



## **SOCIAL AND ETHICS COMMITTEE (the Committee/ the SEC”)**

### **Terms of reference**

(Updated and approved by the Committee on 5 November 2018)



**COMMITMENT**



**ACCOUNTABILITY**



**RESPECT**



**ENABLING**



**SAFETY**

## 1. **ETHICS STATEMENT**

Sibanye-Stillwater is committed to ethical business dealings and good corporate governance subscribing to recognised standards as set out in its internal codes. The Company subscribes to non-sectarian, non-political, and socially and environmentally responsible principles. To give effect to conducive business conduct the Company also subscribe to the following principles:

- consistency and integrity in all business dealings;
- ethical handling of actual or apparent conflicts of interests between personal and professional relationships;
- respect for the human rights and dignity of others;
- non-discrimination and acceptance of diversity in all forms as more fully defined in region policies that accommodate region specific requirements;
- performing all business activities in a manner that is free of bribery and corruption;
- honest, transparent and meaningful public disclosures by the company conforming to established codes and regulations;
- conforming to recognised codes and standards for responsible mining and ethical business;
- adherence to sound standards of corporate governance and applicable laws; and
- representing the company's interests to relevant stakeholders through ethical lobbying to secure a policy, legal and regulatory framework that is conducive to effective conduct of the company's business and its operations.

## 2. **AUTHORITY AND PURPOSE**

- 2.1. The Committee is constituted as a statutory committee of Sibanye Gold Limited ("Sibanye-Stillwater", or the "Company" or the "Group) in respect of those statutory duties assigned to it in terms of section 72(4) of the Companies Act of 2008, as amended (the "Act") (read in conjunction with Regulation 43 of the Companies Regulations, 2011), and as a committee of the board of directors (the "Board") of Sibanye-Stillwater acting in terms of delegated authority in respect of all other duties assigned to it by the Board.
- 2.2. Section 7 (a) and (d) of the Act, deals with the purpose and application of the Act and states that one of its purposes is to: "promote compliance with the Bill of Rights as provided for in the Constitution" and to "reaffirm the concept of the company as means of achieving economic and social benefits". The SEC is thus be seen as a mechanism for ensuring that the Company monitors and report whether it produce social benefits for the economy, workplace, society and the natural environment.
- 2.3. The Committee has decision-making authority in respect of its statutory duties, and the Committee is accountable in this respect to the Board and Sibanye-Stillwater's shareholders.

- 2.4. In respect of the duties of the Committee delegated to it by the Board, the Committee is accountable to the Board. To this end the Committee must make recommendations for approval by the Board.
- 2.5. The purpose of the Committee is to assist the Board in ensuring that Sibanye-Stillwater complies with the Act, applicable rules, laws and regulatory requirements, as well as best practice recommendations, in respect of social and ethical management.
- 2.6. 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.
- 2.7. These terms of reference are subject to the provisions of the Act, the Memorandum of Incorporation of Sibanye-Stillwater, as well as any other applicable law or regulatory provision.

### **3. COMPOSITION OF COMMITTEE, CHAIR AND MEETINGS**

- 3.1. The Committee shall comprise of the chairpersons of the following Committees:
  - 3.1.1. the Audit Committee;
  - 3.1.2. the Remuneration Committee;
  - 3.1.3. the Safety and Health Committee;
  - 3.1.4. the Nominating and Governance Committee; and
  - 3.1.5. the Risk Committee.
- 3.2. The chairperson of the Committee ("Committee Chair") shall be an independent non-executive director and shall be appointed in addition to the members set out in 2.1 above, provided that the Chair of the Board is not appointed as the Committee Chair.
- 3.3. Members of the Committee, including the Committee Chair, shall be appointed for such period of time as the Board requires, and may be removed by the Board, on the recommendation of the Nominating and Governance Committee.
- 3.4. The quorum at any meeting shall be three members of the Committee present in person or via telecommunication facilities.
- 3.5. The Company Secretary or their designee shall act as secretary to the Committee.

- 3.6. 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.
- 3.7. The Committee Chair (or in his or her absence, an alternative member of the Committee) shall be present at Sibanye-Stillwater's annual general meeting ("AGM") to assist the chairperson of Sibanye-Stillwater ("Board Chair") in answering questions concerning the matters governed by the Committee.

