US HoldCo, Merger Sub, the Company, the Surviving Corporation and the Paying Agent shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Agreement such amounts as may be required to be deducted and withheld from such payment under any provision of any applicable Tax Law. To the extent that amounts are so deducted and withheld by Parent, US HoldCo, Merger Sub, the Company, the Surviving Corporation or the Paying Agent, as the case may be, and (if required) paid over to the appropriate Governmental Entity, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

2.12 No Liability

None of Parent, US HoldCo, Merger Sub, the Company, the Surviving Corporation or the Paying Agent shall be liable to any Person in respect of any cash from the Payment Fund delivered to a public official pursuant to and in accordance with any applicable abandoned property, escheat or similar Applicable Law. If any Certificate shall not have been surrendered immediately prior to such date on which any amounts payable pursuant to this Article 2 would otherwise escheat to or become the property of any Governmental Entity, any such amounts shall, to the extent permitted by Applicable Law, become the property of the Surviving Corporation, free and clear of all claims or interest of any Person previously entitled thereto.

2.13 Lost Certificates

If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if reasonably required by US HoldCo or the Paying Agent, the posting by such Person of a bond, in such customary amount as US HoldCo or the Paying Agent may reasonably direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent will issue, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration to be paid in respect of the Shares formerly represented by such Certificate, as contemplated under this Article 2.

2.14 Closing of Transfer Books

At the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of Shares thereafter on the records of the Company.
3 The Surviving Corporation

3.1 Certificate of Incorporation

At the Effective Time and without any further action on the part of the Company or Merger Sub, the certificate of incorporation of Merger Sub shall be the certificate of incorporation of the Surviving Corporation until amended in accordance with such certificate of incorporation and the DGCL, except that the name of the Surviving Corporation shall be “Stillwater Mining Corporation”.

3.2 Bylaws

At the Effective Time and without any further action on the part of the Company or Merger Sub, the bylaws of Merger Sub shall be the bylaws of the Surviving Corporation until thereafter amended in accordance with its terms, the certificate of incorporation of the Surviving Corporation and the DGCL, except that the name of the Surviving Corporation shall be “Stillwater Mining Corporation”.

3.3 Directors and Officers

From and after the Effective Time and without any further action on the part of the Company or Merger Sub, until successors are duly elected or appointed and qualified in accordance with Applicable Law, (i) the directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation, each to hold office in accordance with the certificate of incorporation and bylaws of the Surviving Corporation until their respective death, resignation or removal or until their respective successors are duly elected and qualified, and (ii) the officers of the Company immediately prior to the Effective Time shall be the officers of the Surviving Corporation, each to hold office in accordance with the certificate of incorporation and bylaws of the Surviving Corporation until successors are duly elected or appointed and qualified.

4 Representations and Warranties of the Company

Except (a) as disclosed in the Company SEC Documents filed or furnished on or after July 1, 2015 and prior to the date hereof (but excluding any disclosures set forth in any risk factors section, any disclosures in any section relating to “forward-looking statements” and any other disclosures to the extent they are predictions or forward-looking in nature and, provided, that in no event shall any disclosure in any Company SEC Document qualify or limit the representations and warranties of the Company set forth in Section 4.1 (Organization), the first and second sentences of Section 4.2 (Capital Stock and Indebtedness), Section 4.3 (Corporate Authority Relative to this Agreement; No Violation), Section 4.20 (Opinion of Financial Advisor) and Section 4.24 (Finders or Brokers)) and (b) as set forth in the disclosure schedules delivered by the Company to Parent, US HoldCo and Merger Sub prior to the execution and delivery of this Agreement (the “Company Disclosure Schedules”) (each section of which qualifies the correspondingly numbered and lettered representation, warranty or covenant in this Article 4 or covenant herein to the extent specified therein and the representations, warranties and covenants in such other applicable sections of this Agreement as to which the disclosure on its face is reasonably apparent, upon reading the disclosure contained in such section of the Company Disclosure Schedules, that such disclosure is responsive to such other numbered and
lettered Section of this Agreement and, provided, however, that any listing of any fact, item or exception disclosed in any section of the Company Disclosure Schedules shall not be construed as an admission of liability under any Applicable Law or for any other purpose and shall not be construed as an admission that such fact, item or exception is in fact material or creates a measure of materiality for purpose of this Agreement or otherwise), the Company hereby represents and warrants to Parent, US HoldCo and Merger Sub that the statements contained in this Article 4 are true and correct as of the date of this Agreement.

4.1 Organization

4.1.1 The Company is a corporation duly incorporated, validly existing and in good standing under the Applicable Law of the State of Delaware and has the requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted. Each of the Company’s Subsidiaries is a legal entity duly organized and validly existing and, with respect to jurisdictions that recognize such concept, in good standing under the Applicable Law of its respective jurisdiction of organization and has the requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted, except, with respect to jurisdictions that recognize such concept, where the failure to be in good standing has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Each of the Company and its Subsidiaries is duly qualified to do business and is, with respect to jurisdictions that recognize such concept, in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified and in good standing has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

4.1.2 The Company has Made Available to Parent prior to the date of this Agreement a true and complete copy of the Organizational Documents of the Company (the “Company Organizational Documents”) and the Organizational Documents of each of its Subsidiaries in existence on the date hereof (collectively, the “Company Subsidiary Organizational Documents”), in each case, as amended through the date hereof. The Company Organizational Documents and the Company Subsidiary Organizational Documents are in full force and effect and neither the Company nor any of its Subsidiaries is in violation of any of their provisions in any material respect. Section 4.1.2 of the Company Disclosure Schedules sets forth a true and complete list, as of the date of this Agreement, of all Subsidiaries of the Company and any joint ventures, partnerships or similar arrangements in which the Company or its Subsidiaries has a limited liability, partnership or other equity interest (and the amount and percentage of any such interest). Other than the Subsidiaries of the Company, there is no person whose results of operations, cash flows, changes in shareholders’ equity or financial position are consolidated in the consolidated financial statements of the Company and its Subsidiaries.
4.2 Capital Stock and Indebtedness

4.2.1 The authorized capital stock of the Company consists of 200,000,000 shares of Company Common Stock and 1,000,000 shares of preferred stock, par value $0.01 per share (the “Company Preferred Stock”). As of the Measurement Date, (i) 121,080,187 shares of Company Common Stock were issued and outstanding (not including shares held in treasury), (ii) no shares of Company Common Stock were held in treasury, (iii) no shares of Company Preferred Stock were issued or outstanding, (iv) 4,060,962 shares of Company Common Stock were reserved for issuance under the Company Stock Plan, of which amount (A) 525,588 shares of Company Common Stock were subject to outstanding Company Performance RSUs (assuming performance levels set forth in Section 2.9.3 of the Company Disclosure Schedules), (B) 352,610 shares of Company Common Stock were subject to outstanding Company Service RSUs, (C) 108,645 DSUs were outstanding, and (D) 51,343 shares of Company Common Stock were issuable upon the exercise of outstanding Company Stock Options, (v) up to 30,435,174 shares of Company Common Stock are reserved for issuance upon conversion, if any, of the Convertible Notes and the Senior Notes, and (vi) no other shares of capital stock or other voting securities of the Company were issued, reserved for issuance or outstanding. All outstanding shares of Company Common Stock are, and shares of Company Common Stock reserved for issuance with respect to Company Stock Awards or upon the conversion, if any, of the Convertible Notes or Senior Notes, when issued in accordance with the respective terms thereof, will be, duly authorized, validly issued, fully paid and non-assessable and free of preemptive rights. Except (i) as set forth in this Section 4.2.1 or (ii) as expressly permitted to be issued after the date hereof by Section 6.1.2, there are no outstanding subscriptions, options, warrants, calls, convertible securities, exchangeable securities or other similar rights, agreements or commitments to which the Company or any of its Subsidiaries is a party (A) obligating the Company or any of its Subsidiaries to (1) issue, transfer, exchange, sell or register for sale any shares of capital stock or other equity interests of the Company or any Subsidiary of the Company or securities convertible into or exchangeable for such shares or equity interests, (2) grant, extend or enter into any such subscription, option, warrant, call, convertible securities or other similar right, agreement or arrangement relating to the capital stock or other equity interest of the Company or any Subsidiary of the Company, (3) redeem or otherwise acquire any such shares of capital stock or other equity interests, (4) provide a material amount of funds to, or make any material investment (in the form of a loan, capital contribution or otherwise) in, any Subsidiary, or (5) make any payment to any Person the value of which is derived from or calculated based on the value of Company Common Stock or Company Preferred Stock, or (B) granting any preemptive or antidilutive or similar rights with respect to any security issued by the Company or its Subsidiaries. Other than the Convertible Notes and the Senior Notes, neither the Company nor any of its Subsidiaries has outstanding any bonds, debentures, notes or other Indebtedness, the holders of which have the right to vote (or which are convertible or exchangeable into or exercisable for securities having the right to vote) with the stockholders of the Company on any matter. There are no voting trusts or other Contracts to which the Company or any of its Subsidiaries is a party with respect to the voting or registration of the capital stock or other equity interest of the Company or any of its Subsidiaries. Since September 30, 2016 through the date hereof, the Company has not
issued or repurchased any shares of its capital stock (other than in connection with the exercise, settlement or vesting of Company Stock Awards in accordance with their respective terms) or granted any Company Stock Awards or other equity or equity-based awards or interests.

4.2.2 Section 4.2.2 of the Company Disclosure Schedules sets forth a true and complete list of all Company Stock Awards outstanding as of the Measurement Date, specifying, on a holder-by-holder basis, (i) the name of each holder, (ii) the number of shares subject to each such Company Stock Award, (iii) the grant date of each such Company Stock Award, (iv) the vesting schedule and any applicable performance vesting conditions of each such Company Stock Award, (v) the exercise price for each such Company Stock Award, to the extent applicable, (vi) the expiration date of each such Company Stock Award, to the extent applicable, and (vii) whether such Company Stock Award is intended to qualify as an “incentive stock option” under Section 422 of the Code. With respect to each grant of Company Stock Awards, (x) each such grant was granted under the Company Stock Plan and in accordance with the terms of the Company Stock Plan, the Exchange Act and all other Applicable Law, including the rules of the NYSE, and (y) if required, each such grant was disclosed in the Company SEC Documents filed prior to the date hereof in accordance with the Exchange Act and all other Applicable Law.

4.2.3 Except as set forth in Section 4.2.3 of the Company Disclosure Schedules, the Company or a Subsidiary of the Company owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity interests of each of its Subsidiaries, free and clear of any preemptive rights and any Liens (other than Permitted Liens) or restrictions on transfer imposed by Applicable Law, and all of such shares of capital stock or other equity interests are duly authorized, validly issued, fully paid and non-assessable and free of preemptive rights. Except for equity interests in the Subsidiaries of the Company, neither the Company nor any of its Subsidiaries owns, directly or indirectly, any equity interest in any Person (or any security or other right, agreement or commitment convertible or exercisable into, or exchangeable for, any equity interest in any Person). Neither the Company nor any of its Subsidiaries has any obligation to acquire any equity interest, security, right, agreement or commitment or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any Person.

4.3 Corporate Authority Relative to this Agreement; No Violation

4.3.1 The Company has the requisite corporate power and authority to enter into this Agreement and, subject to adoption of this Agreement by holders of a majority of the outstanding shares of Company Common Stock entitled to vote thereon (the “Company Stockholder Approval”), to consummate the transactions contemplated hereby. The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby, including the Merger, have been duly and validly authorized by the Company Board and, except for the Company Stockholder Approval, no other corporate proceedings on the part of the Company or vote of the stockholders of the Company are necessary to authorize the consummation of the transactions contemplated hereby, including the Merger. The Company Board has unanimously (i) determined and resolved to recommend that the stockholders of the
Company adopt this Agreement (the “Company Recommendation”), (ii) determined that this Agreement and the Merger are advisable, fair to and in the best interests of the Company and the stockholders of the Company, (iii) approved this Agreement and the Merger, and (iv) directed that the adoption of this Agreement be submitted to a vote at a meeting of the stockholders of the Company. This Agreement has been duly and validly executed and delivered by the Company and, assuming this Agreement constitutes the legal, valid and binding agreement of Parent, US HoldCo and Merger Sub, this Agreement constitutes the legal, valid and binding agreement of the Company and is enforceable against the Company in accordance with its terms, except as such enforcement may be subject to applicable bankruptcy, reorganization, insolvency, moratorium or other similar Applicable Laws affecting creditors’ rights generally and the availability of equitable relief (the “Enforceability Exceptions”).

4.3.2 Other than in connection with or in compliance with (i) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, (ii) filings required under, and compliance with other applicable requirements of, the Exchange Act, including the filing of the Proxy Statement with the SEC and any amendments or supplements thereto, (iii) applicable state securities or “blue sky” laws and any other Applicable Law of any non-U.S. country or other jurisdiction relating to securities, or the rules and regulations of the NYSE, (iv) the HSR Act, and (v) CFIUS Clearance (collectively, the “Company Approvals”), no authorization, consent, order, license, permit or approval of, or registration, declaration, notice or filing with, any Governmental Entity is necessary, under Applicable Law, for the consummation by the Company of the transactions contemplated by this Agreement, except for any such consent, Order or Permit of, or registration, declaration, notice or filing with, any Governmental Entity, which, if not obtained or made would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

4.3.3 The execution and delivery by the Company of this Agreement does not, and (assuming the Company Approvals are obtained) the consummation of the transactions contemplated hereby and compliance with the provisions hereof will not, (i) result in any loss, or suspension, limitation or impairment, of any right of the Company or any of its Subsidiaries to own or use any assets required for the conduct of their business or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation, first offer, first refusal, modification or acceleration of any obligation or to the loss of a benefit under, or otherwise contravene, any Contract, Permit, concession or right binding upon the Company or any of its Subsidiaries or by which or to which any of their respective properties, rights or assets are bound or subject, or result in the creation of any Liens (other than Permitted Liens), in each case, upon any of the properties or assets of the Company or any of its Subsidiaries, except for such losses, suspensions, limitations, impairments, violations, defaults, rights, contraventions or Liens as would not reasonably be expected, individually or in the aggregate, to have a Company Material Adverse Effect, (ii) conflict with or result in any violation of any provision of the Company Organizational Documents or the Organizational Documents of any Subsidiary of the Company, or (iii) conflict with or violate any Applicable Law or Orders or in any way that would reasonably be expected, individually or in the aggregate, to have a Company Material Adverse Effect.
4.4 Reports and Financial Statements

4.4.1 The Company has timely filed or, to the extent permissible, furnished all Company SEC Documents required to be filed since January 1, 2015 and prior to the Measurement Date and has timely paid all fees due in connection therewith. As of their respective dates or, if amended, as of the date of the last such amendment (and, in the case of registration statements and proxy statements, as of the dates of effectiveness and the dates of the relevant meetings, respectively), such Company SEC Documents complied as to form in all material respects with the requirements of Applicable Law, including the Securities Act, the Exchange Act and the Sarbanes-Oxley Act, as the case may be, and the applicable rules and regulations promulgated thereunder, and none of such Company SEC Documents at the time they were filed (or, if amended or superseded by a subsequent filing prior to the date hereof, as of the date of the last such amendment or superseding filing) contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. No Subsidiary of the Company is, or at any time since July 1, 2015, has been, required to file any forms, reports or other documents with the SEC. As of the date hereof, there are no outstanding or unresolved comments in any comment letters of the staff of the SEC received by the Company relating to the Company SEC Documents.

4.4.2 The consolidated financial statements (including all related notes and schedules) of the Company included in or incorporated by reference into the Company SEC Documents filed on or after January 1, 2016 and prior to the date hereof (the “Company Financial Statements”) (i) fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries, as at the respective dates thereof, and the consolidated results of their operations, their consolidated incomes, their consolidated changes in stockholders’ equity and their consolidated cash flows for the respective periods then ended, subject, in the case of unaudited interim financial statements, to normal year-end audit adjustments as permitted by GAAP and the applicable rules and regulations of the SEC, (ii) were prepared in conformity with GAAP in effect as of the respective dates thereof (except, in the case of the unaudited statements, subject to normal year-end audit adjustments and the absence of footnote disclosure) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto), (iii) have been derived from the books and records of the Company and its consolidated Subsidiaries, and (iv) comply in all material respects with the applicable accounting requirements and with the rules and regulations of the SEC, the Exchange Act and the Securities Act in effect as of the respective dates thereof. The books and records of the Company and its Subsidiaries have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements.

4.4.3 Neither the Company nor any of its Subsidiaries is a party to, nor does it have any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract (including any Contract relating to any transaction or relationship between or among the Company or one of its Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited
purpose entity or Person, on the other hand) constituting an “off-balance sheet arrangement” (as defined in Item 303(a) of Regulation S-K promulgated by the SEC).

4.5 Internal Controls and Procedures

The Company has established and maintains disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) that are designed to provide reasonable assurance that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to the Company’s management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act. The Company’s management has completed an assessment of the effectiveness of the Company’s internal control over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2015, and such assessment concluded that internal control was effective in all material respects. Based on its most recent evaluation of its internal control over financial reporting prior to the date hereof, to the Company’s Knowledge, management of the Company has disclosed to the Company’s auditors and the audit committee of the Company Board (i) any significant deficiencies and material weaknesses in the design or operation of its internal control over financial reporting that are reasonably likely to adversely affect in any material respect the Company’s ability to report financial information and (ii) any fraud, whether or not material, that involves management or other Company Employees who have a significant role in the Company’s internal control over financial reporting, and each such deficiency, weakness and fraud so disclosed to auditors, if any, has been disclosed to Parent prior to the date hereof.

4.6 No Undisclosed Liabilities

There are no Liabilities of the Company or any of its Subsidiaries of any nature whatsoever (whether accrued, absolute, determined, contingent or otherwise and whether due or to become due), except for Liabilities (i) that are reflected or reserved against on the Audited Balance Sheet or the Company’s consolidated balance sheet as of September 30, 2016, (ii) incurred in connection with this Agreement and the transactions contemplated hereby, (iii) incurred in the ordinary course of business consistent in type and magnitude with past practice, or (iv) that have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

4.7 Compliance with Law; Permits

4.7.1 Except as set forth in Section 4.7.1 of the Company Disclosure Schedules, the Company and its Subsidiaries are, and since January 1, 2013, have been, in compliance with Applicable Law and all Orders to which the Company or any of its Subsidiaries are subject, except for such of the foregoing as, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. Since January 1, 2015, neither the Company nor any of its Subsidiaries has received any written notice or, to the Company’s Knowledge, other communication from any
Governmental Entity regarding any actual or alleged failure to comply with any Applicable Law or Order in a material respect.

4.7.2 Except as has not been, and would not reasonably be expected to be, individually or in the aggregate, material to the Company or any of its Subsidiaries, the Company and its Subsidiaries hold, and have at all times since January 1, 2015 held, all Permits, and all rights under any Company Material Contract with any Governmental Entities, and have filed all Permits, necessary for the Company and its Subsidiaries to own, lease and operate their properties and assets and to carry on their businesses as they are now being conducted and have paid all fees and assessments due and payable in connection therewith. Section 4.7.2 of the Company Disclosure Schedules sets forth a list of all Permits held by the Company in respect of the Mines and the Company’s processing facilities and all pending applications for additional Permits in respect of the Mines and the Company’s processing facilities that have been submitted to any Governmental Entity by or at the direction of the Company. All material Permits of the Company are valid and in full force and effect, are not subject to any Proceeding that could result in any material modification, termination or revocation thereof, the Company and its Subsidiaries are in compliance in all material respects with the terms and requirements of all such material Permits of the Company and, to the Company’s Knowledge, no suspension or cancellation of any such material Permit is threatened.

