



AUDIT 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 FORMATION**

- 1.1. The Committee is constituted as a statutory committee in respect of its statutory duties in terms of section 94(7) of the Companies Act, 2008, as amended (the "Act"), and a committee of the board of directors (the "Board") of Sibanye Stillwater Limited ("Sibanye-Stillwater" or the "Company" or the "Group") acting in terms of delegated authority in respect of all other duties and responsibilities assigned to it by the Board.
- 1.2. 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.
- 1.3. The Company Secretary or their designee shall act as secretary to the Committee.
- 1.4. 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.
- 1.5. These terms of reference are subject to the provisions of the Act, the Memorandum of Incorporation (MOI) of Sibanye-Stillwater, as well as any other applicable law or regulatory provision and shall be reviewed annually.
- 1.6. 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.
- 1.7. The Committee shall annually undertake a self-assessment of its performance.

2. **MEMBERSHIP**

- 2.1. The Committee shall comprise at least three directors. The chairperson of the Board (the "Board Chair") is not eligible to be a member of the Committee or the chairperson of the Committee (the "Committee Chair") but may attend Committee meetings by invitation. Every Board member is entitled to attend any Committee meeting as an observer. However, unless that member is also a member of the Committee, the member is not entitled to participate without the consent of the Committee Chair, does not have a vote and is not entitled to fees for such attendance, unless payment of fees is agreed to by the Board and Sibanye-Stillwater's shareholders. All names of the members of the Committee shall be disclosed on the Company's annual report on Form 20-F, along with a summary of these terms of reference under which the Committee operates.

- 2.2. All the members of the Committee including the Committee Chair shall be independent non-executive directors of the Company. Each Committee member shall satisfy the criteria for independence under applicable laws and regulations, including U.S. federal securities laws and the rules of the New York Stock Exchange (the "NYSE"), as well as the requirements of the *King IV Report on Corporate Governance for South Africa, 2016* ("King IV").
- 2.3. At least one third of the members of the Committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources management. The Committee members must collectively have sufficient qualifications and experience to fulfil their duties, including being financially literate and have an understanding of the following: integrated reporting (including financial reporting), internal financial controls, external audit process, internal audit process, corporate law, risk management, sustainability issues and information technology ("IT") governance as it relates to integrated reporting and governance processes within Sibanye-Stillwater.
- 2.4. The Committee Chair shall be elected by the members of the Committee from among their number and may be removed from the office of Committee Chair by the Committee in its discretion.
- 2.5. The members of the Committee shall be elected by the shareholders of Sibanye-Stillwater, on recommendation by the Nominating and Governance Committee, at each annual general meeting (the "AGM") of Sibanye-Stillwater. The Board shall fill vacancies on the Committee within 40 business days after the vacancy arises. Such appointments must be ratified by Sibanye-Stillwater shareholders at the subsequent AGM.
- 2.6. The Committee members must keep up-to-date with key developments affecting their required skills set.
- 2.7. 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 members of the Committee. Sibanye-Stillwater shall indemnify members of the Committee against all and any claims howsoever arising from the execution of their duties.

3. **MEETINGS**

- 3.1. The Committee shall meet at least six times during the year for the four quarterly meetings plus, two meetings scheduled for the approval of the Company's annual report (the "Annual Report") and the Company's annual report on Form 20-F. Other supplement meetings may be held from time to time as determined by members of the Committee or upon request from the directors, management, the internal or independent auditors or discussions at the Committee meetings.
- 3.2. 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.
- 3.3. 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.
- 3.4. 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. No attendee who is not a member of the Committee shall have a vote at meetings of the Committee, nor shall he or she form part of the quorum for the meeting.
- 3.5. Three Committee members present in person or via telecommunication facilities shall constitute a quorum for a Committee meeting.
- 3.6. 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.
- 3.7. 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.
- 3.8. 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.

- 3.9. 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.
- 3.10. 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.
- 3.11. 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.
- 3.12. The Committee Chair or failing him/her a member of the Committee shall be present at each AGM to assist the Board Chair in answering questions concerning matters falling within the authority of the Committee.

