



## REMUNERATION COMMITTEE (the “Committee”)

### Terms of reference

(Updated and approved by the Committee on 5 November 2019)



COMMITMENT



ACCOUNTABILITY



RESPECT



ENABLING



SAFETY

## 1. **AUTHORITY AND PURPOSE**

- 1.1. The Committee has been established by the board of directors (the “Board”) of Sibanye Gold Limited (“Sibanye-Stillwater”, or the “Company” or the “Group”) to assist the Board in discharging its responsibilities for setting and having oversight in implementation of remuneration policies in the Company’s long-term interests. The Committee considers and recommends remuneration policies for all levels in the Company with particular focus on the remuneration of Sibanye-Stillwater’s CEO, CFO (“Executive Directors”) and EVP’s (“Group EXCO”), and reports annually in Sibanye-Stillwater’s Annual Report in accordance with applicable rules and regulations.
- 1.2. The Committee shall advise the Board on the remuneration policy of Sibanye-Stillwater in respect of Executive Directors and Group EXCO members and shall recommend the remuneration payable and conditions of employment to be offered by Sibanye-Stillwater to its Executive Directors and Group EXCO members.
- 1.3. The Committee shall establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 1.4. The Committee shall annually undertake a self-assessment of its performance.
- 1.5. The Committee acts in accordance with its delegated authority of the Board, as recorded in these terms of reference, and is accountable to the Board. To this end, the Committee must make recommendations for approval by the Board.
- 1.6. These terms of reference are subject to the provisions of the Companies Act, 2008, as amended (the “Act”), the Memorandum of Incorporation of Sibanye-Stillwater and any other applicable law or regulatory provision.

## 2. **COMPOSITION AND MEMBERSHIP**

- 2.1. The Committee shall comprise at least three non-executive directors of Sibanye-Stillwater and all of the Committee members shall be independent and suitably qualified. Members of the Committee, including the chairperson of the Committee (the “Committee Chair”) (who shall be appointed from among the ranks of the independent non-executive directors), shall be appointed and may be removed by the Board on the recommendation of the Nominating and Governance Committee.

- 2.2. The chairperson of the Board (the “Board Chair”) may be a member of the Committee but should not be the Committee Chair.
- 2.3. Members of the Committee, including the Committee Chair, shall be appointed for such period of time as the Board requires.
- 2.4. The Company Secretary or their designee shall act as Secretary to the Committee.

### 3. **FUNCTIONS AND DUTIES**

- 3.1. The role of the Committee will be to:
  - 3.1.1. Recommend to the Board remuneration for Board and Board Committee members;
  - 3.1.2. determine the Company's general policy for the remuneration of the Chief Executive Officer, Executive Directors, and Group EXCO members;
  - 3.1.3. within the terms of the agreed policy, determine the total individual remuneration package, including bonuses, incentive payments, retention payments, share awards and any other benefits of the Chief Executive Officer and, in consultation with the Chief Executive Officer, the other members of the Group EXCO and any other executive whose total remuneration is comparable to, or higher than, that of Group EXCO members;
  - 3.1.4. ensure that contractual terms on termination of the Chief Executive Officer and Group EXCO members, and any payments made, are fair to the individual and Sibanye-Stillwater, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
  - 3.1.5. in determining such packages and arrangements, and in carrying out its duties under these terms of reference, give due regard to any relevant legal requirements, the provisions and recommendations in King IV and the JSE Listings Requirements.
- 3.2. The Committee in carrying out its duties under these terms of reference will:
  - 3.2.1. be mindful that remuneration policies and practices should be demonstrably aligned with corporate objectives and business strategy, taking risks fully into account, and reviewed regularly;

- 3.2.2. aim to give the Executive Directors and Group EXCO every encouragement to enhance the Company's performance and to ensure that they are fairly, but responsibly, rewarded for their individual contributions and performance, taking risks fully into account;
  - 3.2.3. review and note annually the remuneration trends within Sibanye-Stillwater and its subsidiaries; and
  - 3.2.4. be informed of any major changes in employee benefits structures and policies across the Group.
- 3.3. In particular the Committee will:
- 3.3.1. monitor and review (at least annually) the terms and conditions of Executive Directors' and Group EXCO members' service agreements, taking into account information from comparable companies where relevant;
  - 3.3.2. determine any grants to Executive Directors and other management employees made pursuant to the Company's short and long term incentive plans;
  - 3.3.3. consult with the Chief Executive Officer in formulating the Company's remuneration policy and when determining specific remuneration packages;
  - 3.3.4. monitor the effectiveness of existing short and long-term incentive plans and their performance conditions; and consider recommending to the Board the adoption of new plans as appropriate;
  - 3.3.5. consider and recommend to the Board any change in the rules and allocation procedures governing the Sibanye-Stillwater incentive schemes;
  - 3.3.6. review and approve corporate goals and objectives relevant to the Chief Executive Officer's remuneration and evaluate the Chief Executive Officer's performance in light of those goals and objectives. The Committee shall make recommendations to the Board which shall determine the CEO's level of remuneration based upon this recommendation;
  - 3.3.7. evaluate the remuneration structure of Executive Directors and Group EXCO members and ensure that they are fairly rewarded, in the context of overall employee remuneration taking into account Sibanye-Stillwater's