4.7.3 Since January 1, 2013, none of the Company or any of its Subsidiaries or, to the Company’s Knowledge, any Company Employee, Representative or other Person acting on behalf of the Company or any of its Subsidiaries (i) has, directly or indirectly, used any funds of the Company or any of its Subsidiaries for contributions, gifts, entertainment or other expenses relating to political activity in violation of any Anticorruption Law, (ii) has, directly or indirectly, made any payment to any foreign or domestic government employee or official or to any Sanctioned Person from funds of the Company or any of its Subsidiaries in violation of any Anticorruption Law, (iii) has otherwise violated or is in violation of any Anticorruption Laws, (iv) has established or maintained any unlawful fund of monies or other assets of the Company or any of its Subsidiaries, (v) has, directly or indirectly, engaged in, or is now engaging in, any other dealings or transactions with any Sanctioned Person in violation of any Applicable Law, or (vi) is currently a Sanctioned Person.

4.7.4 Since January 1, 2013, the operations of the Company and its Subsidiaries are and have been conducted at all times in material compliance with the applicable Anti-Money Laundering Laws, and no Proceeding by or before any Governmental Entity involving the Company or any of its Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the Company’s Knowledge, threatened.

4.8 Environmental Laws and Regulations

Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (i) there are no Proceedings, notices of violation, citations, summons, orders or information requests pending, or to the Company’s Knowledge, threatened, and since January 1, 2013, no penalty has been assessed against the Company or any of its Subsidiaries or any Person or entity whose Liability the Company or any of its Subsidiaries has
retained or assumed either contractually or by operation of Applicable Law, relating to actual or alleged non-compliance with or any other Liability under Environmental Laws, (ii) since January 1, 2013, the Company and its Subsidiaries are and have been, in compliance with all Environmental Laws (which compliance includes the possession by the Company and each of its Subsidiaries of all Permits required under Environmental Laws to conduct their respective business and operations, and compliance in all material respects with the terms and conditions thereof), (iii) since January 1, 2013, there has been no Release by the Company or any of its Subsidiaries, or, to the Company’s Knowledge, presence of Hazardous Materials at any location currently or, to the Company’s Knowledge, formerly owned or operated by the Company or its Subsidiaries, or to the Company’s Knowledge, as a result of any operations or activities of the Company or any of its Subsidiaries, that could reasonably be expected to give rise to any Liability under Environmental Laws to the Company or its Subsidiaries, and (iv) none of the Company and its Subsidiaries is subject to any Order or any indemnity obligation or other Contract with any other Person that could reasonably be expected to result in obligations or Liabilities under Environmental Laws. The Company has Made Available all written notices or, to the Company’s Knowledge, other communications received since January 1, 2015 by the Company or any of its Subsidiaries from any Governmental Entity or other Third Party regarding any actual or alleged violation of Environmental Laws that would reasonably be expected to result, individually or in the aggregate, in a material liability to the Company or its Subsidiaries. The Company has Made Available to Parent copies of all environmental reports, studies, assessments, data, measurements, correspondence, memoranda or other documents prepared within the past five years that are in the possession, custody or control of the Company or any of its Subsidiaries pertaining to Releases, compliance or non-compliance with Environmental Laws or the presence of, or exposure to, Hazardous Materials and that, in each case, contain information that would reasonably be expected, individually or in the aggregate, to be material to the Company and its Subsidiaries, taken as a whole.

4.9 Employee Benefit Plans

4.9.1 Section 4.9.1 of the Company Disclosure Schedules sets forth a true and complete list, as of the date of this Agreement, of each material Company Benefit Plan. With respect to each material Company Benefit Plan, to the extent applicable, true and complete copies of the following (if applicable) have been Made Available to Parent by the Company: (i) the most recent plan document or Contract constituting the Company Benefit Plan (including all amendments and attachments thereto and related agreements with Third Party service providers or administrators); (ii) written summaries of any Company Benefit Plan not in writing; (iii) all related trust documents; (iv) all insurance Contracts or other funding arrangements; (v) the two most recent annual reports (Form 5500) filed with the IRS; (vi) the most recent determination letter from the IRS; (vii) the most recent summary plan description and any summary of material modifications thereto; (viii) all government and regulatory approvals received from any foreign Governmental Entity; (ix) the two most recent actuarial reports and the two most recent audited financial reports for any funded Company Benefit Plan; and (x) all material communications received from or sent to any Governmental Entity since January 1, 2015.
4.9.2 Except as provided in Article 2 or in Section 4.9.2 of the Company Disclosure Schedules, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will, either alone or in combination with another event, (i) entitle any employee, officer or director of the Company to severance or retention pay or benefits, (ii) materially increase the amount of compensation or benefits due to any such employee, officer or director, (iii) accelerate the time of payment, vesting or funding of any compensation or benefits to any employee, officer or director, (iv) trigger any restrictions or limitations on the Company’s rights to administer, amend or terminate any Company Benefit Plan, or (v) cause any compensation to fail to be deductible under Section 162(m) or 280G of the Code. None of the Company or any of its Subsidiaries is a party to any Contract to make any gross-up payment for or reimburse Taxes under Section 4999 of the Code. The Company has provided to Parent good faith estimates of the amount of (i) any “excess parachute payments” within the meaning of Section 280G of the Code that, to the Company’s Knowledge, could reasonably be expected to become payable to Company Employees or service providers in connection with the transactions contemplated by this Agreement, whether contingent or otherwise, and (ii) non-deductible compensation by reason of Section 162(m) of the Code for the year in which Closing occurs.

4.9.3 Except for such of the following as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect:

(i) Each Company Benefit Plan has been established, operated and administered in accordance with its terms and Applicable Law. All contributions required to be made to any Company Benefit Plan by U.S. or foreign Applicable Law or by any plan document or other contractual undertaking, and all premiums due or payable with respect to insurance policies funding any Company Benefit Plan, have been timely made or paid in full or, to the extent not made or paid on or before the date hereof, have been fully reflected on the books and records of Company.

(ii) Section 4.9.3(ii) of the Company Disclosure Schedules identifies each Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code or any Applicable Law of any foreign jurisdiction or Governmental Entity (each, a “Qualified Plan”) and each Qualified Plan so qualifies, except for non-compliance which would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. The IRS has issued a favorable determination letter or the required approval of a Governmental Entity of a foreign jurisdiction has been obtained with respect to each Qualified Plan.

(iii) None of the Company and its Subsidiaries has any Liability relating to (i) a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA, (ii) a plan that is described in and subject to Section 4063 or 4064 of ERISA, or (iii) a plan subject to Title IV of ERISA. None of the Company and its Subsidiaries has incurred or reasonably expects to incur any Liability (including as a result of any indemnification obligation) under Title I of ERISA or the penalty provisions of the Code or any foreign Applicable Law relating to employee benefit plans.
(iv) There are no pending or, to the Company’s Knowledge, threatened Proceedings relating to any Company Benefit Plan and, to the Company’s Knowledge, no circumstances exist which could reasonably give rise to a Proceeding relating to any Company Benefit Plan which could result in any Liability of the Company or any of its Subsidiaries or any Company Benefit Plan (other than individuals’ claims for benefits in the ordinary course).

(v) Neither the Company nor any of its Subsidiaries has any Liability for any post-retirement medical or life insurance benefits coverage for retired, former or current employees or beneficiaries or dependents thereof, except as may be required by Applicable Law.

(vi) None of the Company and its Subsidiaries has any Liability for failure to comply with Section 409A of the Code, including by reason of any Contract that provides for the gross-up of Taxes imposed by Section 409A(a)(1)(B) of the Code.

(vii) There is no pending or, to the Company’s Knowledge, threatened audit, investigation or inquiry by any Governmental Entity relating to any Company Benefit Plan.

4.10 Absence of Certain Changes or Events

4.10.1 Since September 30, 2016, the business of the Company and its Subsidiaries has been conducted in all material respects in the ordinary course of business, and none of the Company or any Subsidiary of the Company has undertaken any action that if taken after the date of this Agreement would require Parent’s or US HoldCo’s consent pursuant to Section 6.1.3.

4.10.2 Since September 30, 2016 through the date of this Agreement, there have not been any Effects that have had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

4.11 Investigations; Litigation

Except as has not been, and would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, (a) there is no investigation or review pending (or, to the Company’s Knowledge, threatened) by any Governmental Entity with respect to the Company or any of its Subsidiaries, (b) there are no Proceedings pending (or, to the Company’s Knowledge, threatened) against or affecting the Company or any of its Subsidiaries, or any of their respective properties, and (c) there are no Orders of any Governmental Entity against the Company or any of its Subsidiaries or to which any of their respective assets or properties are subject, other than as set forth on Schedule 4.11 of the Company Disclosure Schedules. As of the date hereof, there are no Proceedings pending or, to the Company’s Knowledge, threatened, that challenge or seek to prevent, enjoin, alter or materially delay or recover any damages or obtain any other remedy in connection with this Agreement or the transactions contemplated by this Agreement.
4.12 Information Supplied

The information supplied or to be supplied by the Company in writing expressly for inclusion in any announcements to be made by Parent in connection with the transactions contemplated hereby, including the Merger (the “Parent Announcements”), and the Parent Shareholder Circular will not, at the time the relevant Parent Announcements or the Parent Shareholder Circular (or any amendment or supplement thereto) is made by Parent or filed with the JSE (as the case may be) or (in the case of the Parent Shareholder Circular) first dispatched to shareholders of Parent and at the time of any meeting of shareholders of Parent to be held in connection with the transactions contemplated by this Agreement, including the Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Proxy Statement relating to the Company Meeting will not, at the time the definitive Proxy Statement (or any amendment or supplement thereto) is filed with the SEC or first mailed to the stockholders of the Company and at the time of any meeting of Company stockholders to be held in connection with the transactions contemplated by this Agreement, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation or warranty is made by the Company with respect to statements made therein based on information supplied by Parent or Merger Sub in writing expressly for inclusion therein. The Proxy Statement will comply in all material respects as to form with the requirements of the Exchange Act, and any other Applicable Law, except that no representation or warranty is made by the Company with respect to statements made in the Proxy Statement based on information supplied by Parent in writing expressly for inclusion therein.

4.13 Tax Matters

Except as set forth in Section 4.13 of the Company Disclosure Schedules:

4.13.1 The Company and each of its Subsidiaries have prepared and timely filed (taking into account any valid extension of time within which to file) all material Tax Returns required to be filed by any of them and all such Tax Returns (taking into account any amendments thereto) are true, complete and accurate in all material respects.

4.13.2 The Company and each of its Subsidiaries have timely paid all material Taxes that are required to be paid (whether or not shown on any Tax Return) by any of them or that the Company or any of its Subsidiaries are obligated to withhold (including in connection with amounts paid or owing to any Company Employee, independent contractor, creditor, customer, stockholders or other third party), except with respect to Taxes contested in good faith through appropriate proceedings and for which adequate reserves have been established, in accordance with GAAP, in the Company Financial Statements.

4.13.3 Neither the Company nor any of its Subsidiaries has waived any statute of limitations with respect to the assessment or collection of any material amount of Taxes or agreed to any extension of time with respect to any material Tax assessment or deficiency.

4.13.4 There is no deficiency for a material amount of Taxes that has been proposed, asserted or assessed in writing received by the Company by any Taxing Authority against the
Company or any of its Subsidiaries. There are no audits, examinations, investigations, adjustments, claims or other Proceedings ongoing, pending or threatened in writing received by the Company in respect of a material amount of Taxes or material Tax Returns of the Company or any of its Subsidiaries.

4.13.5 There are no Liens for a material amount of Taxes on any of the assets of the Company or any of its Subsidiaries other than Permitted Liens.

4.13.6 No written claim has been received by the Company by any Taxing Authority in a jurisdiction where the Company and its Subsidiaries do not file Tax Returns that the Company or any of its Subsidiaries is or may be subject to Tax in that jurisdiction.

4.13.7 Neither the Company nor any of its Subsidiaries has been a “controlled corporation” or a “distributing corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in any distribution that was purported or intended to be governed by Section 355 of the Code (or any similar provision of state, local or non-U.S. Tax Law) occurring during the two-year period ending on the date hereof.

4.13.8 Neither the Company nor any of its Subsidiaries is a party to any Contract relating to the apportionment, sharing, assignment or allocation of any Tax or Tax asset (other than (i) a Contract solely among members of a group the common parent of which is the Company or (ii) a Contract entered into in the ordinary course of business the principal subject of which is not Taxes) or has any Liability for Taxes of any Person (other than the Company or any of its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any analogous or similar provision of state, local or non-U.S. Tax Law), as transferee, successor or by Contract or otherwise.

4.13.9 The Company and its Subsidiaries will not be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of (i) any “closing agreement” as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date, (ii) any installment sale or open transaction disposition made on or prior to the Closing Date, (iii) an election pursuant to Section 108(i) of the Code made effective on or prior to the Closing Date, (iv) any change in method of accounting in any taxable period ending on or before the Closing Date, (v) the utilization of dual consolidated losses described in Treasury Regulations issued under Section 1593(d) of the Code on or prior to the Closing Date, or (vi) any prepaid amount received on or prior to the Closing Date.

4.13.10 None of the Company or any of its Subsidiaries has participated in any “listed transaction” within the meaning of Treasury Regulation 1.6011-4(b)(2).

4.13.11 Since April 4, 2016, neither the Company nor any of its US Subsidiaries has issued any debt instruments to any Subsidiary that is not a member of the same consolidated group of which the Company is the common parent.

4.14 Employment and Labor Matters

Except as set forth in Section 4.14 of the Company Disclosure Schedules, neither the Company nor any of its Subsidiaries is a party to any collective bargaining or trade union Contract (each,
a “Collective Bargaining Agreement”). To the Company’s Knowledge, from January 1, 2016, through the date hereof, there have been no activities or proceedings of any labor or trade union to organize any Company Employees. No Collective Bargaining Agreement is being negotiated as of the date hereof by the Company or any of its Subsidiaries. From January 1, 2016, through the date hereof, there has been no strike, lockout, organized slowdown or organized work stoppage against the Company or any of its Subsidiaries that may interfere in any material respect with the respective business activities of the Company or any of its Subsidiaries. There are no material outstanding assessments, penalties, fines, Liens, charges, surcharges or other amounts due or owing by the Company pursuant to Applicable Law regarding workplace safety or insurance/workers’ compensation, and there are no claims during the past three years that would reasonably be expected to materially affect the accident cost experience of the Company or its Subsidiaries.

4.15 Intellectual Property

4.15.1 Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the Company and its Subsidiaries own all of the Company Owned Intellectual Property, free and clear of all Liens (other than Permitted Liens). Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, all of the Registered Company Intellectual Property is subsisting and, to the Company’s Knowledge, valid and enforceable.

4.15.2 Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the Company and its Subsidiaries own or have sufficient rights to use all Intellectual Property used in the conduct of the business of the Company and its Subsidiaries as currently conducted, provided that nothing in this Section 4.15.2 shall be interpreted or construed as a representation or warranty with respect to whether there is any infringement of any Intellectual Property, which is the subject of Section 4.15.3.

4.15.3 Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, to the Company’s Knowledge (i) no Person is infringing, misappropriating or otherwise violating the rights of the Company or any of its Subsidiaries with respect to any Intellectual Property owned by the Company or a Subsidiary of the Company and (ii) the operation of the business of the Company and its Subsidiaries as currently conducted does not violate, misappropriate or infringe the Intellectual Property of any other Person.

4.16 Property/Title

4.16.1 Except as set forth in Section 4.16.1 of the Company Disclosure Schedules, to the Company’s Knowledge, the Company holds title to all real property owned by the Company and its Subsidiaries, including any associated Royalties, other than owned unpatented mining claims, as well as all surface lands, concession rights and mineral lands, free and clear of all Liens except for Permitted Liens.

4.16.2 To the Company’s Knowledge, the Company holds a valid and enforceable leasehold or subleasehold interest in any real property subject to a lease, sublease or other Contract under which the Company or any of its Subsidiaries uses or occupies or has the right to
use or occupy (the “Company Leased Real Property”), free and clear of all Liens except for Permitted Liens, and all such leases or subleases are in good standing. The Company is not in breach of any term of any of such leases or subleases and, to the Company’s Knowledge, none of the other parties to any of such leases and subleases is in breach of any of the terms thereof, except for such of the foregoing as would not be material to the Company and its subsidiaries, taken as a whole. The Company has not received any written notice of material breach of or default under any such lease or sublease that remains outstanding and, to the Company’s Knowledge, (i) no lessor or sublessor has alleged that any material breach or default exists that remains outstanding and (ii) no event or condition has occurred which, either immediately or after notice or lapse of time or both, could give rise to the cancellation or termination of any of such material leases or subleases.

4.16.3 Section 4.16.3 of the Company Disclosure Schedules sets forth a true and complete list of all material unpatented mining claims, including any associated Royalties, owned by the Company and used in connection with the operation of the Mines. To the Company’s Knowledge, the Company is the sole owner of and holds valid and enforceable title to each such mining claim, free and clear of all Liens except for Permitted Liens. To the Company’s Knowledge, all such mining claims have been located and maintained in all material respects in accordance with Applicable Law and all such mining claims are in good standing and in full force and effect.

4.16.4 Section 4.16.4 of the Company Disclosure Schedules sets forth a true and complete list of all material unpatented mining claims, including any associated Royalties, leased or subleased by the Company and used in connection with the operation of the Mines. To the Company’s Knowledge, the Company holds a valid and enforceable leasehold or subleasehold interest in all such mining claims, free and clear of all Liens except for Permitted Liens and all such leases or subleases are in good standing. The Company is not in breach of any material term of any of such leases and, to the Company’s Knowledge, none of the other parties to any of such leases is in breach of any of the terms thereof. To the Company’s Knowledge, all such mining claims have been located and maintained in accordance with Applicable Law, and all such mining claims are in good standing and in full force and effect.

4.16.5 Other than as listed in Sections 4.16.5 of the Company Disclosure Schedules, no third party has any Royalties encumbering any mining claim owned or leased by the Company or any portion of the Mines that would be material to the Company and its Subsidiaries, taken as a whole.

4.16.6 Section 4.16.6 of the Company Disclosure Schedules sets forth a true and complete list of all water rights owned by the Company and identified as those rights to be used in connection with the operation of the Mines and the Company’s processing facilities (the “Water Rights”). To the Company’s Knowledge, the Company holds valid and enforceable title to each such Water Right, free and clear of all Liens except for Permitted Liens; provided that no representation is made with respect to the quantity of water associated with any individual Water Right. The Company has not received from any Person any written notice or claim which either remains pending or unresolved, or is the
source of ongoing obligations or requirements as of the Closing Date, materially affecting title to the Water Rights, including notices of non-use regarding such Water Rights.

4.17 Mineral Reserves and Resources

The estimated proven and probable mineral reserves disclosed in the Company SEC Documents as of December 31, 2015 have been prepared and disclosed in all material respects in accordance with all Applicable Laws. There has been no material reduction (other than as a result of operations in the ordinary course of business) in the aggregate amount of estimated mineral reserves and estimated mineral resources of the Company and its Subsidiaries, taken as a whole, from the amounts disclosed in such Company SEC Documents.

4.18 Operational Matters

Except as would not reasonably be expected, individually or in the aggregate, to have a Company Material Adverse Effect:

4.18.1 all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens and other payments due or payable on or prior to the date hereof under or with respect to the direct or indirect assets of the Company and its Subsidiaries have been properly and timely paid;

4.18.2 all rentals, payments, and obligations due and payable or performable on or prior to the date hereof under or on account of any of the direct or indirect assets of the Company and its Subsidiaries have been duly paid, performed, or provided for prior to the date hereof; and

4.18.3 since January 1, 2013, all (i) mines where the Company or a Subsidiary of the Company is the operator at the relevant time have been developed and operated in accordance with good mining practices and in compliance with all then-Applicable Laws, (ii) mines located in or on the lands of the Company or any Subsidiary, or lands pooled or unitized therewith, which have been abandoned by the Company or any Subsidiary, have been developed, managed, and abandoned in accordance with good mining practices and in compliance with all Applicable Laws, and (iii) future abandonment, remediation and reclamation obligations have been accurately disclosed in Company SEC Documents without omission of information necessary to make the disclosure not misleading.