4. **PURPOSE**

- 4.1. The purpose of the Committee shall be to assist the Board and the boards of all subsidiary companies of Sibanye-Stillwater in their oversight of the integrity of the financial statements, the qualifications, independence and performance of the independent auditors of Sibanye-Stillwater, compliance with legal and regulatory requirements, compliance with Sibanye-Stillwater's Code of Ethics and the performance of Sibanye-Stillwater's Internal Audit Department (the "Internal Audit Department").
- 4.2. In discharging its duties, the Committee shall have free and unrestricted access to liaise and communicate with Sibanye-Stillwater's and its subsidiaries' directors, management, employees, internal and independent auditors and outside consultants and advisors, including legal and accounting advisors. The Committee shall also have reasonable access to the information, including records, of Sibanye-Stillwater, and to the Company's property, 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.

- 4.3. The Chief Financial Officer, the senior audit partner in charge of the independent audit and the head of the Internal Audit Department shall be in attendance at meetings of the Committee.
- 4.4. The Chief Financial Officer, senior audit partner in charge of the independent audit and the head of the Internal Audit Department shall have unrestricted access to the Committee Chair or any other member of the Committee as is required in relation to any matter falling within the authority of the Committee.
- 4.5. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate, provided it is not precluded by legal or regulatory requirements from doing so. The decisions of any member to whom authority is delegated under this paragraph shall be presented to the full audit committee at each of its scheduled meetings.
- 4.6. The Board shall provide the Committee with adequate funding in order to perform its duties including amounts for payment of fees or compensation to the independent auditors and any outside advisors or consultants retained by the Committee.
- 4.7. The Committee shall not perform any management functions or assume any management responsibilities.

5. **FUNCTIONS AND DUTIES**

In furtherance of its purpose, the Committee shall have the following authorities, responsibilities and duties:

5.1. **Statutory duties – in terms of section 94(7) of the Act**

The Committee shall:

- 5.1.1. nominate, for appointment, re-appointment or dismissal by Sibanye-Stillwater's shareholders as auditor of the Company, an external registered auditor who, in the opinion of the Committee, is independent of the Company. In addition, the Committee shall disclose in the Integrated Annual Report any rotation of the designated external audit partner and significant changes in the management of the organisation during the external audit firm's tenure which may mitigate the attendant risk of familiarity between the external auditor and management;

- 5.1.2. determine the fees to be paid to the external auditor and the auditor's terms of engagement;
- 5.1.3. ensure that the appointment of the auditor complies with the provisions of the Act and any other legislation relating to the appointment of auditors;
- 5.1.4. determine, subject to the provisions of the Act, the nature and extent of any non-audit services that the external auditor may provide to the Company, or that the auditor must not provide to the Company or a related company;
- 5.1.5. pre-approve any proposed agreements with the external auditor for the provision of non-audit services to the Company. The Committee may delegate the pre-approval responsibility to the Chair or another member of the Committee in line with the agreed pre-approval policy and procedures. However, all decisions will be formally tabled at the next Committee meeting for ratification;
- 5.1.6. prepare a report, to be included in the annual financial statements of the Company for the relevant financial year that –
 - 5.1.6.1. describes how the Committee carries out its functions;
 - 5.1.6.2. states whether the Committee is satisfied that the auditor was independent of the Company. This statement will specifically address:
 - 5.1.6.2.1. the policy/controls and nature and extent of non-audit services rendered;
 - 5.1.6.2.2. tenure of external audit firm, in the event of the audit firm having been involved in the merger or acquisition, including the tenure of the predecessor firm;
 - 5.1.6.2.3. rotation of designated external audit partner; and
 - 5.1.6.2.4. significant changes in the management of the organisation during external audit firm's tenure.