#### 4. **SUSTAINABLE DEVELOPMENT PRINCIPLES**

- 4.1. Sibanye-Stillwater is committed to, amongst others, the 10 principles of the International Council on Mining and Metals and the United Nations Global Compact regarding sustainable development, respectively.
- 4.2. The 10 principles of the International Council on Mining and Metals are:
  - 4.2.1. Implement and maintain ethical business practices and sound systems of corporate governance;
  - 4.2.2. Integrate sustainable development considerations within the corporate decision-making process;
  - 4.2.3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by Sibanye-Stillwater's activities;
  - 4.2.4. Implement risk management strategies based on valid data and sound science;
  - 4.2.5. Seek continual improvement of Sibanye-Stillwater's health and safety performance;
  - 4.2.6. Seek continual improvement of Sibanye-Stillwater's environmental performance;
  - 4.2.7. Contribute to conservation of biodiversity and integrated approaches to land use planning;

- 4.2.8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of Sibanye-Stillwater's products (materials stewardship and supply chain aspects);
  - 4.2.9. Contribute to the social, economic and institutional development of the communities in which Sibanye-Stillwater operates;
  - 4.2.10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with Sibanye-Stillwater's stakeholders.
- 4.3. The 10 principles of the United Nations Global Compact are as follows:

**Human Rights**

- (1) support and respect the protection of internationally proclaimed human rights; and
- (2) make sure that Sibanye-Stillwater is not complicit in human rights abuses;

**Labour Standards**

- (3) uphold the freedom of association and the effective recognition of the right to collective bargaining;
- (4) the elimination of all forms of forced and compulsory labour;
- (5) the effective abolition of child labour; and
- (6) the elimination of discrimination in respect of employment and occupation;

**Environment**

- (7) support a precautionary approach to environmental challenges;
- (8) undertake initiatives to promote greater environmental responsibility; and
- (9) encourage the development and diffusion of environmentally friendly technologies.

**Anti-corruption**

- (10) working against corruption in all its forms, including extortion and bribery.

- 4.4. The Committee shall be responsible for ensuring that the principles set out in 3.2 and 3.3 above are adequately reflected and addressed by Sibanye-Stillwater through its various management processes, including policies, procedures and practices.

## 5. **DUTIES OF THE COMMITTEE**

The Committee shall be responsible for the oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development, stakeholder relationships as well as monitoring the following activities of Sibanye-Stillwater and its subsidiaries, having regard to any relevant legislation, regulations, codes or standards of best practice:

- 5.1. Social and economic development, including the Sibanye-Stillwater's standing in terms of the goals and purposes of:
  - 5.1.1. the Organisation of Economic Co-operation and Development ("OECD") recommendations regarding corruption;
  - 5.1.2. the Employment Equity Act, as amended; and
  - 5.1.3. the Broad-Based Black Economic Empowerment Act, as amended.
- 5.2. Sibanye-Stillwater is, and is seen to be, a good corporate citizen, by:
  - 5.2.1. its promotion of equality, prevention of unfair discrimination, and reduction of corruption;
  - 5.2.2. its contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
  - 5.2.3. its record of sponsorship, donations and charitable giving.
- 5.3. The environment, health and public safety, including the impact of Sibanye-Stillwater's activities and of its products or services. Details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental loss or criminal sanctions and prosecutions for such non-compliance to be disclosed by the Committee.
- 5.4. Consumer relationships, including Sibanye-Stillwater's advertising, public relations and compliance with consumer protection laws.

- 5.5. Labour and employment policies and practices of Sibanye-Stillwater, including:
  - 5.5.1. its standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
  - 5.5.2. employment relationships, and its contribution toward the educational development of its employees.
- 5.6. Ensuring that the Sibanye-Stillwater's ethics is managed effectively (as recommended in principle 2.4 and disclosures made in terms of 2.10 of King IV), including -
  - 5.6.1. leadership demonstrating support for ethics throughout Sibanye-Stillwater;
  - 5.6.2. a strategy for managing ethics that is informed by the negative and positive risks of Sibanye-Stillwater;
  - 5.6.3. ethical standards are articulated in a code of ethics and supporting ethics policies;
  - 5.6.4. structures, systems and processes are in place to ensure that the various boards, employee and supply chains are familiar with and adhere to the Sibanye-Stillwater's ethical standards;
  - 5.6.5. ethics performance is included in the scope of the internal audit and is reported on in Sibanye-Stillwater's annual report and its annual report on Form 20-F; and
  - 5.6.6. ethics is imbedded in the corporate culture of Sibanye-Stillwater.
- 5.7. The Committee shall ensure that such policies and procedures required in order for Sibanye-Stillwater to perform its responsibilities in respect of social and ethics matters are implemented and reviewed on an annual basis, or as required.
- 5.8. The Committee shall have the authority to investigate, review and resolve any matters arising from the ambit of the Sibanye-Stillwater Code of Ethics, which are reported to the Committee or which it otherwise is or becomes aware of. The Committee shall report to the Board potential or actual violations of the Sibanye-Stillwater Code of Ethics, conflict of interest or questionable situation of a material nature that the Committee is or becomes aware of and any waivers of the application of the principles set forth in the Sibanye-Stillwater Code of Ethics it grants. In accordance with applicable laws and

regulations, the Committee shall procure that any such waiver shall also be publicly disclosed in Sibanye-Stillwater's annual report and its annual report on Form 20-F.