4.19 Insurance

The Company has Made Available copies or a summary of all material insurance policies applicable to events occurring as of the Measurement Date. To the Company’s Knowledge, there is no threatened termination of, other than pursuant to the expiration of a term, or threatened material premium increase with respect to any material insurance policies.

4.20 Opinion of Financial Advisor

The Company Board has received the opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated to the effect that, as of the date of such opinion and subject to the assumptions, limitations, qualifications and other matters considered in the preparation thereof as set forth in such opinion, the Merger Consideration to be received in the Merger by the holders of Shares (other than the Company, Merger Sub, Parent and any direct or indirect Subsidiaries of Parent
or the Company and the holders of Dissenting Shares) is fair, from a financial point of view, to such holders. The Company shall, promptly following the execution and delivery of this Agreement by all Parties, furnish a true and complete written copy of said opinion to Parent solely for informational purposes.

4.21 Material Contracts

4.21.1 Except as set forth in Section 4.21.1 of the Company Disclosure Schedules, neither the Company nor any of its Subsidiaries is a party to or bound by:

(i) any “material contract” (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC or as would be required to be disclosed by the Company on a Current Report on Form 8-K);

(ii) any Contract with (A) any directors or officers of the Company, (B) any Person that, by itself or together with its Affiliates or those acting in concert with it, beneficially owns, or has the right to acquire beneficial ownership of, at least 5% of the outstanding shares of Company Common Stock, or (C) any Affiliates of the Company (other than wholly owned Subsidiaries of the Company);

(iii) any Contract which, upon the execution or delivery of this Agreement or the consummation of the transactions contemplated by this Agreement may, either alone or in combination with any other event, reasonably be expected to result in any payment (whether of severance pay or otherwise) becoming due from the Company, Parent or any of their respective Subsidiaries to any Company Employee;

(iv) any Contract that imposes any restriction on the right or ability of the Company or any of its Subsidiaries to compete with any other Person, solicit any customer, acquire or dispose of the securities of another Person or any other provision that materially restricts the conduct of any line of business or activities in connection with any product of the Company or any of its Subsidiaries (or that following the Closing will restrict the ability of Parent or any of its Subsidiaries to engage in any line of business or activities in connection with any product or any geography);

(v) any Contract that (A) provides for payment by the Company and its Subsidiaries to any of its top 20 vendors by annual spend as of October 31, 2016 and (B) (1) obligates the Company or any of its Subsidiaries (or following the Closing, Parent or any of its Subsidiaries) to conduct business with any Third Party on a preferential or exclusive basis or (2) contains “most favored nation” or similar covenants or preferential treatment;

(vi) any Contract requiring any future capital expenditures by the Company or any of its Subsidiaries in excess of $2,500,000, individually, or $12,500,000, in the aggregate;

(vii) any Contract with or to a labor union or guild (including any Collective Bargaining Agreement);
(viii) any Contract relating to Indebtedness of the Company or any of its Subsidiaries having an outstanding principal amount in excess of $1,000,000;

(ix) any Contract that grants any option, right of first refusal, right of first offer or similar right or any other Lien with respect to any assets, rights or properties of the Company or its Subsidiaries material to the Company and its Subsidiaries, taken as a whole;

(x) any Contract that provides for the acquisition or disposition of any asset (other than acquisitions or dispositions of inventory, supplies or services in the ordinary course of business) or business (whether by merger, sale of stock, sale of assets or otherwise) and with any outstanding obligations that are material to the Company or any of its Subsidiaries, in each case, with a value in excess of $1,000,000;

(xi) any joint venture, partnership or limited liability company agreement or other similar Contract relating to the formation, creation, operation, management, control, dissolution, wind-up, exit from or buyout of any joint venture, partnership or limited liability company, other than any such Contract solely between the Company and its wholly owned Subsidiaries or solely among the Company’s wholly owned Subsidiaries;

(xii) any Contract expressly limiting or restricting the ability of the Company or any of its Subsidiaries (i) to make distributions or declare or pay dividends in respect of their capital stock, partnership interests, membership interests or other equity interests, as the case may be, (ii) to make loans to the Company or any of its Affiliates, or (iii) to grant Liens on the property of the Company or any of its Affiliates;

(xiii) any Contract that obligates the Company or any of its Subsidiaries to make any loans, advances or capital contributions to, or investments in, any Person (other than the Company or any of its wholly owned Subsidiaries);

(xiv) any Contract that involved or is expected to involve the receipt of more than $5,000,000 by the Company and its Subsidiaries in the fiscal year December 31, 2016;

(xv) any Contract granting special rights to specific stockholders, including registration rights, investor rights, board nomination rights and voting rights;

(xvi) any Contract that obligates the Company to sell products with annual consideration of greater than $5,000,000 other than on a purchase order basis or entered into in the ordinary course of business consistent with past practice; and

(xvii) any Contract to which a Top Supplier is a party.

All Contracts of the types referred to in clauses (i) through (xviii) above (whether or not set forth in Section 4.21 of the Company Disclosure Schedules) are referred to herein as "Company Material Contracts". The Company has Made Available to Parent or its Representatives a true and complete copy of each Company Material Contract (including
all modifications, amendments, supplements, annexes and schedules thereto and written waivers thereunder).

4.21.2 Except for such of the following as, individually or in the aggregate, has not had and is not reasonably expected to have a Company Material Adverse Effect, (i) neither the Company nor any Subsidiary of the Company is in breach of or default under the terms of any Company Material Contract and, to the Company’s Knowledge, no other party to any Company Material Contract is in breach of or default, (ii) no event has occurred or not occurred through the Company’s or any of its Subsidiaries’ action or inaction or, to the Company’s Knowledge, through the action or inaction of any Third Party, that with or without notice or the lapse of time or both would (A) constitute a breach of or default in any material respect by, (B) result in a right of termination for, or (C) cause or permit the acceleration of or other changes to any material right or obligation or the loss of any material benefit for, in each case, any party under any Company Material Contract, (iii) each Company Material Contract is a valid and binding obligation of the Company or the Subsidiary of the Company that is party thereto and, to the Company’s Knowledge, of each other party thereto, and is in full force and effect, and (iv) there are no disputes pending or, to the Company’s Knowledge, threatened with respect to any Company Material Contract and neither the Company nor any of its Subsidiaries has received any written notice of the intention of any other party to a Company Material Contract to terminate for default, convenience or otherwise any Company Material Contract, nor to the Company’s Knowledge, is any such party threatening to do so.

4.22 Suppliers

Section 4.22 of the Company Disclosure Schedules sets forth a true and complete list of (a) the top five recycling suppliers (the “Top Suppliers”) by cost dollar volume of catalyst materials purchased by the Company and its Subsidiaries during the fiscal year ended December 31, 2015 and (b) the corresponding cost dollar volume purchased from each Top Supplier during the fiscal year ended December 31, 2015. Since January 1, 2015, neither the Company nor any of its Subsidiaries has received any written notice of termination of the business relationship of the Company or its Subsidiaries from any Top Supplier. Except as set forth on Section 4.22 of the Company Disclosure Schedules, neither the Company nor any of its Subsidiaries is required to provide any material bonding or other material financial security arrangements in connection with any transactions with any supplier in the ordinary course of its business.

4.23 Transactions with Directors and Officers

Except as set forth on Section 4.23 of the Company Disclosure Schedules, there are no material Contracts or Liabilities between the Company or any of its Subsidiaries, on the one hand, and any executive officer or director of the Company, on the other hand. To the Company’s Knowledge, no executive officer or director of the Company (a) possesses, directly or indirectly, any financial interest (subject to the next sentence) in, or holds a position as a director, officer or employee of, any Person that is a client, supplier, customer, lessor, lessee, or competitor or potential competitor of the Company or any of its Subsidiaries or (b) owns, holds or has any rights (including licenses or leases) in any properties, assets and rights (including Intellectual Property) (i) used or held for use in connection with the conduct of the business of the Company or any of its Subsidiaries or (ii) necessary for the continued conduct of the business of the
4.24 Finders or Brokers

Except for Merrill Lynch, Pierce, Fenner & Smith Incorporated, neither the Company nor any of its Subsidiaries has employed any investment banker, broker or finder in connection with the transactions contemplated by this Agreement who would be entitled to any fee or commission in connection with or upon consummation of the Merger. The Company has made available to Parent a true and complete copy of any engagement letter or other Contract between the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated relating to the Merger and the other transactions contemplated by this Agreement.

4.25 State Takeover Statutes

The Company Board has taken all action necessary to render all potentially applicable anti-takeover statutes or regulations (including Section 203 of the DGCL) and any similar provisions in the Company's certificate of incorporation or bylaws inapplicable to this Agreement and the transactions contemplated by this Agreement.

5 Representations and Warranties of Parent, US HoldCo and Merger Sub

Except as set forth in the disclosure schedules delivered by Parent, US HoldCo and Merger Sub to the Company prior to the execution and delivery of this Agreement (the "Parent Disclosure Schedules") (each section of which qualifies the correspondingly numbered and lettered representation and warranty in this Article 5 to the extent specified therein and the representations and warranties in such other applicable sections of this Agreement as to which the disclosure on its face is reasonably apparent, upon reading the disclosure contained in such section of the Parent Disclosure Schedules, that such disclosure is responsive to such other numbered and lettered Section of this Article 5 and, provided, however, that any listing of any fact, item or exception disclosed in any section of the Parent Disclosure Schedules shall not be construed as an admission of liability under any Applicable Law or for any other purpose and shall not be construed as an admission that such fact, item or exception is in fact material or creates a measure of materiality for purpose of this Agreement or otherwise), each of Parent, US HoldCo and Merger Sub hereby represents and warrants to the Company that the statements contained in this Article 5 are true and correct as of the date of this Agreement.

5.1 Organization; Authority

Each of Parent, US HoldCo and Merger Sub is a company duly organized and validly existing under the laws of its jurisdiction of organization and is in good standing in its jurisdiction of organization (where such concept is recognized under Applicable Law). Each of Parent, US HoldCo and Merger Sub has the requisite corporate power and authority to carry on its business as presently conducted. Each of Parent, US HoldCo and Merger Sub is duly qualified or licensed, and has all necessary Permits, to do business and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by
it makes such approvals, qualification or licensing necessary, except where the failure to be so duly approved, qualified or licensed and in good standing would not reasonably be expected, individually or in the aggregate, to prevent or materially impair or delay the ability of Parent, US HoldCo or Merger Sub to perform any of its obligations hereunder or consummate the Merger and the other transactions contemplated by this Agreement.

5.2 Corporate Authority Relative to this Agreement; No Violation

5.2.1 Each of Parent, US HoldCo and Merger Sub has the requisite corporate power and authority to execute and deliver this Agreement and, subject to receipt of the Parent Shareholder Approval, and the adoption of this Agreement by US HoldCo (the “Merger Sub Stockholder Approval”) (which Merger Sub Stockholder Approval will be obtained promptly following the execution and delivery of this Agreement), to consummate the transactions contemplated hereby, including the Merger. The execution, delivery and performance by Parent, US HoldCo and Merger Sub of this Agreement and the consummation by each of them of the transactions contemplated hereby, including the Merger, have been duly and validly authorized by all necessary corporate action on the part of Parent, US HoldCo and Merger Sub, and no other corporate action on the part of either Parent, US HoldCo or Merger Sub is necessary to authorize the execution and delivery by Parent, US HoldCo and Merger Sub of this Agreement and, except for the Parent Shareholder Approval and the Merger Sub Stockholder Approval, no other corporate proceedings on the part of Parent, US HoldCo or Merger Sub or vote of Parent’s, US HoldCo’s or Merger Sub’s stockholders is necessary to authorize the consummation of the transactions contemplated hereby, including the Merger. The Parent Board has (i) resolved to recommend that shareholders of Parent approve the transactions contemplated by this Agreement, including the Merger and the issue of the shares in the capital of Parent to be issued pursuant to the Rights Offering (the “Parent Recommendation”), (ii) determined that this Agreement, the Merger and the issue of the shares in the capital of Parent to be issued pursuant to the Rights Offering are fair to and in the best interests of Parent, (iii) approved this Agreement, the Merger and the issue of the shares in the capital of Parent to be issued pursuant to the Rights Offering, and (iv) resolved that the approval of the transactions contemplated by this Agreement, including the Merger and the issue of the shares in the capital of Parent to be issued pursuant to the Rights Offering, be submitted to a vote at a meeting of shareholders of Parent to obtain the Parent Shareholder Approval. This Agreement has been duly and validly executed and delivered by Parent, US HoldCo and Merger Sub and, assuming this Agreement constitutes the legal, valid and binding agreement of the Company, this Agreement constitutes the legal, valid and binding agreement of Parent, US HoldCo and Merger Sub and is enforceable against Parent, US HoldCo and Merger Sub in accordance with its terms, except as such enforcement may be subject to the Enforceability Exceptions.

5.2.2 Other than in connection with or in compliance with (i) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, (ii) the Listings Requirements (including the submission of the Parent Shareholder Circular to the JSE and any amendments or supplements thereto and approval of the Parent Shareholder Circular by the JSE), (iii) filings required under, and compliance with applicable
requirements of, the Exchange Act, (iv) the rules and regulations of the NYSE, (v) the HSR Act, (vi) CFIUS Clearance, and (vii) SARB Approval (collectively, the “Parent Approvals”), no authorization, consent, order, license, permit or approval of, or registration, declaration, notice or filing with, any Governmental Entity is necessary, under Applicable Law, for the consummation by Parent, US HoldCo or Merger Sub of the transactions contemplated by this Agreement.

5.2.3 The execution and delivery by Parent, US HoldCo and Merger Sub of this Agreement does not, and (assuming the Parent Approvals are obtained) the consummation of the transactions contemplated hereby and compliance with the provisions hereof will not (i) result in any loss, or suspension, limitation or impairment of any right of Parent, US HoldCo or Merger Sub to own or use any assets required for the conduct of their businesses or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation, first offer, first refusal, modification or acceleration of any obligation or to the loss of a benefit under, or otherwise contravene, any Contract, Permit, concession or right binding upon Parent, US HoldCo or Merger Sub or by which or to which any of their respective properties, rights or assets are bound or subject, or result in the creation of any Liens (other than Permitted Liens) in each case, upon any of the properties or assets of Parent, US HoldCo or Merger Sub, except for such losses, suspensions, limitations, impairments, violations, defaults, rights, contraventions or Liens as would not reasonably be expected, individually or in the aggregate, to prevent or materially impair the ability of Parent, US HoldCo or Merger Sub to consummate the Merger and the other transactions contemplated by this Agreement, (ii) conflict with or result in any violation of any provision of the charter, memorandum of incorporation, bylaws or other equivalent organizational document of Parent, US HoldCo or Merger Sub, or (iii) conflict with or violate Applicable Law or any Orders in any material respect or in any way that would reasonably be expected, individually or in the aggregate, to prevent or materially impair or delay the ability of Parent, US HoldCo or Merger Sub to perform any of its obligations hereunder or consummate the Merger and the other transactions contemplated by this Agreement.

5.3 Litigation

As of the date hereof, there are no Proceedings pending or, to Parent’s Knowledge, threatened, that challenge or seek to prevent, enjoin, alter or materially delay, or recover any damages or obtain any other remedy in connection with, this Agreement or the transactions contemplated by this Agreement.

5.4 Information Supplied

The information supplied by Parent, US HoldCo and Merger Sub in writing expressly for inclusion in the Proxy Statement will not, at the time the Proxy Statement (and any amendment or supplement thereto) is first filed with the SEC or mailed to the stockholders of the Company and at the time of the Company Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.
5.5 Parent Announcements and Parent Shareholder Circular

The Parent Announcements and the Parent Shareholder Circular will not, at the time the relevant Parent Announcement or the Parent Shareholder Circular (and any amendment or supplement thereto) is made by Parent or filed with the JSE (as the case may be) or (in the case of the Parent Shareholder Circular) first dispatched to shareholders of Parent and at the time of any meeting of shareholders of Parent to be held in connection with the transactions contemplated by this Agreement, including the Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation or warranty is made by Parent, US HoldCo or Merger Sub with respect to statements made therein based on information supplied by the Company in writing expressly for inclusion therein. The Parent Shareholder Circular will comply in all material respects as to form with the requirements of the Listings Requirements.

5.6 Finders or Brokers

Neither Parent nor any of its Subsidiaries has employed any investment banker, broker or finder in connection with the transactions contemplated by this Agreement who would be entitled to any fee or commission for which the Company may become liable prior to the Effective Time.

5.7 Financing

5.7.1 Parent has delivered to the Company a true and complete copy of a fully executed bridge facilities agreement between, among others, Parent and the lenders and financial institutions party thereunder (the “Financing Sources”) dated on or about the date of this Agreement (the “Facilities Agreement,” together with all exhibits, schedules, annexes and amendments thereto, and each of the fee letters referred to therein (redacted to remove pricing and other customarily redacted sensitive information) (each a “Fee Letter”), and as the same may be amended, supplemented, replaced or extended from time to time after the date of this Agreement in compliance with this Agreement, the “Finance Documents”), pursuant to which the Financing Sources have agreed to lend the amounts specified in the Facilities Agreement for the purpose of (among other things) the financing of the Merger Consideration.

5.7.2 As of the date of this Agreement, the Finance Documents are in full force and effect and are valid and binding obligations of Parent and Merger Sub (each an “Obligor” and together the “Obligors”) and, to Parent’s Knowledge, the other parties thereto, enforceable in accordance with their respective terms (subject to the Enforceability Exceptions), and are not subject to any conditions precedent related to the funding of the net proceeds of the Debt Financing that are not set forth in the copy of the Facilities Agreement provided to the Company.

5.7.3 As of the date of this Agreement:

(i) the Facilities Agreement has not been supplemented, modified or amended;

(ii) no event has occurred which, with or without notice, lapse of time or both, would reasonably be expected to constitute a breach or default that (with the giving of
notice of both) would constitute a Major Default under (as defined in) the Facilities Agreement; and
(iii) the commitments of the Financing Sources under the Facilities Agreement have not been withdrawn, terminated, reduced or rescinded.

5.7.4 As of the date of this Agreement, Parent has no reason to believe that:
(i) it or any other Obligor will be unable to satisfy any of the conditions to the Debt Financing to be satisfied under the Facilities Agreement on (or prior to) the Closing Date; or
(ii) the Debt Financing will not be available in full to Parent and Merger Sub on the Closing Date.

5.7.5 Notwithstanding the foregoing or any other provisions of this Agreement, none of Parent, US HoldCo or Merger Sub is making any representation or warranty regarding the effect of the inaccuracy of the representations or warranties set forth in Article 4 or non-compliance by the Company and its Affiliates with their respective obligations hereunder on any condition to the Debt Financing.

5.7.6 As of the date of this Agreement, there are no side letters, understandings or other agreements relating to the Debt Financing to which Parent or any of its Affiliates is a party that would reasonably be expected to affect the availability of the Debt Financing on the Closing Date, other than those expressly set forth in or contemplated by the Finance Documents provided to the Company on or prior to the date hereof.

5.7.7 Parent (or an Affiliate thereof on its behalf) has fully paid any and all arrangement, underwriting or other fees required by the Finance Documents to be paid by it prior to the date of this Agreement.