performance and remuneration philosophy. In addition, the Committee shall review and approve bonuses and inflationary adjustments for Executive Directors and Group EXCO members; and

- 3.3.8. agree the policy for authorising claims for expenses from the Chief Executive Officer.

#### **4. MEETINGS - FREQUENCY & QUORUM**

- 4.1. The Committee shall meet at least once a quarter, provided that the Committee Chair or any other member of the Committee may call a meeting at any other time. The Committee shall report to the Board on its activities at the Board meeting following each Committee meeting.
- 4.2. The Committee Chair may consult members of the Committee at any time and may conclude any matter requiring the approval of the Committee by means of a round robin resolution to be approved by the full Committee. A round robin resolution of members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted, provided that each member has received notice of the matter to be decided upon and that the majority of the members have voted in favour of the matter. A round robin resolution may be executed in any number of counterparts and will have the same effect as if the signatures on the counterparts were on a single copy of the round robin resolution.
- 4.3. The quorum at any meeting of the Committee shall be any three members of the Committee present in person or via telecommunication facilities.
- 4.4. Suitably qualified persons may be invited to attend Committee meetings or be consulted by the Committee from time to time to render such specialist services as may be necessary to assist the Committee in its deliberations on any particular matter. Such persons do not form part of the quorum for Committee meetings and shall not be entitled to vote at Committee meetings.

#### **5. NOTICE AND PROCEEDINGS**

- 5.1. The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall be forwarded to each member of the Committee at least five working days prior to the date of the meeting.

- 5.2. Where the Committee Chair is not present within 15 minutes of the time stipulated for a Committee meeting, the Committee members present at the meeting must elect one of them to chair that meeting.
- 5.3. A meeting of the Committee may be conducted by electronic communication and/or one or more members may participate in a meeting of the Committee by electronic communication so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- 5.4. All members of the Committee shall declare any conflicts of interests in respect of any matters on the agenda at the start of each meeting.
- 5.5. Each member of the Committee has 1 vote on a matter before the Committee and a majority of the votes cast on a resolution is sufficient to approve that resolution.
- 5.6. In the case of a tied vote, the Committee Chair may not cast a deciding vote even if the Committee Chair did not initially have or cast a vote and the matter being voted on fails.
- 5.7. Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the provisions of Sibanye-Stillwater's Memorandum of Incorporation regulating the meetings and proceedings of directors and committees.
- 5.8. Minutes of all meetings shall be circulated to all the members of the Committee within 2 weeks of the date of each meeting, and may also, if the Committee Chair so decides, be circulated to other members of the Board. Minutes must be formally approved by the Committee at its next meeting.
- 5.9. Any director may, provided that there is no conflict of interest and with the agreement of the Committee Chair, obtain copies of the Committee's minutes.

## 6. **REPORTING RESPONSIBILITIES**

- 6.1. As per paragraph 4.1, the Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 6.3. The Committee Chair (or in his/her absence, an alternative member) of the Committee shall attend the Company's annual general meeting to answer questions concerning Executive Directors' and Group EXCO members' remuneration and maintain contact as required with the Company's shareholders about executive remuneration.
- 6.4. The Committee shall produce annually a Remuneration Report in three parts: a background statement; an overview of the main provisions of the remuneration policy; and will contain details of all remuneration awarded to individual members of the Board and Group EXCO members during the reporting period.
- 6.5. The Committee shall provide the Company's shareholders the opportunity to pass two separate non-binding advisory notes; one on the policy report and the other on the implementation report.
- 6.6. The remuneration policy will record the measures that the Board commits to in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised by the Company's shareholders. Such measures would include engagement with the Company's dissenting shareholders and how the objections and concerns are addressed.
- 6.7. The Committee shall approve the posting of the Committee terms of reference on the Company's website.