- 5.1.6.3. comments, in any way that the Committee considers appropriate, on the financial statements, the accounting practices and the internal financial controls of the Company;
- 5.1.7. receive and deal appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, in relation to –
 - 5.1.7.1. the accounting practices and internal audit of the Company;
 - 5.1.7.2. the content or auditing of the Company's financial statements;
 - 5.1.7.3. the internal financial controls of the Company; or
 - 5.1.7.4. any related matter;
- 5.1.8. make submissions to the Board on any matter concerning the Company's accounting policies, financial control, dividend declarations, Group tax policy, records and reporting.
- 5.2. **Other duties – as delegated by the Board to the Committee, King IV and/or as required by the U.S. federal securities laws or the rules of the NYSE**
 - 5.2.1. The Committee may establish policies and procedures for pre-approval of all independent auditor services, including delegating pre-approval authority to a sub-committee of one or more Committee members.
 - 5.2.2. The Committee shall review with the independent auditors any problems or difficulties arising during the course of the audits, as well as management's response to such issues, including any restrictions placed on the scope of the independent auditors' activities or access to requested information, and any significant disagreements with management.
 - 5.2.3. In order to assess the auditor's competence and independence for, inter alia, the purpose of paragraph 5.1.1, the Committee shall notwithstanding its duties pursuant to Section 94 of the Companies Act, the U.S. federal securities laws and the rules of the NYSE, in compliance with the JSE Listings Requirements:
 - 5.2.3.1. consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director;



- 5.2.3.2. ensure that the issuer has established appropriate financial reporting procedures and that those procedures are operating, which should include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on the financial statements of the issuer; and
- 5.2.3.3. request from the audit firm (and if necessary consult with the audit firm on) the information detailed in paragraph 22.15(h) of the JSE Listings Requirements in order to effect an assessment of the suitability for appointment of the current (or a prospective) audit firm and designated individual partner both when they are appointed for the first time and thereafter annually for every re-appointment;
- 5.2.3.4. notwithstanding the provisions of Section 90(6) of the Companies Act, ensure that the appointment of the auditor is presented and included as a resolution at the annual general meeting of the issuer pursuant to Section 61 (8) of the Companies Act;

The Committee shall present the conclusion of its review with respect to the independent auditors to the Board for its information at least annually. The issuer must confirm, by reporting to shareholders in its Annual Report, that the audit committee has executed the responsibilities set out in 5.2.3 above.

- 5.2.4. annually review and discuss all relationships between the independent auditors and Sibanye-Stillwater, including its subsidiaries, and shall take steps to ensure the regular rotation of certain lead audit partners as required by applicable laws and regulations, including U.S. federal securities laws and the rules of the NYSE.
- 5.2.5. The Committee shall discuss with management and the independent auditors the annual audited financial statements of Sibanye-Stillwater and its subsidiaries and Sibanye-Stillwater's half yearly financial statements. This includes disclosure regarding the financial statements and Sibanye-Stillwater and its subsidiaries' financial condition, including, without limitation, such disclosure in Sibanye-Stillwater's annual report on Form 20-F to be filed with the U.S. Securities and Exchange Commission (the "SEC"), made under applicable legal and regulatory requirements.

- 5.2.6. The Committee shall also review and recommend any reports to be distributed to Sibanye-Stillwater's shareholders in connection with Sibanye-Stillwater's financial statements, to the Board for approval, including but not limited to review and recommendation of the following for Sibanye-Stillwater and its subsidiaries:
- 5.2.6.1. the implementation of new financial systems;
 - 5.2.6.2. significant adjustments resulting from the audit;
 - 5.2.6.3. capital adequacy;
 - 5.2.6.4. compliance with local and international accounting standards, compliance with stock exchange and legal requirements; and
 - 5.2.6.5. special documents such as prospectuses and other offering documents, as and when prepared.
- 5.2.7. The Committee shall determine whether the independent auditors should review half yearly financial statements. In the case of an independent review, the report of the Committee and the report of the independent auditor shall be tabled at the Board meeting held to adopt such half yearly financial statements.
- 5.2.8. The Committee shall review and resolve disagreements between management and the independent auditors regarding financial reporting.
- 5.2.9. While primary responsibility for the financial statements and disclosures rests with management, and without detracting from its duties in terms of paragraph 5.1.7, the Committee shall review:
- 5.2.9.1. major issues concerning accounting principles and financial statement presentations, including any significant changes to the selection or application of accounting principles;
 - 5.2.9.2. major issues regarding the adequacy of internal controls and steps taken in light of material control deficiencies;
 - 5.2.9.3. analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and

judgments made in connection with the preparation of the financial statements; and