5.7.8 Subject to the terms and conditions of the Facilities Agreement and assuming the Debt Financing is funded in accordance with the terms of the Facilities Agreement, the net proceeds contemplated by making a utilization of the Facilities Agreement, together with other financial resources of Parent, will, in the aggregate, provide Parent, US HoldCo and/or any other Subsidiary of Parent with sufficient immediately available cash funds on the Closing Date to consummate the transactions contemplated by this Agreement and any other amounts required to be paid in connection with the consummation of the transactions contemplated under this Agreement, to pay all related fees and expenses required to be paid as of the Closing Date and, together with the Company’s cash on hand, are sufficient to fund any payment required by Section 6.12.

5.8 Merger Sub

Merger Sub is a direct wholly owned Subsidiary of US HoldCo and an indirect wholly owned Subsidiary of Parent. Since its date of incorporation, Merger Sub has not carried on any business nor conducted any operations other than the execution and delivery of this Agreement, the performance of its obligations hereunder and matters ancillary thereto.
5.9 Ownership of Company Common Stock

Neither Parent nor any of its Subsidiaries is, or has been at any time during the period commencing three years prior to the date hereof through the date hereof, an “interested stockholder” of the Company, as such term is defined in Section 203 of the DGCL.

6 Covenants

6.1 Conduct of the Company

6.1.1 During the period commencing on the date of this Agreement and ending on the earlier of the termination of this Agreement and the Effective Time (the “Pre-Closing Period”), except for matters (i) required by Applicable Law, (ii) undertaken with the prior written consent of Parent and US HoldCo, which shall not be unreasonably withheld, conditioned or delayed, or (iii) expressly required by this Agreement, the Company shall, and shall cause each of its Subsidiaries to, conduct in all material respects its business in the ordinary course of business, consistent with past practice, and use its reasonable best efforts to (A) maintain and preserve intact in all material respects its business organization, (B) keep available the services of Company Employees believed to be critical to the Company’s business, (C) maintain in effect all of its material Permits, and (D) maintain and preserve satisfactory relationships with material customers, suppliers and others having material business relationships with the Company.

6.1.2 Without limiting the generality of the foregoing in Section 6.1.1, during the Pre-Closing Period, the Company shall, and shall cause each of its Subsidiaries to, make such capital expenditures in accordance in all material respects with the Company’s capital expenditure plan for 2017 provided to Parent prior to the date of this Agreement and set forth in Section 6.1.2 of the Company Disclosure Schedules (the “Capital Expenditure Budget”); provided, however, that the Company may make adjustments from the Capital Expenditure Budget with the prior written consent of Parent, which shall not be unreasonably withheld, conditioned or delayed.

6.1.3 Without limiting the generality of the foregoing in Section 6.1.1, during the Pre-Closing Period, except (i) as may be required by Applicable Law, (ii) with the prior written consent of Parent and US HoldCo, which shall not be unreasonably withheld, conditioned or delayed, (iii) as may be expressly contemplated or required by this Agreement, or (iv) as set forth in Section 6.1.3 of the Company Disclosure Schedules, the Company shall not, and shall not permit any of its Subsidiaries to:

(i) amend the Company Organizational Documents or the Company Subsidiary Organizational Documents (including by merger, consolidation or otherwise), or otherwise take any action to exempt any Person from any provision of the Company Organizational Documents or the Company Subsidiary Organizational Documents;

(ii) exempt any Person (other than Parent and its Affiliates) from the provisions of Section 203 of the DGCL or any other “moratorium,” “control share acquisition,” “business combination,” “fair price” or other form of anti-takeover law or regulation;
(iii) split, combine, subdivide, reclassify, redeem, purchase or otherwise acquire any shares of its capital stock or other equity or voting interests;

(iv) amend any term of any Company Security or any security of any of its Subsidiaries (in each case, including by merger, consolidation or otherwise);

(v) make, declare, accrue, set aside or pay any dividend or make any other distribution on (whether in cash, stock, property or otherwise), or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock, or any other securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into or exchangeable for any shares of its capital stock (except (A) dividends paid by any Subsidiary of the Company to the Company or a wholly owned Subsidiary of the Company (to the extent such dividends would not result in (i) a material Tax liability to the Company or any Subsidiary of the Company or (ii) a material Tax liability that has not previously been accrued in the Company’s financial statements pursuant to APB 23 or similar guidance issued by the Financial Standards Accounting Board), (B) the acceptance of shares of Company Common Stock as payment for the exercise price of Company Stock Options or for withholding Taxes incurred in connection with the exercise of Company Stock Options or the vesting or settlement of Company Stock Awards outstanding as of the date hereof or granted after the date hereof in compliance with this Agreement, in each case in accordance with past practice and the terms of the applicable award Contracts, or (C) as contemplated in Section 6.12 in relation to the Convertible Notes and the Senior Notes);

(vi) grant or amend any Company Stock Awards or other equity or equity-based awards or interests, or grant any Person any right to acquire any shares of its capital stock or other equity or voting interests;

(vii) issue, sell, grant, pledge or otherwise dispose of or permit to become outstanding any additional shares of its capital stock or other equity or voting interests or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock or other equity or voting interests or any options, warrants, or other rights of any kind to acquire any shares of its capital stock or other equity or voting interests, except pursuant to the exercise of Company Stock Options or the settlement of Company Stock Awards outstanding as of the date hereof or granted after the date hereof in compliance with this Agreement, in each case in accordance with their terms, or enter into any agreement, understanding or arrangement with respect to the sale or voting of its capital stock or equity interests;

(viii) adopt any plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, of the Company or permit any of its Subsidiaries to do so, or file a petition in bankruptcy under any provisions of Applicable Law on behalf of the Company or any of its Subsidiaries or consent to the filing of any bankruptcy petition against any the
(ix) create any Subsidiary of the Company or any of its Subsidiaries;

(x) other than renewals of existing letters of credit, redeem, repurchase, prepay, defease, incur, assume, endorse, guarantee or otherwise become liable for or modify in any material respects the terms of any Indebtedness or issue or sell any debt securities or calls, options, warrants or other rights to acquire any debt securities (directly, contingently or otherwise) (in each case, other than the repayment or prepayment of any Indebtedness owed by any Subsidiary of the Company to the Company or any other wholly owned Subsidiary of the Company);

(xi) grant or suffer to exist any Liens on any material properties or assets, tangible or intangible, of the Company or any of its Subsidiaries, other than Permitted Liens;

(xii) enter into (i) any platinum or palladium hedging transactions or (ii) any other hedging transactions other than in the ordinary course of business consistent with past practice;

(xiii) make any capital investment in, loan or advance to, or make or forgive any loan to, any other Person, other than the making of any loans or advances (i) by any wholly owned Subsidiary of the Company to the Company or any other wholly owned Subsidiary of the Company, (ii) to distributors or suppliers consistent in all material respects with the business plan provided to Parent prior to the date of this Agreement not in excess of $1,000,000 in the case of any individual distributor or supplier and $5,000,000 in the aggregate, or (iii) customary expenses and travel advances to employees in the ordinary course of business consistent with past practice;

(xiv) other than in the ordinary course of business consistent with past practice or in accordance with any Contract in effect on the date hereof, (i) sell, transfer, lease, mortgage, encumber or otherwise dispose of, in a single transaction or series of related transactions, any of its material properties or assets to any Person other than to the Company or a wholly owned Subsidiary of the Company and other than sales of inventory or sales of obsolete or unneeded equipment in the ordinary course of business consistent with past practice or (ii) cancel, release or assign any material Indebtedness of any such Person owed to it or any claims held by it against any such Person, other than a wholly owned Subsidiary;

(xv) acquire (whether by merger or consolidation, acquisition of stock or assets or by formation of a joint venture or otherwise) any other Person or business or any material assets, deposits or properties of any other Person other than in the ordinary course of business or for consideration not in excess of $1,000,000 individually or $5,000,000 in the aggregate or (ii) make any material investment in any other Person either by purchase of stock or securities or contributions to capital;
(xvi) make or authorize any capital expenditures other than (i) capital expenditures expressly provided for in the Capital Expenditure Budget as set forth in Section 6.1.2 or (ii) any other capital expenditures not in excess of $5,000,000 in the aggregate in the 2017 fiscal year;

(xvii) except in the ordinary course of business, (i) terminate, cancel, renew, fail to exercise an expiring renewal option, amend, grant a waiver under or otherwise modify any Company Material Contract or any lease, sublease or other Agreement in connection with any Company Leased Real Property (collectively and including all amendments thereto, a "Company Real Property Lease") or any Contract that would constitute a Company Material Contract or a Company Real Property Lease if in effect as of the date of this Agreement (including any buyout of such Contract) or any renewals thereof or (ii) enter into any Contract that would constitute a Company Material Contract or a Company Real Property Lease if in effect as of the date of this Agreement;

(xviii) except as required by Applicable Law or the terms of any Company Benefit Plan or Collective Bargaining Agreement as in effect on the date of this Agreement, (i) establish, adopt, amend or terminate any Collective Bargaining Agreement or Company Benefit Plan or commence an off-cycle enrollment period under any Company Benefit Plan that provides health and welfare benefits, (ii) increase in any manner the compensation (including severance, change-in-control and retention compensation) or benefits of Company Employees, (iii) pay or award, or commit to pay or award, any bonuses or incentive compensation, (iv) accelerate any rights or benefits or, except in the ordinary course of business consistent with past practice, make any material determinations or interpretations with respect to any Company Benefit Plan, (v) fund any rabbi trust or similar arrangement, or otherwise accelerate the time of funding, vesting or payment of any payments or benefits under any Company Benefit Plan, (vi) enter into, adopt or amend any employment, individual consulting, bonus, severance or retirement Contract other than offer letters with any non-officer employee (that do not require equity-based compensation) in the ordinary course of business, or (vii) hire, promote or terminate the employment or services of (other than for cause) any officer;

(xix) implement or adopt any change in its accounting principles, practices or methods, other than as may be required by GAAP or Applicable Law;

(xx) change in any material respect the policies or practices regarding accounts receivable or accounts payable or fail to manage working capital in accordance with past practices;

(xxii) except with respect to Taxes (which shall be governed by Section 6.1.3(xxii)), commence, settle, pay, discharge, satisfy or compromise any Proceeding, except for (i) settlements or compromises that (A) involve monetary remedies with a value not in excess of $1,000,000, with respect to any individual Proceeding, or $5,000,000, in the aggregate, (B) do not impose any material restriction on its business activities or the business activities of its Subsidiaries,
and (C) do not relate to any Company Stockholder Litigation (the settlement or compromise of which shall be governed exclusively by Section 6.12), and (ii) the commencement of any Proceeding that is in the ordinary course of business;

(xxii) make, change or revoke any material Tax election or change any material Tax accounting method, file any material amended Tax Return or claim for a material Tax refund, enter into any closing agreement within the meaning of Section 7212 of the Code (or any comparable provision of state, local or non-U.S. Applicable Law) with respect to a material amount of Taxes in excess of any amount reserved therefor in accordance with GAAP, request any material Tax ruling, settle or compromise any material Tax proceeding in excess of any amount reserved therefor in accordance with GAAP, or surrender any claim for a material refund of Taxes;

(xxiii) abandon or discontinue any existing line of business;

(xxiv) enter into any new line of business outside its existing business as of the date of this Agreement;

(xxv) other than in the ordinary course of business consistent in all material respects with past practice, materially reduce the amount of insurance coverage or fail to renew any material existing insurance policies;

(xxvi) amend in a manner that adversely impacts in any material respect the ability to conduct its business, terminate or allow to lapse any material Permits of the Company;

(xxvii) enter into any transaction with any director or officer of the Company; or

(xxviii) authorize, resolve, agree to take (by Contract or otherwise) or make any commitment to take, or otherwise become obligated to take, any of the foregoing actions that are prohibited pursuant to this Section 6.1.3.

6.2 Non-Solicitation; Acquisition Proposals

6.2.1 Except as expressly permitted by this Section 6.2, during the Pre-Closing Period, the Company shall not, and shall cause its Subsidiaries and Representatives and its and their directors, officers and employees and other Representatives not to, directly or indirectly through another Person, (i) initiate, solicit or knowingly take any action to encourage, or knowingly facilitate the submission or making of, any Acquisition Proposal, or any inquiry, expression of interest, proposal, offer or request for information that could reasonably be expected to lead to or result in an Acquisition Proposal, (ii) other than informing Third Parties of the existence of the provisions contained in this Section 6.2 or (for a period of no more than two Business Days), in response to an unsolicited Acquisition Proposal or solely to the extent reasonably necessary to ascertain facts from the Person making such Acquisition Proposal for the purpose of providing the Company Board with sufficient information about such Acquisition Proposal and the Person that made it, participate or engage in negotiations or discussions with, or furnish any information concerning the Company or any of its Subsidiaries to, any Third Party relating to an Acquisition Proposal or any inquiry, expression of interest, proposal, offer
or request for information that could reasonably be expected to lead to or result in an Acquisition Proposal, (iii) enter into any Contract (written or oral) relating to an Acquisition Proposal, or (iv) resolve or agree to do any of the foregoing. From and after the execution and delivery of this Agreement, the Company shall, and shall cause its Subsidiaries and its and their respective Representatives to, (A) immediately cease and cause to be terminated all discussions or negotiations with any Person that may be ongoing and existing on the date hereof with respect to any Acquisition Proposal, or any inquiry, expression of interest, proposal, offer or request for information that could reasonably be expected to lead to or result in an Acquisition Proposal, (B) terminate access by any Third Party to any physical or electronic data room or other access to data or information of the Company, in each case relating to or in connection with, any Acquisition Proposal or any potential Acquisition Transaction, (C) request the prompt return or destruction of all information previously provided to any Third Party in connection with any inquiry, expression of interest, proposal, offer or request for information that could reasonably be expected to lead to or result in an Acquisition Proposal or a proposed Acquisition Transaction, and (D) use reasonable best efforts to enforce, and not waive or modify, the provisions of any existing confidentiality or non-disclosure Contract entered into with respect to any Acquisition Proposal or any potential Acquisition Transaction; provided, however, that the Company shall waive standstill provisions therein to the extent such provisions prohibit or limit any Third Party from requesting that such provisions be waived or modified in connection with the submission or possible submission of an Acquisition Proposal in accordance with this Section 6.2. The Company shall ensure that its Representatives and the Representatives of its Subsidiaries are aware of the provisions of this Section 6.2, and it is agreed that any violation of the restrictions set forth in this Section 6.2 by any Representative of the Company or any of its Subsidiaries shall constitute a breach of this Section 6.2 by the Company.

6.2.2 Notwithstanding Section 6.2.1, if, at any time prior to the receipt of the Company Stockholder Approval, the Company receives a written bona fide Acquisition Proposal (which Acquisition Proposal was made after the date of this Agreement and did not result from a breach of this Section 6.2), the Company, the Company Board and their respective Representatives may, subject to compliance with this Section 6.2.2, engage in negotiations or discussions with, or furnish any information to, any Third Party making such Acquisition Proposal and its Representatives if, and only if, the Company Board determines in good faith, after consultation with the Company's outside legal counsel and outside independent financial advisors, that such Acquisition Proposal constitutes, or could reasonably be expected to result in, a Superior Proposal; provided, that (i) prior to providing access to or furnishing any such information, the Company (A) receives from such Third Party an executed Acceptable Confidentiality Agreement or (B) if such Third Party is already party with the Company to a valid and existing confidentiality agreement as of the date of this Agreement, amends (if required) such existing agreement so that it is an Acceptable Confidentiality Agreement, (ii) any such information so furnished has been previously provided to Parent or is provided (including through the Data Room) to Parent substantially concurrently with it being so furnished to such Third Party, (iii) no confidential or non-public information of or relating to Parent, US HoldCo or Merger Sub
or any of their respective Subsidiaries or Representatives shall be furnished except as required by Applicable Law, and (iv) the Company gives Parent oral and written notice of such determination promptly after the Company Board makes such determination (and in no event later than 24 hours after such determination) and in any event prior to taking any of the actions referred to in this Section 6.2.2.

6.2.3 The Company shall promptly (and in no event later than 24 hours after receipt by the Company) notify Parent (which notice shall be provided orally and in writing and shall identify the Person making the Acquisition Proposal and set forth in reasonable detail the material terms thereof) after receipt of any Acquisition Proposal, and shall promptly (and in no event later than 24 hours after receipt by the Company) provide copies to Parent of any written proposals or indications of interest with respect to any Acquisition Proposal, and/or draft agreements relating to any Acquisition Proposal. Without limiting the foregoing, the Company shall keep Parent informed of any developments (including the status of discussions or negotiations) regarding any Acquisition Proposal (including by promptly (and in no event later than 24 hours after receipt by the Company) providing to Parent copies of any additional or revised written proposals or indications of interest with respect to such Acquisition Proposal, and/or draft agreements relating to such Acquisition Proposal) on a reasonably prompt basis (and in any event within 24 hours after receipt by the Company). The Company agrees that it and its Subsidiaries will not enter into any Contract with any Third Party subsequent to the date of this Agreement that prohibits the Company from providing any information to Parent in accordance with this Section 6.2.3.

6.2.4 Except as otherwise provided in this Section 6.2.4, during the Pre-Closing Period, neither the Company Board nor any committee thereof shall (i) (A) change, qualify, withhold, withdraw or modify, or authorize or resolve to or publicly propose or announce its intention to change, qualify, withhold, withdraw or modify, in each case, in any manner adverse to Parent, the Company Recommendation, (B) fail to include the Company Recommendation in the Proxy Statement, (C) take and disclose to the stockholders of the Company a position contemplated by Rule 14e-2 or Rule 14d-9 promulgated under the Exchange Act if such disclosure does not include a reaffirmation of the Company Recommendation or state that the Company Recommendation remains unchanged, or (D) adopt, approve, declare advisable or recommend to the stockholders of the Company, or resolve to or publicly propose or announce its intention to adopt, approve, declare advisable or recommend to the stockholders of the Company, an Acquisition Proposal (any action described in this clause (i), being referred to as a “Company Adverse Recommendation Change”); provided, however, that a customary “stop, look and listen” communication of the type contemplated by Rule 14d-9(f) under the Exchange Act, or any substantially similar communication shall not be deemed to be a Company Adverse Recommendation Change, or (ii) authorize, cause or permit the Company or any of its Subsidiaries to enter into any letter of intent, memorandum of understanding or Contract with respect to, or that is intended or could reasonably be expect to lead to, any Acquisition Proposal (other than an Acceptable Confidentiality Agreement entered into in accordance with Section 6.2.2) with any Third Party (an “Alternative Acquisition Agreement”) or resolve, publicly propose or agree to do any of the foregoing. Notwithstanding anything to the contrary set forth in this Agreement, at
any time after the date of this Agreement and prior to the time, but not after, the Company Stockholder Approval has been obtained, the Company Board may make a Company Adverse Recommendation Change if (1) such action is taken in respect to an Intervening Event and (2) prior to taking such action, the Company Board has determined in good faith, after consultation with its outside legal counsel and outside independent financial advisors, that the failure to take such action would be inconsistent with the Company Board's fiduciary duties under Applicable Law; provided, however, that prior to making such Company Adverse Recommendation Change in respect of an Intervening Event, the Company shall have given Parent at least five Business Days' prior written notice of its intention to take such action, and specifying, in reasonable detail, the reasons therefor, and:

(i) during such five Business Day period, if requested by Parent, the Company shall have engaged in good faith negotiations with Parent (and the Company shall have directed its Representatives, including its outside legal counsel and outside independent financial advisors, to have engaged in good faith negotiations with Parent and its Representatives) regarding changes to the terms of this Agreement intended to obviate the need for a Company Adverse Recommendation Change; and

(ii) the Company shall have considered any adjustments to this Agreement (including a change to the price terms hereof) and any other agreements that may be proposed in writing by Parent (the "Proposed Changed Terms") proposed by Parent no later than 11:59 p.m., NY time, on the fifth Business Day of such five-Business Day period and shall have determined in good faith (after consultation with its outside legal counsel and outside independent financial advisors) that the failure to make a Company Adverse Recommendation Change in respect of such Intervening Event would be inconsistent with the Company Board's fiduciary duties under Applicable Law.

