



## **REMUNERATION COMMITTEE (the “Committee”)**

### **Terms of reference**

(Updated and recommended for approval by the Committee on 8 November 2021)



**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 Stillwater Limited (“Sibanye-Stillwater” or the “Company”) to assist the Board in discharging its responsibilities for setting and having oversight of remuneration and the implementation of remuneration policies in the Company’s long-term interests. The Committee, amongst other functions, considers and recommends remuneration policies for all levels in the Company with particular focus on the remuneration of Sibanye-Stillwater’s Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”, and together with the CEO, the “Executive Directors”) and the other members of the Company’s executive committee (“Group EXCO”) from time to time, and reports annually in Sibanye-Stillwater’s Integrated Report in accordance with applicable rules and regulations.
- 1.2. The Committee shall advise the Board on the remuneration policy of Sibanye-Stillwater, including in respect of the Executive Directors and Group EXCO members and shall recommend the remuneration payable and conditions of employment to be offered by Sibanye-Stillwater to the 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, in accordance with paragraph 9.7 of these terms of reference.
- 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 approve matters within its authority or 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 be 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 or replaced by the Board from time to time 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. Should a member cease to be a member of the Board for any reason, such member's membership of the Committee shall automatically terminate.
- 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 is to:
  - 3.1.1. annually review and recommend to the Board and to Sibanye-Stillwater shareholders the appropriate remuneration for Board and Board committee members for their services as directors, for submission to the shareholders of the Company to be approved by special resolution at each annual general meeting of the Company;
  - 3.1.2. oversee the establishment of, and recommend to the Board for approval, a remuneration policy that articulates and gives effect to the Board's direction on fair, responsible and transparent remuneration (the “Remuneration Policy”), including the Company's general policy for the remuneration of the Executive Directors and Group EXCO members including the design, structure and targets of short- and long-term incentive plans;
  - 3.1.3. review the results of the implementation and execution of the Remuneration Policy and oversee that it achieves the desired objectives, and make recommendations to the Board regarding any changes that should be effected to the Remuneration Policy;
  - 3.1.4. within the terms of the Remuneration Policy, determine the total individual remuneration package, including bonuses, incentive payments, retention payments, share awards and any other benefits of the Executive Directors

and, in consultation with the Chief Executive Officer, the members of the Group EXCO and any other executive whose total remuneration is comparable to, or higher than, that of Group EXCO members;

- 3.1.5. ensure that contractual terms on termination of the Executive Directors and Group EXCO members' employment, 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;
  - 3.1.6. 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 the King IV Report on Corporate Governance for South Africa, 2016 ("King IV") and the JSE Listings Requirements;
  - 3.1.7. establish and review the share plan implementation arrangements;
- 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. be mindful that remuneration policies and practice are fully compliant with all applicable legislative and regulatory frameworks and that legislative and regulatory developments are monitored and appropriately accommodated into the practices and policies;
  - 3.2.3. aim to give the Executive Directors and Group EXCO members 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;
  - 3.2.4. review and note annually the remuneration trends within Sibanye-Stillwater and its subsidiaries (the "Group"); and
  - 3.2.5. 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 the Executive Directors' and Group EXCO members' service agreements, taking into account information from comparable companies where relevant;
- 3.3.2. determine any grants to the Executive Directors and other Group Exco members made in terms of the Company's short- and long-term incentive plans;
- 3.3.3. consult with the Chief Executive Officer and/or the Chief Financial Officer in formulating the 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 Executive Directors' remuneration and evaluate the Executive Directors' performance in light of those goals and objectives. The Committee shall make recommendations to the Board which shall determine the Executive Directors' levels of remuneration based upon this recommendation;
- 3.3.7. evaluate the remuneration structure of the 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 the Executive Directors and Group EXCO members;
- 3.3.8. agree the policy for authorising claims for expenses from the Chief Executive Officer and/or Chief Financial Offer;
- 3.3.9. monitor the wage gap between the top and bottom echelons of the Company as well as any concerns in respect of pay fairness;

- 3.3.10. in consultation with the Social, Ethics and Sustainability Committee, approve how the Company's ESG performance reflects in the design, metrics and targets incorporated in the senior management incentive plans; and
- 3.3.11. in consultation with the Safety and Health Committee, approve how the Company's occupational health and safety performance reflects in the design, metrics and targets incorporated in the senior management incentive plan.

#### **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 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 electronic form and 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. Group EXCO members and senior management may be invited to attend Committee meetings or be consulted by the Committee from time to time to provide pertinent information and insights in their areas of responsibility. Such persons do not form part of the quorum for Committee meetings and shall not be entitled to vote at Committee meetings.
- 4.5. Every member of the Board is entitled to attend any Committee meeting as an observer. However, unless that Board member is also a member of the Committee, the Board



member is not entitled to participate without the consent of the Committee Chair, does not form part of the quorum for the meeting, does not have a vote, and is not entitled to fees for such attendance, unless the shareholders of the Company have pre-approved such fees by means of a special resolution.

## 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 matters within the Committee's remit, including the 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 direct and oversee the production, and submit for approval to the Board, a remuneration report on an annual basis, to be included in Sibanye-Stillwater's Integrated Report, containing three parts consistent with the provisions and recommendations in King IV: (i) a background statement; (ii) an overview of the main provisions of the Remuneration Policy; and (iii) an implementation report which contains details of all remuneration awarded to individual members of the Board and Group EXCO members during the reporting period, including any remuneration disclosures required by the Act (the "Implementation Report").
- 6.5. The Committee shall ensure that the Company's shareholders are provided the opportunity to annually consider for approval two separate non-binding advisory votes at the Company's annual general meeting; one on the Remuneration Policy 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, as contemplated in King IV. Such measures would include engagement with the Company's dissenting shareholders and a process of ascertaining how the shareholders' legitimate objections and concerns may be addressed.



- 6.7. 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, the background statement in the Remuneration Report for the following year shall include disclosures as contemplated in King IV on the manner and form of the engagements undertaken by the Company to ascertain the reasons for the dissenting votes and the nature of the steps taken to address any legitimate and reasonable objections and concerns.
- 6.8. The Committee shall approve the following, which has been delegated to it by the Board in terms of the Approval Framework:
- 6.8.1. the remuneration philosophy;
  - 6.8.2. the share plan implementation arrangements;
  - 6.8.3. the design, structure and targets of the incentive plans;
  - 6.8.4. guaranteed remuneration review and value of incentive payments (cash and share awards);
  - 6.8.5. the terms and conditions of employment contracts for the CEO, CFO and EVP's; and
  - 6.8.6. the posting of the Committee terms of reference on the Company's website.
- 6.9. The Committee shall recommend the share plan rules to the Board in terms of the Approval Framework.

## 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 which shall be determined through appropriate benchmarking and recommended by the Committee to the Board for approval and submission to the Sibanye-Stillwater shareholders and, to the extent required by the Act, approved by them 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 other 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, subject to the Committee's direction and supervision, provided that the Committee shall retain full and exclusive authority over any activities of such designated members. 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 the 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 and shall report the results thereof to the Board. The Board must conduct an annual evaluation of the Committee's performance in terms of its composition, mandate and effectiveness, including an evaluation of the compliance of the Committee with, and fulfilment of the Committee's responsibilities under, these terms of reference, taking into account the report provided by the Committee to the Board in accordance with this paragraph. The Board may elect to conduct an independent evaluation of the Committee's 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 must be reviewed annually by the Board and 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.

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.