



## **RISK COMMITTEE (the Committee”)**

### **Terms of reference**

(Updated and approved by the Committee on 2 November 2020)



**COMMITMENT**



**ACCOUNTABILITY**



**RESPECT**



**ENABLING**



**SAFETY**

## 1. **AUTHORITY AND FORMATION**

- 1.1. The Committee has been established by the Board of Sibanye Stillwater Limited ("Sibanye-Stillwater", or the "Company" or the "Group") to assist the board of directors ("Board") in ensuring that management implements appropriate risk management processes and controls.
- 1.2. 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.
- 1.3. 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. These terms of reference are subject to the provisions of the Companies Act, 2008, as amended (the "Act") and the Memorandum of Incorporation of Sibanye-Stillwater, as well as any other applicable law or regulatory provision.

## 2. **MEMBERSHIP**

- 2.1. The Committee shall comprise at least three directors, of whom a majority shall be independent non-executive directors. Members of the Committee shall be appointed and may be removed by the Board, on the recommendation of the Nominating and Governance Committee.
- 2.2. One or more members shall have joint membership of both Audit and Risk Committees for more effective functioning.
- 2.3. The Company Secretary or their designee shall act as secretary to the Committee.
- 2.4. Suitably qualified persons may be invited to attend Committee meetings or 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.
- 2.5. The Chairperson of the Committee ("Committee Chair") (or in his or her absence, an alternative member of the Committee) shall be present at Sibanye-Stillwater's annual

general meeting to assist the Chairman of Sibanye-Stillwater in answering questions concerning risk matters.

### 3. **MEETINGS**

- 3.1. The Committee shall meet at least twice a year; provided that the Committee Chair or any other member of the Committee may call a meeting at any other time as needed. The Committee shall report to the Board of Sibanye-Stillwater on its activities at the Board meeting following each Committee meeting.
- 3.2. 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.
- 3.3. Three members present in person or via telecommunication facilities shall constitute a quorum for a Committee meeting.
- 3.4. 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.
- 3.5. 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.
- 3.6. 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.
- 3.7. 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.
- 3.8. 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.

- 3.9. Minutes of the Committee meetings will be prepared and retained by the Company Secretary. These minutes shall be circulated to all members of the Committee within two weeks of the date of each meeting and, thereafter, shall be reviewed and approved by the members of the Committee.

#### 4. **DUTIES OF THE COMMITTEE**

The Committee shall discuss with management and the independent auditor Sibanye-Stillwater's policies with respect to risk assessment and risk management, including the guidelines and policies that govern management's assessment and management of risk. The Committee shall be responsible for the following:

- 4.1 Ensuring that the effective risk management policies and strategies are in place and are recommended to the Board for approval.
- 4.2 Reviewing the adequacy of the risk management charter, policy and plan.
- 4.3 Approval of the Company's risk appetite, risk identification and assessment methodologies.
- 4.4 Reviewing of the parameters of the Company's risk/reward strategy, in terms of the risk appetite and tolerance relative to reward. Ensuring that risks are quantified where practicable.
- 4.5 Reviewing and approval of the risks identified on a qualitative basis, according to probability and seriousness.
- 4.6 Reviewing of the effectiveness and efficiency of the Enterprise Risk Management ("ERM") system within the Company and be 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.
- 4.7 Ensuring that appropriate resources are directed towards areas of high risk.
- 4.8 Regularly receiving a register of the Company's key risks and potential material risk exposures. Reporting to the Board any material changes and/or divergence to the risk profile of the Company.
- 4.9 Monitoring of the implementation of operational and corporate risk management plans.

- 4.10 Reviewing of the insurance and other risk transfer arrangements and consider whether appropriate coverage is in place by reviewing the internal auditors' report.
- 4.11 Reviewing of the business contingency planning process within the group of entities of which Sibanye-Stillwater forms part and be assured that material risks are identified and that appropriate contingency plans are in place.
- 4.12 Reviewing and where necessary recommending actions for improvement and outstanding actions on risk management plans for the Company.
- 4.13 Conducting a formal risk assessment at least once a year, which should be continually reviewed, updated and applied.
- 4.14 Reviewing the Company's sustainability risk on a regular basis.
- 4.15 Providing the Board with a detailed and timely ERM report as presented by management.
- 4.16 Annually review the risk management charter for recommendation to the Board for approval.
- 4.17 Exercise ongoing oversight of risk management and, in particular, oversee that it results in the following:
  - 4.17.1 Pursuant to King IV, an assessment of risks and opportunities emanating from the triple context in which Sibanye-Stillwater operates and the capitals that the Group uses and affects;
  - 4.17.2 An assessment of the potential upside, or opportunity, presented by risks with potentially negative effects on achieving the Group's objectives;
  - 4.17.3 An assessment of the Group's dependence on resources and relationships as presented by the various forms of capital; and
  - 4.17.4 Integration and embedding of risk management in the business activities and the culture of the organisation.
- 4.18 Exercise ongoing oversight over the management of stakeholder risk as an integral part of the Group-wide risk management.

- 4.19 Assessing the need to receive periodic independent review of the effectiveness of the risk management.
- 4.20 Reviewing and approving risk related disclosures in the Integrated Annual Report and annual report filed on Form 20-F.

## 5. **REMUNERATION**

- 5.1. 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 may be paid such remuneration for serving on the Committee as shall be recommended by the Remuneration Committee and, to the extent required by the Act, approved by the shareholders of Sibanye-Stillwater at a general meeting.
- 5.2. Such remuneration shall be in addition to the remuneration such directors receive for service on the Board and on committees. The Committee Chair may receive a fee in addition to such remuneration as from time to time recommended by the Remuneration Committee and, to the extent required by the Act, approved by the shareholders of Sibanye-Stillwater at a general meeting.

## 6. **CONDUCT OF COMMITTEE MEMBERS**

Committee members are expected to:

- 6.1. Act in the Company's best interests, in good faith and with integrity and adhere to all relevant legal standards of conduct.
- 6.2. Avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflict or potential conflict.
- 6.3. 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.
- 6.4. Keep all information learned by them, in their capacity as Committee members, strictly confidential.



6.5. 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.

7. **GENERAL**

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.