In addition, and without limiting this Section 6.2.4, at any time after the date of this Agreement and prior to the time, but not after, the Company Stockholder Approval is obtained, if the Company Board determines, in good faith, after consultation with its outside legal counsel and outside independent financial advisors, that a written Acquisition Proposal made after the date hereof that did not result from a breach of this Section 6.2 constitutes a Superior Proposal, then the Company Board may, subject to compliance with this Section 6.2.4, make a Company Adverse Recommendation Change; provided, that prior to making a Company Adverse Recommendation Change, the Company shall have provided Parent five Business Days' prior written notice ("Superior Proposal Notice") advising Parent that it intends to take such action and specifying, in reasonable detail, the reasons for such action and the terms and conditions of any such Superior Proposal, including the identity of the Third Party who has made such Superior Proposal, and provided Parent a copy of the relevant proposed Alternative Acquisition Agreement or the latest draft thereof or, if no such agreement or draft exists, a written summary of the material terms and conditions of such Superior Proposal, and any other related available documentation and correspondence relating to such Superior Proposal (including any related financing commitments and fee letters), and:
(A) during such five Business Day period, if requested by Parent, the Company shall have engaged in good faith negotiations with Parent (and the Company shall have directed its Representatives, including, its outside legal counsel and outside independent financial advisors, to have engaged in good faith negotiations with Parent and its Representatives) regarding changes to the terms of this Agreement intended to cause such Acquisition Proposal to no longer constitute a Superior Proposal; and

(B) the Company shall have considered the Proposed Changed Terms proposed by Parent no later than 11:59 p.m., NY time, on the fifth Business Day of such five-Business Day period and shall have determined in good faith (after consultation with its outside legal counsel and outside independent financial advisors) that the Superior Proposal would continue to constitute a Superior Proposal if such Proposed Changed Terms were to be given effect and that the failure to make a Company Adverse Recommendation Change would be inconsistent with the Company Board's fiduciary duties to the stockholders of the Company under Applicable Law.

The Parties acknowledge and agree that any (1) revisions to the financial or any other material terms of a Superior Proposal or (2) revisions to the financial terms or any other material terms of an Acquisition Proposal that the Company Board had determined no longer constitutes a Superior Proposal, shall constitute a new Acquisition Proposal and shall in each case require the Company to deliver to Parent a new Superior Proposal Notice and a new period (which period shall be three Business Days) shall commence thereafter, during which time the Company shall be required to comply with the requirements of this Section 6.2.4 anew with respect to such additional notice.

6.3 Parent Recommendation

Except as otherwise provided in this Section 6.3, during the Pre-Closing Period, neither the Parent Board nor any committee thereof shall (i) change, qualify, withhold, withdraw or modify, or authorize or resolve to or publicly propose or announce its intention to change, qualify, withhold, withdraw or modify, in each case, in any manner adverse to the Company, the Parent Recommendation, or (ii) fail to include the Parent Recommendation in the Parent Shareholder Circular (any such action being referred to as a “Parent Adverse Recommendation Change”). Notwithstanding anything to the contrary set forth in this Agreement, at any time after the date of this Agreement and prior to the time, but not after, the Parent Shareholder Approval has been obtained, the Parent Board may make a Parent Adverse Recommendation Change if (1) such action is taken in respect to an Intervening Event and (2) prior to taking such action, the Parent Board has determined in good faith, after consultation with its outside legal counsel and outside independent financial advisors, that the failure to take such action would be inconsistent with the Parent Board’s fiduciary duties under Applicable Law.

6.4 Access to Information

6.4.1 Subject to Applicable Law, upon reasonable notice, the Company shall (and shall cause its Subsidiaries and their respective Representatives to) afford Parent’s authorized Representatives reasonable access, during normal business hours throughout the
period prior to the Effective Time, to Company Employees, Representatives, properties, books, Contracts and records and shall furnish Parent, US HoldCo and Merger Sub with all financial, operating and other data and information in the Company’s possession as Parent, US HoldCo and Merger Sub through their Representatives may reasonably request; provided, however, that the Company and its Subsidiaries shall not be required to provide access to any information or documents which would, in the judgment of the Company after consultation with its outside legal counsel, (i) violate any Applicable Law or (ii) result in a loss or waiver of the attorney-client or other privilege held by the Company or any of the Company’s Subsidiaries (it being agreed that the Company shall give notice to Parent of the fact that it is withholding such information or documents pursuant to clause (i) or clause (ii) above, and thereafter the Company shall use its reasonable best efforts to cause such information to be provided in a manner that would not reasonably be expected to waive the applicable privilege or protection or violate the Applicable Law (such as the redaction of identifying or confidential information, entry into a joint defense agreement or other agreement or by providing such access or information solely to outside counsel to avoid the loss of attorney-client privilege); provided, further, that any access or investigation pursuant to this Section 6.4.1 shall be conducted in such a manner as not to interfere unreasonably with the business and operations of the Company or any of the Company’s Subsidiaries.

6.4.2 No information or knowledge obtained by Parent, US HoldCo or Merger Sub pursuant to Section 6.2, this Section 6.4 or otherwise shall affect or be deemed to affect, modify or waive any representation, warranty, covenant or agreement contained herein, the conditions to the obligations of the Parties to consummate the Merger in accordance with the terms and provisions hereof or otherwise prejudice in any way the rights and remedies of Parent, US HoldCo or Merger Sub hereunder, nor shall any such information, knowledge or investigation be deemed to affect or modify Parent’s, US HoldCo’s or Merger Sub’s reliance on the representations, warranties and covenants made by the Company in this Agreement.

6.5 Notice of Certain Events

During the Pre-Closing Period, the Company shall promptly notify Parent in writing of:

6.5.1 any notice or other communication received by the Company or any of its Subsidiaries, or to the Company’s Knowledge, any of their respective Representatives, from any Person alleging that the consent, approval, permission of or waiver from such Party is or may be required in connection with the Merger;

6.5.2 any notice or other communication received by the Company or any of its Subsidiaries, or any of their respective Representatives, from any Governmental Entity in connection with the transactions contemplated hereby; and

6.5.3 any fact, event or circumstance known to it that would be reasonably likely to result in the failure of any of the conditions set forth in Article 7 to be capable of being satisfied prior to the End Date; provided, that the failure to deliver any notice pursuant to this Section 6.5.3 shall not be considered in determining whether the conditions set forth in Article 7 have been satisfied;
provided, however, that no notification given pursuant to this Section 6.5 shall (A) limit or otherwise affect any of the representations, warranties, covenants, obligations or conditions contained in this Agreement, (B) otherwise prejudice in any way the rights and remedies contained in this Agreement, (C) be deemed to affect or modify Parent's, US HoldCo's or Merger Sub's reliance on the representations, warranties and covenants made by the Company in this Agreement or (D) be deemed to amend or supplement the Company Disclosure Schedules or prevent or cure any misrepresentation, breach of warranty or breach of covenant by the Company.

6.6 State Takeover Laws

If any “moratorium,” “control share acquisition,” “business combination,” “fair price” or other form of anti-takeover law or regulation becomes or is deemed to be applicable to the Company, Parent, US HoldCo, Merger Sub, the Merger or any of the transactions contemplated hereby, then each of the Company, Parent, US HoldCo and Merger Sub shall grant such approvals and take such actions as are reasonably necessary so that the Merger may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of such anti-takeover Applicable Law to the foregoing.

6.7 Stock Exchange Delisting; Director Resignations

6.7.1 Prior to the Closing Date, the Company shall reasonably cooperate with Parent and US HoldCo and use reasonable best efforts to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under Applicable Law and rules and policies of NYSE to enable the delisting by the Surviving Corporation of the Shares from NYSE and the deregistration of the Shares under the Exchange Act as promptly as practicable after the Effective Time.

6.7.2 At the Closing, the Company shall use its reasonable best efforts to deliver to Parent evidence reasonably satisfactory to Parent of the resignation of the directors of the Company, effective at the Effective Time.

6.8 Director and Officer Liability

6.8.1 For six years commencing immediately after the Effective Time, the Surviving Corporation shall maintain officers' and directors' liability insurance in respect of acts or omissions occurring prior to the Effective Time covering each such Person currently covered by the Company's officers' and directors' liability insurance policy on terms with respect to coverage and amount no less favorable than those of such policy in effect on the date of this Agreement and from an insurance carrier with the same or better credit rating as the Company's current officers' and directors' liability insurance carrier; provided, however, that in satisfying its obligation under this Section 6.8.1, the Surviving Corporation shall not be obligated to pay aggregate annual premiums in excess of 300% of the amount the Company paid in its last full fiscal year prior to the date of this Agreement (the “Current Premium”) and, if such aggregate annual premiums for such insurance would exceed 300% of the Current Premium, then the Surviving Corporation shall cause to be maintained policies of insurance that, in the Surviving Corporation's good faith judgment, provide the maximum coverage available for an aggregate premium equal to 300% of the Current Premium. The provisions of the immediately preceding
sentence shall be deemed to have been satisfied if prepaid “tail” or “runoff” policies have been obtained by the Company from an insurance carrier with the same or better credit rating as the Company's current officers' and directors' liability insurance carrier prior to the Effective Time or by the Surviving Corporation at or after the Effective Time, which policies provide each such Person currently covered by the Company's officers' and directors' liability insurance policy with coverage and amount no less favorable than those of such policy in effect on the date of this Agreement for an aggregate period of six years with respect to claims arising from facts or events that occurred on or before the Effective Time, including, in respect of the transactions contemplated hereby, provided, however, that the amount paid for such prepaid policies shall not exceed 300% of the Current Premium without the prior written consent of Parent. If such prepaid policies have been obtained prior to the Effective Time, the Surviving Corporation shall maintain such policies in full force and effect for their full term and continue to honor the obligations thereunder. If requested by Parent, the Company shall cooperate with Parent to obtain such tail or runoff policies as of the Effective Time.

6.8.2 From and after the Effective Time, the Surviving Corporation shall fulfill and honor in all respects the obligations of the Company and its Subsidiaries pursuant to (i) each indemnification agreement in effect as of the date of this Agreement between the Company or any of its Subsidiaries and any individual who at the Effective Time is, or at any time prior to the Effective Time was, a director or officer of the Company or of any of the Company's Subsidiaries (each, an “Indemnified Party”) and (ii) any indemnification provision and any exculpation provision set forth in the certificate of incorporation, as amended, or bylaws of the Company or any of its Subsidiaries as in effect on the date of this Agreement.

6.8.3 The provisions of this Section 6.8 are (i) intended to be for the benefit of, and shall be enforceable by, each Indemnified Party, his or her heirs and his or her representatives and (ii) in addition to, and not in substitution for, any other rights to indemnification or contribution that any such individual may have under the articles of organization or bylaws, by Contract or otherwise.

6.9 Efforts

6.9.1 Subject to the terms and conditions of this Agreement, each of the Parties shall cooperate with each other and each use (and shall cause their respective Subsidiaries to use) their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other Party in doing, all things reasonably necessary under Applicable Law to consummate the Merger as promptly as practicable, including (i) the obtaining of all necessary actions, waivers, consents and approvals from Governmental Entities, the expiry or early termination of any applicable waiting periods, and the making of all necessary registrations and filings (including filings with Governmental Entities, if any) and the taking of such reasonable steps as may be reasonably necessary to obtain an approval or waiver from, or to avoid a Proceeding by, any Governmental Entities, (ii) the delivery of required notices to, and the obtaining of required consents or waivers from, Third Parties, and (iii) the execution and delivery of any additional instruments reasonably necessary to consummate the Merger and to fully carry out the purposes of this Agreement; provided, however, that the Company shall not
be permitted to pay, and Parent shall not be obligated to pay or permit or agree to the Company paying, any material cash consideration to any Third Party from whom consent or approval is required (other than filing fees payable to Governmental Entities).

6.9.2 In furtherance and not in limitation of the undertakings pursuant to this Section 6.9, each of Parent and the Company shall (i) promptly and in any event within 30 Business Days of the date hereof prepare and file any notification and report forms and related material required under the HSR Act and any additional filings or notifications and related material that are necessary, proper or advisable to obtain SARB Approval, (ii) (A) submit, as promptly as practicable and in any event within 30 Business Days of the date hereof, to CFIUS a draft joint voluntary notice under Exon-Florio with respect to the Merger, (B) as promptly as practicable thereafter, file with CFIUS a final joint voluntary notice, and (C) supply any additional information and documentary information or material that may be requested in connection with the CFIUS review process within the amount of time allowed by CFIUS, and (iii) cooperate with the other Parties in connection with any such filings or notifications, and in connection with resolving any investigation or other inquiry of any Governmental Entity in relation to such filings or notifications, including the U.S. Department of Justice or the U.S. Federal Trade Commission under the HSR Act.

6.9.3 Subject to Applicable Law relating to the exchange of information, the Company and Parent and their respective counsel shall (i) cooperate with each other in determining whether any action by or in respect of, or filing with, any Governmental Entity is required, in connection with the consummation of the Merger and seeking any such actions, consents, approvals or waivers or making any such filings, (ii) furnish to each other all information required for any application or other filing under the rules and regulations of any Applicable Law in connection with the transactions contemplated by this Agreement (including in connection with CFIUS Clearance), (iii) provide each other with a reasonable advance opportunity to review and comment upon and consider in good faith the views of the other in connection with all written communications (including any analyses, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any Party relating to proceedings under the HSR Act or in connection with CFIUS Clearance) with a Governmental Entity in connection with the transactions contemplated hereby, (iv) promptly inform each other of any material communication (or other material correspondence or memoranda) received from, or given to, any Governmental Entity in connection with the transactions contemplated hereby, and (v) promptly furnish each other with copies of all material correspondence, filings and written communications between them or their Subsidiaries or Affiliates, on the one hand, and any Governmental Entity or its respective staff, on the other hand, with respect to the transactions contemplated hereby. The Company and Parent shall, to the extent practicable, provide the other Party and its counsel with advance notice of and the opportunity to participate in any material discussion or meeting with any Governmental Entity in respect of any filing, investigation or other inquiry in connection with the transactions contemplated hereby (including in connection with CFIUS Clearance).

6.9.4 Notwithstanding anything else contained herein, Parent and its Subsidiaries shall take, and cause to be taken, all steps necessary to avoid or eliminate any impediment under
Applicable Law that may be asserted by a Governmental Entity with respect to, and to satisfy all conditions to the consummation of, the Merger; provided, however, that neither Parent nor any of its Subsidiaries shall be required to, and the Company shall not, without the prior written consent of Parent, (x) in connection with efforts to obtain the expiry or early termination of any applicable waiting period (or any extensions thereof) under the HSR Act or to obtain SARB Approval, offer, propose, agree or commit (i) to sell, divest, hold separate, license, cause a Third Party to acquire or otherwise dispose of (A) any of the respective Affiliates of the Company or Parent or (B) any of the respective operations, divisions, businesses, products, customers, assets, properties or rights of Parent, the Company or any of their respective Affiliates (a “Divestiture”), (ii) to take any other actions that may limit Parent’s, its Affiliates’, the Company’s or its Affiliates’ conduct in any way or any of the foregoing’s freedom of action with respect to, or ability to retain, one or more of its operations, divisions, businesses, products, customers, assets, properties or rights, including, in the case of Parent, the right to own or operate any portion of the businesses of the Company or any of its Subsidiaries or Affiliates (a “Restraint”), or (iii) to enter into any Order, consent decree or other agreement to effectuate a Divestiture or Restraint or (y) in connection with efforts to obtain CFIUS Clearance, agree or consent to any condition, agreement, order or burden in order to obtain CFIUS Clearance that would (i) prevent Parent from appointing, removing and controlling, at its sole discretion, all of the directors of the Surviving Corporation, (ii) restrict Parent from receiving information concerning the operations, finances, sales and customers of the Surviving Corporation necessary to allow Parent to direct, operate and control the Surviving Corporation as its Subsidiary, or (iii) cause Parent’s control or ownership of the Surviving Corporation and its Subsidiaries to be passive or to otherwise restrict in any material respect the ability of Parent to control and operate the Surviving Corporation and its Subsidiaries or their respective businesses; provided, however, that the limitations on efforts in this Section 6.9.4(y)(i-iii) shall not affect Parent’s efforts obligations to the extent any restrictions proposed by CFIUS solely relate to the transmission of information to, or management of the Surviving Corporation by, any shareholder of Parent’s ordinary shares or representatives (including board representatives) of any such shareholder. Nothing in this Section 6.9.4 shall require Parent or its Subsidiaries to contest or resist any Proceeding commenced by a Governmental Entity or to have vacated, lifted, reversed or overturned any Order entered in any such Proceeding, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the Merger.

6.9.5 Subject to the proviso to Section 6.9.1, the Company shall use its reasonable best efforts to take, or cause to be taken, all reasonable actions and to do, or cause to be done, all things reasonably necessary, proper or advisable to obtain the consents reasonably requested by Parent; provided that the Company shall not take any action to solicit or obtain such consents unless and until the Company or the Company’s counsel is directed to do so by Parent or Parent’s counsel and then only upon the basis so requested, no such action will be required that is not conditioned on the Closing and nothing in this Section 6.9.5 will affect the Parties’ relative rights and obligations under Article 7.
6.10 Financing

6.10.1 Parent shall, and shall cause any relevant Subsidiaries and Representatives to, use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and to obtain, or cause to be obtained, the proceeds of the Debt Financing on the terms and conditions described in the Facilities Agreement, including using reasonable best efforts to:

(i) satisfy (or, if deemed advisable by Parent, obtain the waiver of) on a timely basis all conditions in the Facilities Agreement that are within Parent’s control;

(ii) comply with its, and each other Obligor’s, obligations under the Facilities Agreement and the other Finance Documents in order to consummate the Debt Financing no later than the Closing Date (other than any condition where the failure to be so satisfied is a direct result of the Company’s failure to furnish information to Parent or otherwise to comply with its obligations under this Agreement); and

(iii) maintain in effect and enforce its, and each other Obligor’s, rights under the Facilities Agreement and the other Finance Documents.

6.10.2 In the event that all conditions contained in the Facilities Agreement have been satisfied (or upon funding will be satisfied) and Parent is obligated to effect the Closing in accordance with Section 2.2, Parent shall use its reasonable best efforts to cause the Financing Sources to fund the Debt Financing in accordance with the terms of the Facilities Agreement on (or prior to) the Closing Date (which may include the taking of enforcement action to cause the Financing Sources to fund such amounts under the Debt Financing in accordance with their respective obligations).

6.10.3 Parent shall keep the Company informed on a reasonably current basis in reasonable detail of all material developments concerning the status of the Debt Financing.

6.10.4 Parent shall not (and shall ensure that no other Obligor will) agree to any amendment, replacement, supplement or other modification of, or waive any provision or remedy under, the Finance Documents without the Company’s prior written consent that:

(i) reduces the aggregate amount of cash proceeds available from the Debt Financing such that the aggregate funds that would be available to Parent on the Closing Date (taking into account any additional sources of funds, including any Alternative Financing) would not be sufficient to provide the funds required to be funded on the Closing Date to consummate the Merger;

(ii) imposes new or additional conditions precedent to the funding on the Closing Date that would prevent, delay, impair or make less likely the availability of the Debt Financing; or

(iii) could otherwise reasonably be expected to prevent, impede or materially delay the consummation of the Merger or the availability of the Debt Financing under the Facilities Agreement.
6.10.5 Parent shall give Company prompt written notice of any material breach or material default by any party to the Facilities Agreement or the other Finance Documents (in each case, of which Parent becomes aware) and shall keep Company reasonably apprised of all other material developments relating to the Debt Financing, including any circumstance that would reasonably be expected to have, individually or in the aggregate, an adverse impact on the Debt Financing.