- 5.9. The Committee shall report to the shareholders at the AGM on any part of the business of the meeting that concerns the Committee's functions.
- 5.10. The Committee shall approve the social and ethics report in the Integrated Annual Report.
- 5.11. The Committee Chair shall provide a report to the Board on the activities of the Committee on a quarterly basis.
- 5.12. The Committee shall also draw to the attention of the Board matters within its mandate and terms of reference as occasion requires.

## 6. **REMUNERATION**

- 6.1. Having regard to the functions performed by the members of the Committee, in addition to their functions as directors on the Board, members of the Committee may be paid such remuneration 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.
- 6.2. Such remuneration shall be in addition to the remuneration such directors receive for service on the Board and on committees.

## 7. **MEETINGS**

- 7.1. 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.
- 7.2. 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.
- 7.3. 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.



- 7.4. 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.
- 7.5. In the case of a tied vote the Committee Chair may not cast a deciding vote even if the Chairman did not initially have or cast a vote and the matter being voted on fails.
- 7.6. The Committee Chair may invite management representatives from all Sibanye-Stillwater operations to attend Committee meetings. It is expected that such invitees would, ordinarily, include the Vice Presidents of the operations and other Senior Sibanye-Stillwater staff that contribute to the realisation of the Sibanye-Stillwater social and ethical development objectives.
- 7.7. 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.
- 7.8. 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.

## **8. NOTICE AND PROCEEDINGS OF MEETINGS**

- 8.1. 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 each meeting.
- 8.2. Minutes of meetings shall be taken by the Company Secretary. Minutes of all meetings shall be circulated to all the members of the Committee within 2 weeks after the date of each meeting, and may also, if the Committee Chair so determines, be circulated to other members of the Board. Minutes must be formally approved by the Committee at its next meeting.

8.3. Minutes of all meetings of the Committee will be submitted to the Board at its next succeeding meeting.

## 9. **CONDUCT OF COMMITTEE MEMBERS**

Committee members are expected to:

- 9.1. act in the Company's best interests, in good faith and with integrity and adhere to all relevant legal standards of conduct;
- 9.2. avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflict or potential conflict and members of the Committee shall declare any conflicts of interests in respect of any matters on the agenda at the start of each meeting;
- 9.3. 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;
- 9.4. keep all information learned by them, in their capacity as Committee members, strictly confidential; and
- 9.5. 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.

## 10. **COMMITTEE EXPENSES**

Sibanye-Stillwater will pay all expenses reasonably incurred by the Committee in executing its duties, including, if the Committee considers it appropriate, the costs or the fees of any consultant or specialist engaged by the Committee in the performance of its functions. The Committee must be provided with adequate resources in order to properly discharge its duties.

## 11. **GENERAL**

- 11.1. The Committee in carrying out its tasks under these terms of reference may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 11.2. The activities of the Committee shall in no way impinge upon any delegations of authority or responsibility made by Sibanye-Stillwater and other individual companies or

entities owned or controlled by Sibanye-Stillwater pursuant to relevant legislation, which may be in force at the time.

- 11.3. 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, and Sibanye-Stillwater shall indemnify members of the Committee against all and any claims howsoever arising.
- 11.4. The performance of this Committee shall be evaluated by its members on an annual basis and results shall be presented to the Nominating and Governance Committee.
- 11.5. The Committee Chair shall evaluate the performance of individual Committee members, and the Board shall evaluate the performance of the Committee Chair.
- 11.6. The terms of reference shall be reviewed annually by the Committee and any amendments shall be approved by the Board.
- 11.7. 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 of entities of which Sibanye-Stillwater forms part, as may be necessary to discharge its duties and responsibilities.
- 11.8. The Committee shall be entitled to:
  - 11.8.1. require from any director or prescribed officer of Sibanye-Stillwater any information or explanation necessary for the performance of the Committee's functions;
  - 11.8.2. request from any employee of Sibanye-Stillwater any information or explanation necessary for the performance of the Committee's functions;
  - 11.8.3. attend any general shareholders meeting;
  - 11.8.4. receive all notices of and other communications relating to any general shareholders meeting; and
  - 11.8.5. be heard at any general shareholders meeting on any part of the business of the meeting that concerns the Committee's functions.



11.9. 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, and the performance in good faith of their functions as members of the Committee. Sibanye-Stillwater shall indemnify members of the Committee against all and any claims arising from the execution of their duties.