## 7. **REMUNERATION**

- 7.1. Having regard to the functions performed by the members of the Committee, in addition to their functions as directors on the Board and in relation to the activities of the Committee, members of the Committee shall be paid such special remuneration in respect of their appointment as shall be recommended by the Nominating and Governance Committee and, to the extent required by the Act, approved by the shareholders of Sibanye-Stillwater at a general meeting.
- 7.2. Such special remuneration shall be in addition to the remuneration such directors receive for service on the Board and on committees.

## 8. **CONDUCT OF COMMITTEE MEMBERS**

Committee members are expected to:

- 8.1. act in the Company's best interests, in good faith and with integrity and adhere to all relevant legal standards of conduct;
- 8.2. avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflict or potential conflict;
- 8.3. disclose any information they may be aware of that is material to the Company and of which the Board is not aware, unless such director is bound by ethical or contractual obligations of non-disclosure;
- 8.4. keep all information learned therein, in their capacity as a Committee member, strictly confidential; and
- 8.5. exhibit the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the Company as those carried out by that person, and having the general knowledge, skill and experience of that person.

9. **GENERAL**

- 9.1. The Committee in carrying out its tasks under these terms of reference:
  - 9.1.1. shall, as the occasion requires, invite the Chief Executive Officer to attend meetings to discuss the performance of other Executive Directors and Group EXCO members and make proposals as necessary;
  - 9.1.2. is authorised to seek any information it requires in order to perform its duties, from the Chief Executive Officer, or the Company Secretary as appropriate, or such other persons as they may respectively designate;
  - 9.1.3. may wish to consult the other non-executive directors in its evaluation of the Executive Directors' performance in the context of the consideration of their remuneration packages; and
  - 9.1.4. may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 9.2. The Board will ensure that the Committee will have, at the Company's expense, access to professional advice both inside and outside of the Company in order for it to perform its duties.

- 9.3. Sibanye-Stillwater will pay all expenses reasonably incurred by the Committee in executing its duties. The Committee must be provided with adequate resources in order to properly discharge its duties.
- 9.4. The Committee may specifically delegate to any one or more of its members authority to conclude any matter requiring the authority of the Committee. The outcome of any such delegation shall be reported to the Committee at its next meeting.
- 9.5. The Committee shall have the resources, funding and authority to retain and terminate any remuneration consultant or other advisors to assist in the evaluation of Executive Directors' or Group EXCO members' remuneration, including the authority to approve any remuneration consultant's fees and other retention terms (each, an "Adviser"), as it deems appropriate.
- 9.6. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Adviser it retains. The Committee may select or receive advice from an Adviser only after taking into consideration all factors relevant to the Adviser's independence from management, including the following:
  - 9.6.1. the provision of other services to the Company by the person that employs the Adviser;
  - 9.6.2. the amount of fees received from the Company by the person that employs the Adviser as a percentage of that person's total revenue;
  - 9.6.3. the policies and procedures of the person that employs the Adviser that are designed to prevent conflicts of interest;
  - 9.6.4. any business or personal relationship of the Adviser with a member of the Committee;
  - 9.6.5. any shares of the Company owned by the Adviser; and
  - 9.6.6. any business or personal relationship of the Adviser or the person employing the Adviser with an Executive Director of the Company.

Although the Committee is required to consider these factors, it is permitted to select or receive advice from an Adviser that is not independent.

- 9.7. The Committee shall conduct an annual evaluation of its performance.

- 9.8. No Committee meeting attendee shall be present at or participate in any discussion on his or her own remuneration package.
- 9.9. These terms of reference may, from time to time, be amended pursuant to a resolution of the Committee, subject to the approval of the Board.
- 9.10. The Committee has reasonable access to the information, including records, of Sibanye-Stillwater, and to the Company's property, employees, facilities and other resources, as well as to that or those, as the case may be, of the other entities within the Group, as may be necessary to discharge its duties and responsibilities. The Committee shall follow any relevant Board approved process in discharging any of its duties and responsibilities.
- 9.11. Subject to the above provisions and to the fullest extent permitted under relevant rules, laws and other regulations, the members of the Committee shall not attract any personal liability arising from their appointment or the performance in good faith of their duties as Committee members. Sibanye-Stillwater shall indemnify members of the Committee against all and any claims arising from the execution of their duties.
- 9.12. The Committee shall perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's remuneration programmes.