6.10.6 Notwithstanding Sections 6.10.1 to 6.10.4, Parent shall have the right to substitute the proceeds of equity, equity linked or convertible, exchangeable or debt issuances or other incurrences of debt for all or any portion of the amount contemplated to be provided by the Facilities Agreement and reducing commitments under the Facilities Agreement; provided, that (w) to the extent such offering or other incurrence is not a substitution for the entire amount of the Debt Financing, the aggregate amount of the Debt Financing committed under the Facilities Agreement following such reduction, together with other cash and cash equivalents available to Parent, is sufficient to provide the funds required to be funded on the Closing Date to consummate the Merger and pay all amounts payable under this Agreement, (x) Parent promptly notifies the Company of such substitution and reduction and (y) true and complete copies of each material amendment or modification to the Finance Documents relating thereto are promptly provided to the Company. Further, Parent shall have the right to substitute commitments in respect of other financing for all or any portion of the Debt Financing from the same and/or alternative bona fide third-party financing sources so long as (i) such financing shall not reduce the aggregate amount of cash proceeds available from the Debt Financing such that the aggregate funds that would be available to Parent on the Closing Date would not be sufficient to provide the funds required to be funded on the Closing Date to consummate the Merger and pay all amounts payable under this Agreement, (ii) all conditions precedent to effectiveness of definitive documentation for such financing have been satisfied or such conditions precedent to the funding of such financing are, in the aggregate, in respect of certainty of funding, substantially equivalent to (or more favorable to Parent than) the conditions set forth in the Facilities Agreement, and (iii) such financing would not impair, prevent or materially delay the transactions contemplated by this Agreement (any such financing under this Section 6.10.6 which satisfies the requirements of this Section 6.10.6, the “Alternative Financing”). True and complete copies of each alternative financing commitment in respect of such Alternative Financing, together with all related fee letters and associated engagement letters (solely in the case of such fee letters, flex terms and engagement letters, redacted for provisions related to fees and other economic terms on a basis consistent with the redacted Fee Letter), shall be promptly provided to the Company. In the event any Alternative Financing is obtained, (i) any reference herein to the term “Facilities Agreement” shall be deemed to include any commitment letter or facility (or similar arrangement) with respect to any Alternative Financing, (ii) any reference herein to the term “Debt Financing” shall be deemed to include such Alternative Financing, (iii) any reference herein to the term “Fee Letter” shall be deemed to include any fee letter (or similar agreement) with respect to any Alternative Financing, and (iv) any reference herein to the term
“Financing Sources” shall be deemed to include any financing sources or other lenders providing the Alternative Financing.

6.10.7 Notwithstanding anything to the contrary contained herein, Parent’s, US HoldCo’s and Merger Sub’s obligations hereunder are not subject to Parent, any Obligor or any of its Affiliates obtaining funds under the Debt Financing or from any other source to consummate the Merger and the transactions contemplated by this Agreement.

6.11 Financing Cooperation

6.11.1 Prior to the Effective Time and subject to Section 6.11.2, the Company shall use its reasonable best efforts to and shall cause its Subsidiaries and shall use reasonable best efforts to cause their respective Representatives to, provide all cooperation that is necessary, proper or advisable in connection with Parent’s and Merger Sub’s Financing to the extent customarily provided by companies in the Company’s position for financings of the type contemplated by the Financing, as may be reasonably requested by Parent, US HoldCo or Merger Sub, including using reasonable best efforts to:

(i) make senior management and advisors (including financial advisors, counsel and auditors) of the Company and its Subsidiaries available to participate in a reasonable number of meetings, presentations, road shows and due diligence sessions with proposed lenders or agents or investors with respect to the Financing, and in sessions with rating agencies or other syndication activities, all at reasonable times and locations to be mutually agreed (acting reasonably) and upon reasonable notice;

(ii) provide reasonable access by Parent and any proposed lenders or agents, and their respective officers, employees, consultants and advisors (including legal, valuation and accounting advisors), to the books and records, properties, Company Employees and Representatives and assist with due diligence activities relating to the Company’s and its Subsidiaries’ financial information, all at reasonable times and locations to be mutually agreed (acting reasonably) and upon reasonable notice;

(iii) assist with the preparation of information memoranda, preliminary and final offering memoranda or prospectuses, registration statements, financial information and other materials to be used in connection with the Financing, including promptly furnishing any additional customary information as Parent reasonably requests in order to prepare such materials;

(iv) assist with the preparation of and, subject to the occurrence of the Effective Time, execute and deliver any documentation as may be reasonably requested by Parent, US HoldCo or Merger Sub in connection with the Financing (including the assumption of any existing Indebtedness of the Company or its Subsidiaries) and otherwise facilitate and, as necessary, obtain surveys and title insurance as reasonably requested by Parent, US HoldCo or Merger Sub;

(v) provide customary representation and authorization letters to the Financing Sources authorizing the distribution of Company information in documents
provided to prospective lenders for the purposes of the Financing, including the syndication of the Facilities Agreement, which shall contain customary representations to the Financing Sources that the information provided by the Company (x) does not contain a material misstatement or omission such that the statements made, in light of the circumstances under which they were made, are misleading, and (y) with respect to information to be included in public side versions of such documents, if any, does not include material non-public information about the Company or its Subsidiaries;

(vi) request and cooperate in obtaining customary Lien terminations and/or releases and instruments of discharge (including payoff documentation), relating to (in each case) any Indebtedness of the Company and its Subsidiaries;

(vii) provide information necessary for Parent to prepare pro forma financial information and pro forma financial statements and other materials for rating agency presentations, bank information memoranda, business projections, private placement memoranda, presentations and similar documents used in connection with the Financing;

(viii) assist in procuring any necessary rating agency ratings or approvals and participate in a reasonable number of sessions with rating agencies, all at reasonable times and location to be mutually determined (acting reasonably) and upon reasonable notice;

(ix) request that its independent accountants and former independent accountants provide reasonable assistance and cooperation to Parent, US HoldCo or Merger Sub, including by requesting that they participate in due diligence sessions, assisting in the preparation of any pro forma financial statements to be included in the materials relating to the Financing and provide consent for the use of their audit reports relating to the Company in materials relating to the Financing, all as reasonably requested by Parent;

(x) furnish to Parent and its Financing Sources as promptly as practicable (A) all financial statements of the Company and its Subsidiaries that are necessary to satisfy any applicable condition set forth in the documents used in connection with the Financing, including the Facilities Agreement, (B) the financial information of the Company and its Subsidiaries necessary for Parent to prepare any pro forma financial statements for the historical periods required by the documents used in connection with the Financing, including the Facilities Agreement, as are customarily included (which shall also include providing cooperation that is reasonably requested by Parent in its preparation of such pro forma financial statements or any related pro forma adjustments or, without limitation of the cooperation required by Section 6.18.3, any conversion or reconciliation of Company Financial Statements), and (C) such other financial and other pertinent information regarding the Company and its Subsidiaries (including information regarding the business, operations and financial projections thereof) as may be reasonably requested by Parent, US HoldCo or Merger Sub and customarily provided for financings of the type contemplated by
the Facilities Agreement to assist in the preparation of a customary confidential information memorandum or other customary information documents used in financings (or the syndication of financings), including of the type contemplated by the Facilities Agreement;

(xi) furnish to Parent and its Financing Sources, at least five Business Days prior to the anticipated Effective Time, all documentation and other information about the Company and its Subsidiaries required by applicable “know your customer” and anti-money laundering rules and regulations (including the Patriot Act) to the extent requested at least ten calendar days prior to the anticipated Effective Time, as required to be delivered pursuant to the Facilities Agreement or that is otherwise necessary to satisfy the conditions thereof; and

(xii) subject to the occurrence of the Effective Time, taking all corporate actions necessary to permit consummation of the Financing as may be reasonably requested by Parent, US HoldCo or Merger Sub.

The Company hereby consents to the use of its and its Subsidiaries’ logos in connection with the Financing (including in respect of the syndication of the Facilities Agreement); provided that such logos are used solely in a manner that is not intended to or reasonably likely to harm or disparage the Company or any of its Subsidiaries or the reputation or goodwill of the Company or any of its Subsidiaries or any of their logos and on such other customary terms and conditions as the Company shall reasonably impose.

It is understood by the Parties that information provided by the Company pursuant to Section 6.11.1 may be disclosed to prospective lenders and investors in connection with the syndication and marketing of the Financing, in each case subject to confidentiality undertakings from such prospective lenders and investors customary for a syndication process and subject to customary acknowledgements from such lenders and investors as to the receipt of material non-public information in compliance with Applicable Law (to the extent material non-public information is disclosed), and that such disclosure shall not be restricted by the existing Confidentiality Agreement between the parties.

6.11.2 Notwithstanding anything in this Section 6.11 to the contrary, in fulfilling its obligations pursuant to this Section 6.11, (i) nothing in this Section 6.11 shall require cooperation to the extent that it would (A) unreasonably interfere with the ongoing business or operations of the Company or its Subsidiaries, (B) cause the Company or its Subsidiaries to incur Liability in connection with the Financing prior to the Effective Time (other than in connection with customary representation and authorization letters and other than such Liabilities that Parent commits to reimburse), (C) cause any director, officer or employee of the Company or its Subsidiaries to incur any personal liability, (D) in the reasonable judgment of the Company after consultation with its outside legal counsel, (x) result in the material contravention of, or a default under, any Applicable Laws or under any Company Material Contract or (y) require the Company to provide access to or disclose information that the Company determines would result in a loss or waiver of attorney-client privilege of the Company or its Subsidiaries (in each case it being agreed that the Company shall give notice to Parent of the fact that it is withholding such information or documents pursuant to this clause (D), and thereafter the Company and
Parent shall reasonably cooperate to endeavor to cause such information to be provided in a manner that would not reasonably be expected to violate the applicable restriction or waive the applicable privilege or protection, or (E) require the Company to prepare separate financial statements for any Subsidiary of the Company, (ii) none of the board of directors (or equivalent bodies) of the Company and its Subsidiaries shall be required to pass any resolution or take any similar actions approving the Financing that are effective prior to the Effective Time, and (iii) none of the Company, its Subsidiaries or its Representatives shall be required to pay any arrangement or underwriting or other fee or provide any security or incur any other Liability in connection with any Financing prior to the Effective Time. Parent shall reimburse the Company for all reasonable and documented out-of-pocket costs incurred by the Company or any of its Subsidiaries in connection with fulfilling its obligations pursuant to this Section 6.11 (including reasonable attorneys' fees, but excluding, for the avoidance of doubt, the costs of the preparation of any annual or quarterly financial statements). Parent shall indemnify and hold harmless the Company and its Subsidiaries (and their respective Representatives) from and against any and all losses, damages, claims, costs or expenses actually suffered or incurred by them in connection with the Financing and any other financing or refinancing transactions undertaken by Parent or its Subsidiaries in connection with the Merger (other than to the extent resulting from information provided to Parent in writing by the Company or its Subsidiaries), except in the event such loss or damage arises out of or results from the gross negligence, willful misconduct or bad faith by the Company or its Subsidiaries in fulfilling their obligations pursuant to this Section 6.11 or Section 6.12, or a material breach of this Agreement by the Company.

6.12 Treatment of Convertible Notes and Senior Notes

6.12.1 Prior to the Effective Time, the Company shall use its reasonable best efforts to take any necessary actions in accordance with the terms of that certain Supplemental Indenture, dated as of October 17, 2012, between the Company and the Law Debenture Trust Company of New York as trustee (as amended or supplemented, the “Convertible Notes Indenture”), including the giving of any notices that may be required in connection with any repurchases or conversions of the Convertible Notes occurring as a result of the transactions contemplated by this Agreement constituting a “Fundamental Change” and/or a “Make-Whole Adjustment Event” as such terms are defined in the Convertible Notes Indenture, and delivery of any supplemental indentures, legal opinions, officers’ certificates or other documents or instruments required in connection with the consummation of the Merger. The Company and Parent shall use their reasonable best efforts to ensure that, at the Effective Time, each outstanding Convertible Note shall be convertible into “Reference Property,” as such term is defined in the Convertible Notes Indenture.

6.12.2 Upon request by Parent, the Company shall, and shall cause each of its Subsidiaries and its and their respective Representatives to, use its reasonable best efforts in connection with Parent’s efforts to redeem all of the outstanding aggregate principal amount of the Senior Notes on the terms and conditions of the Senior Notes Indenture and as reasonably specified by Parent (the “Senior Notes Redemption”). Notwithstanding the foregoing, the closing of the Senior Notes Redemption shall be
conditioned on the completion of the Merger, shall provide that the Senior Notes shall be accepted for payment by the Surviving Corporation at the time specified in the applicable notice of redemption, and otherwise shall be in compliance with Applicable Laws and SEC rules and regulations. Parent shall deposit, or shall cause to be deposited, with the trustee under the Senior Notes Indenture sufficient funds to effect such Senior Notes Redemption.

(i) The Company shall reasonably cooperate with Parent in Parent’s efforts to prepare all necessary and appropriate documentation in connection with the Senior Notes Redemption (the “Redemption Documents”). The Redemption Documents (including all amendments or supplements) and all mailings to the holders of the Senior Notes in connection with the Senior Notes Redemption shall be subject to the prior review of, and comment by, the Company.

(ii) Parent shall promptly, upon request by the Company, reimburse the Company for all reasonable and documented out-of-pocket costs (including reasonable attorneys’ fees and costs) incurred by the Company, any of its Subsidiaries or its or their Representatives in connection with the actions of the Company and its Subsidiaries and its or their Representatives contemplated by this Section 6.12.2.

6.13 Company Stockholder Litigation

The Company shall as promptly as reasonably practicable (and in any event within one Business Day in NY) following it being notified of the same notify Parent in writing of, and shall give Parent the opportunity to participate in the defense and settlement of, any Company Stockholder Litigation. Notwithstanding anything to the contrary, the Company shall not propose to any opposing party in any Company Stockholder Litigation any settlement thereof without either (a) consulting with Parent in advance of such communication, taking into account in good faith Parent’s views as to acceptable settlement terms and promptly informing Parent of the contents of such communication or (b) allowing Parent’s counsel to participate in such communication. No full or partial settlement of, nor any other material action with respect to, any Company Stockholder Litigation shall be agreed to by the Company or any of its Subsidiaries without the prior written consent of Parent (such consent not to be unreasonably withheld, conditioned or delayed).

6.14 Public Announcements

The initial press release relating to this Agreement will be in substantially the form previously agreed by Parent and the Company. Parent and the Company shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any other press release or making any other public statement with respect to this Agreement or the transactions contemplated hereby and shall not issue any such press release or make any such other public statement without the consent of the other Party, which shall not be unreasonably withheld, conditioned or delayed, except (i) as such release or announcement that Parent or the Company determines, after consultation with outside legal counsel, is required by Applicable Law or any listing agreement with or rule of any securities exchange upon which the securities of the Company or Parent, as applicable, are listed, in which case the Party required to make
the release or announcement shall consult with the other Party about, and allow the other Party reasonable time (taking into account the circumstances) to comment on, such release or announcement in advance of such issuance, and the Party required to make the release or announcement will consider such comments in good faith or (ii) in connection with a Company Adverse Recommendation Change (provided the Company shall have complied with Section 6.2). Notwithstanding the foregoing, Parent and the Company may make public statements with respect to this Agreement and the transactions contemplated hereby, including (in the case of Parent only) their effect on Parent’s business and its financial projections, with investors, analysts and (in the case of Parent only) Financing Sources, including on their respective periodic earnings calls and in any “road show”, so long as Parent’s and the Company’s, as applicable, comments are not inconsistent with the press releases previously issued and agreed upon by the Parties.

6.15 Rule 16b-3 Matters

Prior to the Effective Time, the Company shall take all actions to cause any dispositions of equity securities of the Company (including any derivative securities with respect to any equity securities of the Company) pursuant to the transactions contemplated hereby by each individual who is a director or officer of the Company, and who would otherwise be subject to Rule 16b-3 under the Exchange Act, to be exempt under Exchange Act Rule 16b-3.

6.16 Employment Matters

6.16.1 The Surviving Corporation shall honor all obligations under employment Contracts to which it or any of its Subsidiaries and any of their employees is a party. For the one-year period following the Effective Time (or such shorter period as the applicable Continuing Company Employee continues to be employed by Parent or the Surviving Corporation after the Effective Time) and subject to Applicable Law, the Surviving Corporation shall provide to each non-union Continuing Company Employee (i) at least the same level of hourly salary or base wages and annual target bonus opportunity as provided to such Continuing Company Employee immediately prior to the Effective Time and (ii) employee benefits (excluding equity-based compensation) that, in the aggregate, are at least as favorable (as determined by the cost to the Company) as the employee benefits (excluding equity-based compensation) provided to Continuing Company Employees in the aggregate under the Company Benefit Plans as in effect immediately prior to the Effective Time. Notwithstanding the generality of the foregoing, (i) with respect to the Continuing Company Employees’ eligibility to participate in a long-term incentive plan maintained by Parent, the Surviving Corporation shall endeavor to use substantially similar criteria and processes in evaluating such eligibility of Continuing Company Employees as Parent does in evaluating the eligibility of employees of Parent and (ii) for the one-year period following the Effective Time, the Surviving Corporation shall provide, to the Continuing Company Employees, severance benefits not less favorable than the severance benefits provided by the Company pursuant to the Company Benefit Plans and Made Available to Parent.

6.16.2 Following the Closing Date, the Surviving Corporation shall cause any employee benefit plans sponsored or maintained by the Surviving Corporation or its Subsidiaries in which the Continuing Company Employees are eligible to participate following the Closing Date
(collectively, the “Post-Closing Plans”) to recognize the service of each Continuing Company Employee with the Company prior to the Closing Date for purposes of eligibility, vesting and, solely for purposes of any vacation and severance benefits, levels of benefits under such Post-Closing Plans, in each case, to the same extent such service was recognized immediately prior to the Effective Time under a comparable Company Benefit Plan in which such Continuing Company Employee was eligible to participate immediately prior to the Effective Time; provided that such recognition of service shall not (i) apply for purposes of any plan that provides retiree welfare benefits, (ii) apply for purposes of benefit accruals or participation eligibility under any defined benefit pension plan or plan providing post-retirement pension plan benefits, (iii) operate to duplicate any benefits of a Continuing Company Employee with respect to the same period of service, or (iv) apply for purposes of any plan, program or arrangement (x) under which similarly situated employees of Parent and its Subsidiaries do not receive credit for prior service or (y) that is grandfathered or frozen, either with respect to level of benefits or participation. With respect to any Post-Closing Plan that provides medical, dental or vision insurance benefits, for the plan year in which such Continuing Company Employee is first eligible to participate, the Surviving Corporation shall use reasonable best efforts to (A) cause any pre-existing condition limitations or eligibility waiting periods under such plan to be waived with respect to such Continuing Company Employee to the extent such limitation would have been waived or satisfied under the Company Benefit Plan in which such Continuing Company Employee participated immediately prior to the Effective Time and (B) credit each Continuing Company Employee for an amount equal to any medical, dental or vision expenses incurred by such Continuing Company Employee in the year that includes the Closing Date (or, if later, the year in which such Continuing Company Employee is first eligible to participate in such Post-Closing Plan) for purposes of any applicable deductible and annual out-of-pocket expense requirements under any such Post-Closing Plan to the extent such expenses would have been credited under the Company Benefit Plan in which such Company Employee participated immediately prior to the Effective Time, subject to the applicable information being provided to Parent in a form that Parent reasonably determines is administratively feasible to take into account under the Surviving Corporation’s plans. Such credited expenses shall also count toward any annual or lifetime limits, treatment or visit limits or similar limitations that apply under the terms of the applicable plan.