- 5.2.9.4. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, including any significant ventures, investments or operations that are not subject to an independent audit, on the financial statements.
- 5.2.10. Prior to the filing of any audit report with the SEC or JSE Limited, the Committee shall discuss with the independent auditor, as appropriate:
 - 5.2.10.1. all critical accounting policies and practices to be used;
 - 5.2.10.2. all alternative treatments of financial information discussed with management within International Financial Reporting Standards ("IFRS") (paying particular attention to any use of non-IFRS, or otherwise "adjusted" or "underlying" information); and
 - 5.2.10.3. all material written communications between the independent auditor and management, including but not limited to the independent auditor's proposed audit certificate, and the independent auditor's management letter and management response.
- 5.2.11. The Committee shall meet separately with management, the Internal Audit Department and the independent auditors on a regular basis to discuss all issues warranting Committee action or attention.
- 5.2.12. The Committee shall report regularly to the Board on any issues arising in connection with its oversight of the functions for which it is responsible. The agenda of each Board meeting shall provide an opportunity to the Committee Chair to report orally to the Board on any matters of importance as well as on the Committee's findings and recommended actions.
- 5.2.13. The Committee shall review disclosures made to the Committee by Chief Executive Officer and Chief Financial Officer in connection with the certifications required to be made in the annual report on Form 20-F with regard to the accuracy and completeness of the financial statements

contained in the annual report, the Company's disclosure controls and procedures and the Company's internal control over financial reporting.

- 5.2.14 The Committee shall establish procedures for the hiring by Sibanye-Stillwater of employees or former employees of the independent auditors.
- 5.2.15 The Committee shall, without detracting from its duties in terms of paragraph 5.1.7, establish, review and monitor procedures for the receipt, retention and treatment of complaints received by Sibanye-Stillwater and its subsidiaries regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- 5.2.16 The Committee will have the prerogative of instituting investigations into all matters which may signify that the accuracy or reliability of the financial reporting or the adequacy of the internal controls at Sibanye-Stillwater is in question.
- 5.2.17 Although the audit of Sibanye-Stillwater's financial statements is the responsibility of independent auditors, the Committee shall ensure that major activities, key results areas, critical functions and the risk exposures are adequately covered/examined.
- 5.2.18 This requirement will not limit or restrict the independent auditors in respect of the programme they wish to follow. In the normal course of the external audits, the independent auditors will be required to report to the Committee on the following matters that came to their attention during the performance of the audit, inter alia:
- 5.2.18.1 their view of the financial and accounting systems and the application and control thereof;
 - 5.2.18.2 any recommendations to improve the internal financial and/or accounting control, accounting practices or bases, or the reporting systems;
 - 5.2.18.3 any fundamental transactions outside normal business;
 - 5.2.18.4 any transactions of significance between the Group and its directors or officers or their next of kin;

- 5.2.18.5 any activities contrary to the Group's code of business conduct; and
- 5.2.18.6 any disagreements with the management regarding the contents or presentations of financial reports, as well as how agreement was reached (any irreconcilable disagreements between the management and the independent auditors must be referred immediately to the Committee for resolution).
- 5.2.19 The Committee to disclose its views on the quality of the independent auditors with reference to audit quality indicators such as those that may be included in inspection reports issued by independent audit regulators. The Committee to further disclose significant matters considered by the Committee in relation to the annual financial statements and how these were addressed by the Committee.
- 5.2.20 The Committee shall determine the purpose, authority and responsibility of the Internal Audit Department in an internal audit charter to be approved by the Committee and shall at least annually review the Internal Audit Department's compliance with that charter.
- 5.2.21 The Committee shall monitor and evaluate the effectiveness of the Internal Audit Department, which reports to the Chief Financial Officer but has access to both the Board Chair and the Committee Chair and review the Group's risk profile regulatory and propose adaptations to the internal audit plan accordingly.
- 5.2.22 The Committee shall review and approve any internal audit plans proposed by the Internal Audit Department and shall review all reports and conclusions submitted to the Committee by the Internal Audit Department. The Committee shall review the effectiveness of Sibanye-Stillwater's internal control systems and policies and shall review the intended level of support for and co-ordination with the external audit process.
- 5.2.23 The Committee shall evaluate the head of Sibanye-Stillwater's Internal Audit Department's competence, gravitas and objectivity.
- 5.2.24 The Internal Audit Department shall conduct regular reviews of all financial systems, internal control procedures and the accuracy of record keeping. In addition, the Internal Audit Department shall undertake ad hoc investigations

at the request of the management, the directors and/or the Committee as felt necessary.