6.16.3 The Company shall provide Parent with a copy of any material written communications intended for broad-based and general distribution to any current or former employees of the Company or any of its Subsidiaries if such communications relate to the compensation, employment or labor aspects of the transactions contemplated hereby, and shall provide Parent with a reasonable opportunity to review and comment on such communications prior to distribution.

6.16.4 Nothing in this Agreement shall confer upon any Company Employee or other service provider any right to continue in the employ or service of Parent, US HoldCo, the Surviving Corporation or any Affiliate of Parent, or shall interfere with or restrict in any way the rights of Parent, the Surviving Corporation or any of their Affiliates, which rights are hereby expressly reserved, to discharge or terminate the services of any Company Employee at any time for any reason whatsoever, with or without cause, subject in all
events to Applicable Law. In no event shall the terms of this Agreement be deemed to (i) establish, amend or modify any Company Benefit Plan or any “employee benefit plan” as defined in Section 3(3) of ERISA, or any other benefit plan, program or Contract maintained or sponsored by Parent, the Surviving Corporation, the Company or any of their respective Subsidiaries (including, after the Closing Date, the Company and its Subsidiaries) or Affiliates or (ii) alter or limit the ability of Parent, the Surviving Corporation or any of their Subsidiaries (including, after the Closing Date, the Company and its Subsidiaries) or Affiliates to amend, modify or terminate any Company Benefit Plan or any other compensation or benefit or employment plan, program or Contract after the Closing Date. Notwithstanding any provision in this Agreement to the contrary, nothing in this Section 6.16 shall create any Third Party beneficiary rights in any Company Employee or current or former service provider of the Company or its Affiliates (or any beneficiaries or dependents thereof).

6.17 Proxy Statement; Company Stockholder Approval

6.17.1 As soon as reasonably practicable following the date of this Agreement, and in any event no later than 30 Business Days thereafter, the Company shall file with the SEC a preliminary Proxy Statement. Parent shall, and shall direct its independent accountants, counsel and other Representatives to, cooperate with the Company in the preparation of the Proxy Statement, and use its reasonable best efforts to furnish all information, data and documentation concerning Parent, US HoldCo and Merger Sub that is necessary or appropriate in connection with the preparation of the Proxy Statement. The Company shall use its reasonable best efforts to respond promptly to any comments from the SEC or the staff of the SEC on the Proxy Statement. The Company shall use its reasonable best efforts to cause the preliminary Proxy Statement to be cleared by the staff of the SEC as soon as reasonably practicable after the date hereof and the Proxy Statement to be filed in definitive form and be mailed to its stockholders promptly after the date the SEC staff advises that it has no further comments thereon or that the Company may commence mailing the Proxy Statement such that the Company Meeting is able to be validly held in accordance with Applicable Law, the Company’s certificate of incorporation and the Company’s bylaws as soon as reasonably practicable. No filing of, or amendment or supplement to, or response to staff comments on, the Proxy Statement shall be made by the Company without providing Parent and its counsel a reasonable opportunity to review and comment thereon and giving reasonable consideration in good faith to such comments. If at any time prior to the Company Meeting (or any adjournment or postponement thereof) any information relating to the Company or Parent, or any of their respective Affiliates, directors or officers, is discovered by the Company or Parent which is required to be set forth in an amendment or supplement to the Proxy Statement, so that the Proxy Statement would not include any misstatement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Party that discovers such information shall promptly notify the other Parties and the Company shall promptly file an appropriate amendment or supplement describing such information with the SEC and, to the extent required by Applicable Law, disseminate such amendment or supplement to the stockholders of the Company. The Company shall notify Parent promptly of the receipt of any comments.
from the SEC or the staff of the SEC and of any request by the SEC or the staff of the SEC for amendments or supplements to the Proxy Statement or for additional information and shall supply Parent with copies of all correspondence between the Company or any of its Representatives, on the one hand, and the SEC or the staff of the SEC, on the other hand, with respect to the Proxy Statement, or the transactions contemplated hereby.

6.17.2 The Company shall take all actions necessary to duly call, establish a record date for, give notice of, convene and hold a meeting of its stockholders, for the purpose of voting upon the adoption of this Agreement (the "Company Meeting"), so that the Company Meeting occurs as soon as reasonably practicable following the date the Proxy Statement is first mailed to its stockholders, in accordance with Applicable Law, the Company's certificate of incorporation and the Company's bylaws; provided, however, that the Company may, in its reasonable discretion, postpone or adjourn the Company Meeting after consultation with its outside legal counsel and Parent only (i) if, as of the time for which the Company Meeting is originally scheduled (as set forth in the Proxy Statement), there are insufficient Shares represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Company Meeting or to the extent that at such time the Company has not received proxies sufficient to allow the receipt of the Company Stockholder Approval at the Company Meeting (such postponement or adjournment to be for no more than five Business Days and shall be to no later than the date five Business Days prior to the End Date (such periods to be calculated by reference to Business Days in NY)) or (ii) to allow time for the filing and dissemination of any supplemental or amended disclosure document that the Company Board has determined in good faith (after consultation with the Company's outside legal counsel) is necessary or required to be filed and disseminated under Applicable Law, the Company's certificate of incorporation or the Company's bylaws (such postponement or adjournment to be for no more than a reasonable amount of time and shall be to no later than the date three Business Days in NY prior to the End Date). Once the Company has established a record date for the Company Meeting, the Company shall not change such record date or establish a different record date for the Company Meeting without the prior written consent of Parent, unless required to do so by the DGCL. If the record date for the Company Meeting is changed, the Company shall, as to that record date, comply with each of its obligations under this Section 6.17. In connection with the Company Meeting, the Company shall, (i) unless there has been a Company Adverse Recommendation Change in accordance with Section 6.2.4, use reasonable best efforts to obtain the Company Stockholder Approval, and (ii) otherwise comply with all legal requirements applicable to such meeting. The Company shall include in the Proxy Statement the Company Recommendation, unless there has been a Company Adverse Recommendation Change in accordance with Section 6.2.4. Without limiting the generality of the foregoing, the Company shall submit this Agreement for the adoption by its stockholders at the Company Meeting whether or not a Company Adverse Recommendation Change shall have occurred or an Acquisition Proposal shall have been publicly announced or otherwise made known to the Company, the Company Board or the Company's Representatives or its stockholders.
6.18 Parent Shareholder Circular; Parent Shareholder Approval

6.18.1 Prior to delivery of the Required Information by the Company pursuant to Section 6.18.3, Parent shall appoint the Third Party Auditor for the purpose of assisting in the preparation of the Parent Shareholder Circular at the instruction of Parent. As soon as reasonably practicable following receipt of all of the Required Information (or the applicable component of the Required Information, as determined by Parent) by Parent pursuant to Section 6.18.3, Parent shall instruct the Third Party Auditor to perform the conversion as required by the Listings Requirements of the financial statements delivered by the Company as part of the Required Information from GAAP to IFRS. Within 15 Business Days following the later of (i) the date of Parent’s receipt of such fully converted financial statements from the Third Party Auditor and (ii) the date of Parent’s receipt of the remaining components of the Required Information (if any), Parent shall prepare and submit for approval to the JSE the Parent Shareholder Circular. The Company shall, and shall direct its independent accountants, counsel and other Representatives to, cooperate with Parent in the preparation of the Parent Shareholder Circular, and use its reasonable best efforts, to furnish all information, data and documentation concerning the Company and its Subsidiaries that is necessary or appropriate in connection with the preparation of the Parent Shareholder Circular, including the Required Information. Parent shall use its reasonable best efforts to respond promptly to any comments from the JSE or the staff of the JSE on the Parent Shareholder Circular. Parent shall use its reasonable best efforts to cause the Parent Shareholder Circular to be approved by the JSE in order to be posted and disseminated to its shareholders, in each case, as and to the extent required by the Listings Requirements and any other Applicable Law, as soon as reasonably practicable. If at any time prior to the Parent Meeting (or any adjournment or postponement thereof) any information relating to the Company or Parent, or any of their respective Affiliates, directors or officers, is discovered by the Company or Parent which is required to be set forth in an amendment or supplement to the Parent Shareholder Circular, so that the Parent Shareholder Circular would not include any misstatement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Party that discovers such information shall promptly notify the other Parties and Parent shall promptly file an appropriate amendment or supplement describing such information with the JSE and, to the extent required by the Listings Requirements or Applicable Law, disseminate such amendment or supplement to the shareholders of Parent.

6.18.2 Parent shall take all actions necessary to duly call, establish a record date for, give notice of, convene and hold a general meeting of its shareholders, for the purpose of approving this Agreement and the transactions contemplated hereby, including the Merger (the “Parent Meeting”), so that the Parent Meeting occurs as soon as reasonably practicable following the date on which the JSE grants its approval of the Parent Shareholder Circular, in accordance with Applicable Law, the Listings Requirements and Parent’s memorandum of incorporation; provided, that Parent may, in its reasonable discretion, postpone or adjourn the Parent Meeting in accordance with Parent’s memorandum of incorporation after reasonable consultation with the Company only (i) if, as of the time for which the Parent Meeting is originally scheduled (as set forth in the applicable notice),
there are insufficient shares represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Parent Meeting in accordance with the Parent’s memorandum of incorporation or the extent that at such time Parent has not received proxies sufficient to allow the receipt of the Parent Shareholder Approval at the Parent Meeting (such postponement or adjournment to be for no more than five Business Days and shall be to no later than the date three Business Days prior to the End Date (such periods to be calculated by reference to Business Days in Johannesburg)) or (ii) to allow time for the filing and dissemination of any supplemental or amended disclosure document that the Parent Board has determined in good faith (after consultation with Parent’s outside legal counsel) is necessary or required to be filed and disseminated under Applicable Law, the Listings Requirements or Parent’s memorandum of incorporation (such postponement or adjournment to be for no more than a reasonable amount of time and shall be to no later than the date three Business Days in Johannesburg prior to the End Date). In connection with the Parent Meeting, the directors of Parent shall include the Parent Recommendation in the Parent Shareholder Circular.

6.18.3 The Company shall, and shall cause its respective Company Employees and Representatives, to use reasonable best efforts to provide to Parent all cooperation that is reasonably requested by Parent in connection with the preparation of the Parent Shareholder Circular, including (i) participating in a reasonable number of meetings, drafting sessions, due diligence sessions and sessions with Parent’s Representatives in connection with the preparation of the Parent Shareholder Circular, (ii) delivering to Parent the financial statements, data and documentation of the Company required to be included in, or used in the preparation of, the Parent Shareholder Circular (including the Required Information), and (iii) using reasonable best efforts to cause its current and former independent accountants to cooperate with Parent’s independent accountants in preparation of (or, at Parent’s request, to lead in the preparation of) the pro forma financial statements and reconciled or converted financial statements, and whatever comfort letters, are required to be included in, or used in preparation of, the Parent Shareholder Circular. Without limiting the generality of the foregoing, the Company shall provide to Parent the Required Information as promptly as practicable following the date of this Agreement and the announcement thereof.

6.19 Letter of Credit.

6.19.1 Parent shall cause the Letter of Credit to be issued within 10 Business Days after the date of this Agreement. Parent hereby agrees that neither Parent nor any of its Affiliates will interfere with or otherwise impede the Company’s ability to draw upon the Letter of Credit in accordance with the terms thereof in the event the Parent Termination Fee and the Company Expense Reimbursement become due and payable in accordance with Section 8.3.2 unless prior thereto such amounts shall have been paid by Parent to the Company.

6.19.2 Parent shall pay in full any and all commitment fees or other fees required to be paid pursuant to the terms of the Letter of Credit or any financing facility or reimbursement agreement under which the Letter of Credit is issued that are required to be paid by such
date and, thereafter, shall timely pay in full any such amounts due on or before the Closing Date.

6.19.3 In the event that, prior to the LC Expiration Date (as defined in Schedule 1.01(b)), any Party has commenced a Proceeding against another Party relating to whether the Parent Termination Fee and/or Company Expense Reimbursement has become due and payable in accordance with Section 8.3.2, Parent shall cause to be delivered, no later than 20 Business Days prior to the LC Expiration Date, an extension to the Letter of Credit (or a replacement irrevocable standby letter of credit satisfying the terms of Schedule 1.01(b)) in favor of the Company, in each case with an expiration date of no sooner than 20 Business Days following the final and non-appealable determination with respect to such Proceeding. Parent shall cause to be paid in full any and all commitment fees or other fees required to be paid with respect to such extended or replacement Letter of Credit. Failure to deliver such extended or replacement Letter of Credit in accordance with this Section 6.19.3 shall entitle the Company to immediately draw the full amount of the Letter of Credit (subject to return to Parent in the event that it is later determined that the Company is not the prevailing party with respect to such Proceeding).

7 Conditions To The Merger

7.1 Conditions to the Obligations of Each Party

The obligation of each Party to consummate the Merger is subject to the satisfaction or, to the extent not prohibited by Applicable Law, waiver of, as of the Closing, of the following conditions:

7.1.1 Company Stockholder Approval

The Company Stockholder Approval shall have been obtained in accordance with the DGCL;

7.1.2 Parent Shareholder Approval

The Parent Shareholder Approval shall have been obtained in accordance with Applicable Law and the Listings Requirements;

7.1.3 HSR Act Clearance

Any applicable waiting period (or any extensions thereof) under the HSR Act relating to the consummation of the Merger shall have expired or been terminated;

7.1.4 CFIUS Clearance

CFIUS Clearance shall have been obtained;

7.1.5 SARB Approval

SARB Approval shall have been obtained; and

7.1.6 No Injunction

No court of competent jurisdiction or any Governmental Entity having jurisdiction over any Party shall have issued any Order, nor shall there be in effect any Applicable Law or
other legal restraint, injunction or prohibition that makes consummation of the Merger illegal or otherwise prohibited.

7.2 Conditions to the Obligations of Parent, US HoldCo and Merger Sub

The obligation of Parent, US HoldCo and Merger Sub to consummate the Merger shall be further subject to the satisfaction, or to the extent not prohibited by Applicable Law, waiver by Parent of, as of the Closing, of each of the following conditions:

7.2.1 Representations and Warranties

Each of the representations and warranties of the Company (i) contained in Section 4.1.1 (Organization), Section 4.2 (Capital Stock and Indebtedness) (other than clause (vi) of Section 4.2.1), Section 4.3 (Corporate Authority Relative to this Agreement; No Violation), Section 4.10.2 (No Company Material Adverse Effect), Section 4.20 (Opinion of Financial Advisor) and Section 4.24 (Finders and Brokers) shall be true and correct in all but *de minimis* respects as of the date of this Agreement and as of the Closing Date as though made on and as of such date (except to the extent such representations and warranties are expressly made as of a specific date, in which case such representations and warranties shall be so true and correct as of such specific date only) and (ii) contained in Article 4 (other than the representations and warranties listed in clause (i) above), without giving effect to any materiality or Company Material Adverse Effect qualifications therein, shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of such date (except to the extent such representations and warranties are expressly made as of a specific date, in which case such representations and warranties shall be so true and correct as of such specific date only), except for such failures to be true and correct as have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;

7.2.2 Covenants

The Company shall have performed and complied in all material respects with all covenants required by this Agreement to be performed or complied with by it at or prior to the Closing;

7.2.3 No Material Adverse Effect

Since the date of this Agreement, there have not been any Effects that have had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect; and

7.2.4 Certificate

Parent shall have received a certificate signed on behalf of the Company by an executive officer of the Company as to the satisfaction of the conditions in Section 7.2.1, Section 7.2.2 and Section 7.2.3.
7.3 Conditions to the Obligations of the Company

The obligation of the Company to consummate the Merger shall be further subject to the satisfaction, or to the extent not prohibited by Applicable Law, waiver by Company of, as of the Closing each of the following conditions:

7.3.1 Representations and Warranties

Each of the representations and warranties of Parent, US HoldCo and Merger Sub contained in this Agreement shall be true and correct, except for any failure of such representations and warranties to be true and correct that would not, individually or in the aggregate, have a material adverse effect on the ability of Parent or Merger Sub to consummate the Merger and pay the Merger Consideration, in each case, as of the date of the Closing as though made on and as of such date (except to the extent such representations and warranties are expressly made as of a specific date, in which case such representations and warranties shall be so true and correct as of such specific date only);

7.3.2 Covenants

Parent, US HoldCo and Merger Sub shall have performed and complied in all material respects with all covenants required by this Agreement to be performed or complied with by it at or prior to Closing; and

7.3.3 Certificate

The Company shall have received a certificate signed on behalf of Parent by an executive officer of Parent as to the satisfaction of the conditions in Section 7.3.1 and Section 7.3.2.

7.4 Frustration of Closing Conditions

No Party may rely, either as a basis for not consummating the Merger or as a basis for terminating this Agreement and abandoning the Merger, on the failure of any conditions set forth in Section 7.1, Section 7.2 or Section 7.3, as the case may be, to be satisfied, if such failure was caused by such Party's breach in any material respect of any provision of this Agreement or failure in any material respect to use the standard of efforts required from such Party to consummate the Merger and the other transactions contemplated hereby.

8 Termination

8.1 Termination

This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (with any termination by Parent also being an effective termination by US HoldCo and Merger Sub):

8.1.1 by mutual written agreement of the Company and Parent, by action of their respective boards of directors;
8.1.2 by either the Company or Parent, if:

(i) the Closing shall not have occurred at or before 5:00 P.M. (NY time) on June 30, 2017 (as it may be extended pursuant to this Section 8.1.2(i), the "End Date"); provided, that, if all of the conditions to Closing set forth in Article 7 have been satisfied or, to the extent permitted hereunder, waived (other than those conditions that by their nature are to be satisfied by actions to be taken at the Closing and the conditions set forth in Section 7.1.3, Section 7.1.4 and Section 7.1.5, or Section 7.1.2 in circumstances where the Required Information to be provided by the Company was not provided to Parent by the Company before 12:00 P.M. (NY time) on March 15, 2017 (the "Required Information Deadline")), the End Date may be extended by (A) either the Company or Parent from time to time by written notice to the other Party to a time and date no later than 5:00 P.M. (NY time) on August 30, 2017 in the event that the conditions set forth in Section 7.1.3, Section 7.1.4 or Section 7.1.5 have not been so satisfied or (B) Parent from time to time by written notice to the Company to a time and date no later than 5:00 P.M. (NY time) on the date that is a number of days after the original End Date equal to the number of days after the Required Information Deadline that the Required Information to be provided by the Company was actually delivered to Parent; provided, further, however, that the right to extend the End Date or terminate this Agreement under this Section 8.1.2(i) shall not be available to any Party whose material breach of any provision of this Agreement has been the cause of the failure of the Closing to have occurred at or prior to the End Date;

(ii) the Company Stockholder Approval shall not have been obtained at the Company Meeting or at any adjournment or postponement thereof, in each case, at which a vote on such adoption was taken;

(iii) the Parent Shareholder Approval shall not have been obtained at the Parent Meeting or at any adjournment or postponement thereof, in each case, at which a vote on such approval was taken;

(iv) any court of competent jurisdiction or any Governmental Entity shall have issued a final, non-appealable Order or taken any other action, in each case, permanently restraining, enjoining or otherwise prohibiting the Merger; or

8.1.3 by Parent:

(i) if, prior to the receipt of the Company Stockholder Approval, (A) the Company Board (or any committee thereof) shall have effected a Company Adverse Recommendation Change (it being agreed that any written notice to Parent of the Company's intention to make a Company Adverse Recommendation Change prior to effecting such Company Adverse Recommendation Change in accordance with Section 6.2 shall not result in Parent having a termination right pursuant to this Section 8.1.3(i)), (B) the Company shall have Deliberately violated or breached in any material respect Section 6.2, or (C) the Company shall have Deliberately violated or breached Section 6.16 in a manner that has a material adverse impact on the timing of, or the ability to obtain, the Company Stockholder Approval; or
(ii) if the Company shall have breached or failed to perform any of its covenants contained in this Agreement or any representation or warranty of the Company contained in this Agreement shall not be true and correct, which breach, failure to perform or failure to be true and correct (A) would give rise to the failure of one of the conditions set forth in Section 7.2.1 or Section 7.2.2 to be satisfied and (B) is incapable of being cured or has not been cured by the Company within 30 calendar days after written notice has been given by Parent to the Company of such breach, failure to perform or failure to be true and correct (or, if earlier, by the End Date); provided, however, that Parent may not terminate this Agreement pursuant to this Section 8.1.3(ii) if, at the time such termination would otherwise take effect in accordance with the foregoing, Parent or Merger Sub is in material breach of this Agreement; or

8.1.4 by the Company:

(i) if Parent shall have breached or failed to perform any of its covenants contained in this Agreement or any representation or warranty of Parent contained in this Agreement shall not be true and correct, which breach, failure to perform or failure to be true and correct (A) would give rise to the failure of one of the conditions set forth in Section 7.3.1 or Section 7.3.2 to be satisfied and (B) is incapable of being cured or has not been cured by Parent within 30 calendar days after written notice has been given by the Company to Parent of such breach, failure to perform or failure to be true and correct (or, if earlier, by the End Date); provided, however, that the Company may not terminate this Agreement pursuant to this Section 8.1.4(i) if, at the time such termination would otherwise take effect in accordance with the foregoing, the Company is in material breach of this Agreement; or

(ii) if, prior to the receipt of the Parent Shareholder Approval, the Parent Board (or any committee thereof) shall have failed to include the Parent Recommendation in the Parent Shareholder Circular or shall have otherwise made a Parent Adverse Recommendation Change or (B) Parent shall have Deliberately violated or breached Section 6.18 in a manner that has a material adverse impact on the timing of, or the ability to obtain, the Parent Shareholder Approval.