- 5.2.25 The Internal Audit Department shall report at all Committee meetings, and the Committee will act as a forum for discussion of issues reported by the Internal Audit Department. The Committee shall review summarised internal audit findings and management actions to determine the degree to which management controls are implemented and executed and to establish trends in the organisation. The Committee shall also review any significant differences of opinion between management and the Internal Audit Department.
- 5.2.26 The Committee must ensure, as far as possible, that the independence of the Internal Audit Department is not compromised in any way.
- 5.2.27 The Committee shall review and approve or ratify any transaction submitted to the Committee between the Company and a related person, which is required to be disclosed.
- 5.2.28 The Committee will perform such other functions as assigned by law, regulation, the Company's charters or by-laws, or the Board.
- 5.2.29 The Committee shall assist the Board in making a statement on the going concern status of the Company after reviewing a documented assessment of the going concern status of the Company prepared by management.
- 5.2.30 The Committee shall consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the Chief Financial Officer and the finance function and shall confirm this by reporting to Sibanye-Stillwater's shareholders in the annual report that this has been executed.
- 5.2.31 The Committee shall conclude and report yearly to the stakeholders and the Board on the effectiveness of the Company's internal financial controls.
- 5.2.32 The Committee shall be responsible for evaluating the significant judgments and reporting decisions affecting the annual report made by management, including changes in accounting policies, decisions requiring a major element of judgment and the clarity and completeness of the proposed financial and sustainability disclosures.

- 5.2.33 The Committee should be informed of any monitoring or enforcement actions against the Company and review the information on hand.
- 5.2.34 The Committee is authorised to seek such independent professional advice as it may consider necessary at the Company's expense.
- 5.2.35 The Committee shall review and reassess the adequacy of these terms of reference periodically and recommend any proposed changes to the Board for approval.
- 5.2.36 The Committee shall annually review its own performance and report its findings to the Board for approval.
- 5.2.37 The Committee shall be accountable to the Board for IT governance.
- 5.2.38 The Committee shall ensure that the IT framework is in place and that the IT charter and policies are established and implemented.
- 5.2.39 The Committee shall ensure that an IT internal control framework is adopted and implemented and that the Board receives an independent assurance on the effectiveness thereof.
- 5.2.40 The Committee shall:
- 5.2.40.1 review arrangements by which Sibanye-Stillwater staff and others may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters, with a view to ensuring that arrangements are in place for the effective and independent investigation of such matters and for appropriate follow-up actions;
 - 5.2.40.2 consider the major findings of internal investigations and management's responses thereto in relation to the above.
 - 5.2.40.3 The Committee shall ensure that a combined assurance model, which includes external assurance service providers, such as sustainability and environmental auditors, external actuaries and external forensic fraud examiners and auditors, internal audit and the finance function, internal forensic fraud examiners and auditors, safety and process assessors and statutory actuaries is applied to provide a co-ordinated approach to

all assurance activities. The Committee shall also disclose its views with respect to the effectiveness of the combined assurance.

5.2.41 The Committee shall recommend the following to the Board in terms of the Approval Framework:

5.2.41.2 the Group dividend declarations;

5.2.41.3 the hedging and derivatives policy; and

5.2.41.4 the Group dividend policy.

5.2.42 The Committee shall discharge any other duties or responsibilities delegated to the Committee by the Board from time to time.

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 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.

6.2. 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.

7. **CONDUCT OF COMMITTEE MEMBERS**

Committee members are expected to:

7.1. Act in the Company's best interests, in good faith and with integrity and adhere to all relevant legal standards of conduct.

7.2. Avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflict or potential conflict.

- 7.3. 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.
- 7.4. Keep all information learned by them, in their capacity as Committee members, strictly confidential.
- 7.5. 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.