The Party desiring to terminate this Agreement pursuant to this Section 8.1 (other than pursuant to Section 8.1.1) shall give notice of such termination to each other Party of the basis for such termination and specify in reasonable detail the applicable provision or provisions hereof pursuant to which such termination is effected.

8.2 Effect of Termination

If this Agreement is terminated pursuant to Section 8.1, this Agreement shall become void and of no effect without liability of any Party or any Representative of such Party to each other Party; provided, however, that the provisions of this Section 8.2, the last two sentences of Section 6.11.2, clause (ii) of Section 6.12.2, Section 8.3, Article 9 and the Confidentiality Agreement shall survive any termination hereof pursuant to Section 8.1; provided, further, that nothing herein shall relieve any Party from any liability for any fraud or a Deliberate breach of this Agreement prior to such termination.
8.3 Termination Payments

8.3.1 If this Agreement is terminated by:

(i) Parent pursuant to Section 8.1.3(ii) or either Parent or the Company pursuant to Section 8.1.2(i) or 8.1.2(ii), and in any such case (x) prior to the date of such termination (or the date of the Company Meeting in the case of termination pursuant to Section 8.1.2(ii)), an Acquisition Proposal or an intention to make an Acquisition Proposal shall have been publicly disclosed and (y) within nine months after such termination, (1) the Company enters into a definitive agreement with respect to any Acquisition Proposal (provided, that for purposes of this Section 8.3.1(i), the references to “15%” in the definition of Acquisition Transaction shall be deemed to be references to “50%”) with a Third Party that is thereafter consummated or (2) the Company consummates the transactions contemplated by any Acquisition Proposal with a Third Party, which, in the case of (1) or (2) need not be the same Acquisition Proposal described in clause (x) above;

(ii) Parent pursuant to Section 8.1.3(i); or

(iii) either the Company or Parent pursuant to Section 8.1.2(ii);

then, in the case of Section 8.3.1(i) or 8.3.1(ii), the Company shall pay, or cause to be paid, to Parent or Parent’s designee(s), as the case may be, an amount in cash equal to $16,500,000 (the “Company Termination Fee”) plus the Parent Expense Reimbursement, or in the case of Section 8.3.1(iii), the Company shall pay the Parent Expense Reimbursement; provided, however, that payment of such Parent Expense Reimbursement shall not affect Parent’s or Parent’s designee(s)’, as the case may be, right to receive any Company Termination Fee otherwise due under Section 8.3.1(i).

8.3.2 If this Agreement is terminated by any Party pursuant to Section 8.1.2(i) and, at the time of such termination, any condition set forth in Section 7.1.2, 7.1.3, 7.1.4 or 7.1.5 has not been satisfied, or if this Agreement is terminated by any Party pursuant to Section 8.1.2(iii) or 8.1.4(ii), Parent shall pay to the Company an amount in cash equal to $33,000,000 (the “Parent Termination Fee”) plus the Company Expense Reimbursement.

8.3.3 Any payments required to be made under this Section 8.3 shall be made by wire transfer of same day funds to the account or accounts designated by Parent or the Company, as applicable, (x) in the case of Section 8.3.1(i), on the same day as the consummation of any transactions contemplated by an Acquisition Proposal or the entry into a definitive agreement with respect to an Acquisition Proposal, and (y) in the case of Sections 8.3.1(ii), 8.3.1(iii) or 8.3.2, promptly, but in no event later than two Business Days (such period to be calculated by reference to Business Days in NY) after the date of such termination.

8.3.4 For the avoidance of doubt, subject to the final proviso in Section 8.3.1, any payment made by the Company or Parent under this Section 8.3 shall be payable only once with respect to this Section 8.3 and not in duplication even though such payment may be payable under one or more provisions hereof. Notwithstanding anything to the contrary
in this Agreement, if the Company Termination Fee or the Parent Termination Fee shall become due and payable in accordance with this Section 8.3, from and after such termination and payment of the Company Termination Fee or the Parent Termination Fee, as applicable, in full pursuant to and in accordance with this Section 8.3, the paying Party or any Financing Source shall have no further liability of any kind for any reason in connection with this Agreement or the transactions contemplated hereby other than for any liability arising from a Deliberate breach of this Agreement as set forth in Section 8.2. Each of the Parties acknowledges that neither the Company Termination Fee nor the Parent Termination Fee is intended to be a penalty but rather is liquidated damages in a reasonable amount that will compensate Parent or the Company, as applicable, in the circumstances in which such fee is due and payable, for the efforts and resources expended and opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, which amount would otherwise be impossible to calculate with precision.

8.3.5 Each of the Parties acknowledges that the covenants contained in this Section 8.3 are an integral part of this Agreement and the transactions contemplated hereby and that without such covenants the Parties would not have entered into this Agreement. Accordingly, if either Parent or the Company fails to pay any amounts due by either Party under this Section 8.3, and, in order to obtain such payment, the other Party commences a Proceeding which results in an Order against the nonpaying Party for such amounts or any portion thereof, the nonpaying Party shall pay to the other Party their costs and expenses (including reasonable attorney's fees and disbursements) in connection with such suit, together with interest on such amounts payable (or any portion thereof that has not been paid timely in accordance with this Agreement) and on the amount of such costs and expenses, in each case from and including the date payment of such amount was due to through the date of actual payment at the prime rate set forth in The Wall Street Journal in effect on the date such payment was required to be made.

9 Miscellaneous

9.1 Notices

Any notices or other communications required or permitted under, or otherwise given in connection with, this Agreement shall be in writing and shall be deemed to have been duly given (i) when delivered or sent if delivered in person or sent by facsimile transmission or email (provided confirmation of facsimile transmission or email is obtained) or (ii) on the next Business Day if transmitted by national overnight courier, in each case as follows:

if to Parent, US HoldCo or Merger Sub, to:

Sibanye Gold Limited
Libanon Business Park
1 Hospital Street (off Cedar Avenue)
Libanon, Westonaria, 1780
Attention: Richard Stewart
Email: Richard.Stewart@sibanyegold.co.za
with a copy (which shall not constitute notice) to:

Linklaters LLP
1345 Avenue of the Americas
New York, NY 10105
Attention: Scott I. Sonnenblick
Peter Cohen-Millstein
Facsimile: 212-903-9100
Email: scott.sonnenblick@linklaters.com
peter.cohen-millstein@linklaters.com

Linklaters LLP
One Silk Street
London EC2Y 8HQ
Attention: Thomas B. Shropshire, Jr.
Facsimile: 44 20 7456 2222
Email: tom.shropshire@linklaters.com

if to the Company, to:

Stillwater Mining Company
26 West Dry Creek Circle
Suite 400
Littleton, CO 80120
Attention: Mick McMullen
Email: mmcmullen@stillwatermining.com

with a copy (which shall not constitute notice) to:

Jones Day
250 Vesey Street
New York, NY 10281
Attention: Robert A. Profusek
Andrew M. Levine
Facsimile: 212-755-7306
Email: raprofusek@jonesday.com
amlevine@jonesday.com

Holland & Hart LLP
555 Seventeenth Street
Denver, CO 80202
Attention: Lucy Stark
Facsimile: 303-291-9145
Email: mlistark@hollandhart.com
9.2 Survival of Representations, Warranties and Covenants

The representations, warranties and covenants contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time; provided, that this Section 9.2 shall not limit any covenant of the Parties which by its terms contemplates performance after the Effective Time or otherwise expressly by its terms survives the Effective Time, which covenants shall survive until fully performed.

9.3 Amendments, Modification and Waivers

9.3.1 Any provision of this Agreement may be amended, modified or waived at any time before or after approval of this Agreement and the Merger by the Boards of Directors of the Company, Parent, US HoldCo and Merger Sub if, but only if, such amendment, modification or waiver is in writing and is signed, in the case of an amendment, by Parent and the Company or, in the case of a waiver, by each Party against which the waiver is to be effective; provided, however, that following the receipt of the Company Stockholder Approval, no such amendment, modification or waiver shall be made or given that requires the approval of the stockholders of the Company under the DGCL unless the required further approval is obtained; provided, further, that following the receipt of the Parent Shareholder Approval, no such amendment, modification or waiver shall be made or given that requires the approval of the shareholders of Parent under the Listings Requirements unless the required further approval is obtained; and provided, further, that no amendment of any provision of this Agreement to which the Financing Sources are intended third party beneficiaries pursuant to Section 9.11 that is materially adverse to any Financing Source shall be effective without the written consent of such Financing Source.

9.3.2 Any failure of any of the Parties to comply with any covenant or condition herein may be waived at any time prior to the Effective Time by any of the Parties entitled to the benefit thereof only by a written instrument signed by each such Party granting such waiver. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise provided herein, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

9.4 Costs; Expenses

Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the Party incurring such cost or expense; for the avoidance of doubt, any filing fees payable to Governmental Entities in connection with filings made pursuant to the HSR Act shall be borne by Parent.

9.5 Assignment

This Agreement shall not be assigned or delegated, whether by operation of Applicable Law or otherwise, (i) by the Company without the prior written consent of Parent or (ii) by Parent, US HoldCo or Merger Sub without the prior written consent of the Company, and, in each case, any purported assignment or delegation in violation of this Section 9.5 shall be null and void; provided
that Parent, US HoldCo or Merger Sub, upon prior written notice to the Company, may assign, in its sole discretion, any of or all its rights and interests under this Agreement to Parent or to any direct or indirect wholly owned Subsidiary of Parent, but no such assignment shall relieve Parent, US HoldCo or Merger Sub of any of its obligations hereunder.

9.6 Governing Law

This Agreement and any Proceedings arising out of or related hereto or to the Merger or to the inducement of any Party to enter into this Agreement (whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed in accordance with the Applicable Law of the State of Delaware, including all matters of construction, validity and performance, without regard to the conflict of laws rules of such State that would refer a matter to the laws of another jurisdiction.

9.7 Jurisdiction

9.7.1 The Parties agree that any Proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought only in the Chancery Court of the State of Delaware located in Wilmington, Delaware and any state appellate court therefrom located in Wilmington, Delaware. Each Party hereby irrevocably submits to the exclusive jurisdiction of such court in respect of any legal or equitable Proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, or relating to enforcement of any of the terms of this Agreement, and hereby waives, and agrees not to assert, as a defense in any such Proceeding, any claim that it is not subject personally to the jurisdiction of such court, that the Proceeding is brought in an inconvenient forum, that the venue of the Proceeding is improper or that this Agreement or the transactions contemplated hereby may not be enforced in or by such courts. Each Party agrees that notice or the service of process in any Proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be properly served or delivered if delivered in the manner contemplated by Section 9.1 or in any other manner permitted by Applicable Law. Notwithstanding the foregoing, each Party agrees that, upon the election of the Company and following written notice to Parent of such election, each Party hereby consents to arbitrate any and all disputes arising under or related to this Agreement, including disputes related to the interpretation of this Agreement, under the Delaware Rapid Arbitration Act ("Rapid Arbitration"), and in such case each Party hereby irrevocably submits to the exclusive jurisdiction of the Chancery Court of the State of Delaware located in Wilmington, Delaware and any state appellate court therefrom located in Wilmington, Delaware, to support and assist the Rapid Arbitration. For the enforcement of any award made pursuant to the Rapid Arbitration, Parent hereby expressly (i) submits to the jurisdiction of the High Court of South Africa, Gauteng Division, Pretoria in general and in particular under and by virtue of the provisions of the South African Recognition and Enforcement of Foreign Arbitral Awards Act, 1977 ("SA Proceedings") and (ii) nominates its address as set forth in Section 9.1 as the address at which Parent will receive and accept service of all process and documents relating to any such SA Proceedings. The Rapid Arbitration shall be presided over by one arbitrator who shall be selected by the Company and be a former Chancellor or Vice Chancellor.
of the Delaware Chancery Court or a former Justice of the Delaware Supreme Court and who shall not have worked previously for, or have any conflict with, any party to the Rapid Arbitration. In the event no such candidate is available, the Company may petition the Chancery Court of the State of Delaware located in Wilmington, Delaware for appointment of an arbitrator pursuant to Section 5805 of the Delaware Rapid Arbitration Act.

9.7.2 Notwithstanding anything herein to the contrary, each Party further agrees that New York State or United States Federal courts sitting in the borough of Manhattan, City of New York shall have exclusive jurisdiction over any action (whether at law or at equity and whether brought by any Party or any other Person) brought against any Financing Source in connection with the Financing or in any way relating to this Agreement or the transactions contemplated hereby, and that no Party will bring or support, or permit any of their Affiliates to bring, any such action in any other court.

9.8 Waiver of Jury Trial

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH (INCLUDING THE FINANCE DOCUMENTS) OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 9.8.

9.9 Specific Performance; Remedies

The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that (i) the Parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to seek to enforce specifically the terms and provisions of this Agreement (including the Parties’ obligation to consummate the Merger) (A) in the Chancery Court of the State of Delaware located in Wilmington, Delaware and any state appellate court therefrom located in Wilmington, Delaware or (B) at the Company’s election, in Rapid Arbitration, as applicable, without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, (ii) the provisions set forth in Section 8.3 are not intended to and do not adequately compensate for the harm that would result from a breach of this Agreement and shall not be construed to diminish or otherwise impair in any respect any Party’s right to specific enforcement, and (iii) the right of specific performance is an integral part
of the transactions contemplated hereby and without that right none of the Parties would have entered into this Agreement. The Parties agree that in any action for specific performance, each Party waives the defense of inadequacy of a remedy at law and waives any requirement for the securing or posting of any bond in connection with such remedy, this being in addition to any other remedy to which they are entitled at law or in equity (subject to the limitations set forth in this Agreement).

9.10 Severability

Other than with respect to Section 8.3, which is an integral part of this Agreement, if any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the Merger and the other transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such a determination, the Parties agree to negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner, in order that the Merger be consummated as originally contemplated to the fullest extent possible.

9.11 Entire Agreement; No Third Party Beneficiaries

This Agreement, the Confidentiality Agreement, the exhibits to this Agreement, the Schedules, the Company Disclosure Schedules and the Parent Disclosure Schedules and any documents delivered by the Parties in connection herewith constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the Parties with respect thereto. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Parties or their respective successors, and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except for (i) the provisions of Section 6.8, which shall inure to the benefit of the Persons or entities benefiting therefrom who are expressly intended to be third-party beneficiaries thereof and who may enforce the covenants contained therein, (ii) the provisions of this Section 9.11 and Sections 8.3.4, 9.3, 9.6, 9.7.2, 9.8, 9.9 and 9.15, which shall inure to the benefit of the Financing Sources and such Financing Sources shall be entitled to rely on and enforce the provision of such sections, and (iii) the provisions of Section 9.15, which shall inure to the benefit of the Persons described therein. For the avoidance of doubt, no holder of Shares shall have any third-party beneficiary rights under this Section 9.11 or any other provision of this Agreement.

9.12 Rules of Construction

Each of the Parties acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution and delivery of this Agreement, and that it has executed the same with the advice of said independent counsel. Each Party and its counsel cooperated and participated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto exchanged among the Parties shall be deemed the work product of all of the Parties and may not be construed against
any Party by reason of its drafting or preparation nor may any draft or position taken in negotiations by a Party or its Representatives and not expressly reflected in writing herein be used in any Proceeding relating to this Agreement or the interpretation of any provision herein. Any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any Party that drafted or prepared it is of no application and is hereby expressly waived by each of the Parties, and any controversy over interpretations of this Agreement shall be decided without regard to events of drafting or preparation.

9.13 Headings

Headings of the Articles and Sections of this Agreement are for convenience of the Parties only and shall be given no substantive or interpretive effect whatsoever. The table of contents to this Agreement is for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

9.14 Counterparts; Effectiveness

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by all of the other Parties. Until and unless each Party has received a counterpart hereof signed by each other Party, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Signatures to this Agreement transmitted by facsimile transmission, by electronic mail in PDF form, or by any other electronic means designed to preserve the original graphic and pictorial appearance of a document, will be deemed to have the same effect as physical delivery of the paper document bearing the original signatures.

9.15 Non-Recourse

9.15.1 This Agreement may only be enforced against, and any claim or cause of action based upon, arising out of or related to this Agreement or the transactions contemplated hereby may only be brought against the Parties and then only with respect to the specific obligations set forth herein with respect to such Party.

9.15.2 Notwithstanding anything to the contrary that may be expressed or implied in this Agreement and without limiting the generality of Section 9.15.1, no officer, director or shareholder of Parent or the Company or any Financing Source shall have any Liability to any Party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
In witness whereof, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

STILLWATER MINING COMPANY

By: /s/ Michael McMullen
   Name: Michael McMullen
   Title: President and CEO

SIBANYE GOLD LIMITED

By: /s/ Neal Froneman
   Name: Neal Froneman
   Title: CEO/Director

THOR US HOLDCO INC.

By: /s/ Richard Stewart
   Name: Richard Stewart
   Title: Director

THOR MERGCO INC.

By: /s/ Richard Stewart
   Name: Richard Stewart
   Title: Director
LIST OF SIGNIFICANT SUBSIDIARIES OF SIBANYE GOLD LIMITED (AS OF 31 DECEMBER 2016)

Ezulwini Mining Company Proprietary Limited, incorporated in South Africa
Rand Uranium Proprietary Limited, incorporated in South Africa
Sibanye Rustenburg Platinum Mines Proprietary Limited, incorporated in South Africa
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: 6 April 2017

/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: 6 April 2017

/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 December 31, 2016 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: 6 April 2017

/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 December 31, 2016 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: 6 April 2017

/s/ Charl Keyter
Charl Keyter
Chief Financial Officer