



COMPLIANCE MANAGEMENT POLICY

SA Region

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| | | | |



COMMITMENT



ACCOUNTABILITY



RESPECT



ENABLING



SAFETY

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1. PURPOSE AND SCOPE

1.1 AIM

The policy sets the framework for the management of Compliance Risk within Sibanye-Stillwater SA Region by defining the concept of Compliance Risk, the structure and the role of the Compliance Department.

1.2 PURPOSE

The purpose is to provide a structured policy that will allow the Executive, Operational Management and the Compliance Department to engage on an agreed compliance risk management platform, in order to establish, embed and reinforce a compliance culture. The Compliance Methodology will foster an environment for pro-active and informed collaboration and decision-making.

1.3 SCOPE

The policy focuses on controls and mitigating actions implemented by the Company and all its operating entities to ensure compliance with relevant statutory, regulatory, supervisory and other requirements including King IV requirements.

Compliance Risk comprises two elements: regulatory risk and reputational risk. Regulatory risk in this context includes the penalties that the Company and its operating entities may incur if they do not comply with all defined statutory, regulatory, supervisory and other requirements. Reputational risk is risk that the Company is exposed to resulting from damage to the Company's reputation.

1.4 APPROACH

The management of Compliance Risk entails a collaborative effort. Functional departments must be conversant with the policy, the regulatory requirements applicable to their operation or business unit, and controls that will meet with legislative requirements.

The Company subscribes to a zero-tolerance policy with regard to non-compliance with laws, regulations, supervisory and other requirements.

2. ROLES AND RESPONSIBILITIES

Compliance with legislation, rules and/or other requirements is the responsibility of functional departments and line management. The Compliance Department assists by simplifying legislation and making management and relevant stakeholders aware of changes and pending changes in legislation and regulations.

2.1 BOARD

The Board is responsible for governance of compliance with relevant statutory, regulatory, supervisory and other requirements. The Board is further authorised to form committees to assist it in the execution of its

duties, powers and authorities, or when required under applicable law. The responsibility for the implementation and execution of effective compliance management is delegated to management.

2.2 COMPLIANCE DEPARTMENT

The Compliance Department's mandate is to facilitate the management of Compliance Risk by means of the effective application of the Compliance Methodology, and to provide advice and guidance relating to compliance issues of a strategic nature.

The Compliance Department is authorised and mandated by the Board and has three main functions: (1) identifying and measuring compliance risk, (2) (2) compliance oversight and (3) providing compliance-related advice. When engaging with functional departments and/or line management, the following are considered:

- Regulatory Universe;
- Compliance Risk Profiles;
- Compliance reporting.

To fulfil its responsibilities effectively, the Compliance Department uses a combination of centralised and decentralised structures. The Compliance Department consists of the Compliance Officer, who has a functional reporting line to the Manager Corporate Compliance and Chief Legal Officer, who in turn has direct access to the Executive Committee and Board.

Key responsibilities include:

- Co-ordinating the drafting/revision of the policy as and when required.
- Facilitating and managing the implementation of the policy in cooperation with management structures across the Company.
- Communication and awareness to ensure functional departments are aware and informed of laws, regulations, supervisory and other requirements.
- Compliance assurance activities, using a risk-based approach.
- Scanning of regulatory requirements.
- Scanning the regulatory environment and flagging changes to laws, regulations, supervisory and other requirements.
- Communicating changes to functional departments, line management and relevant stakeholders and providing training when and where required.
- Facilitating the Compliance Risk profile sessions, which entails determining the regulatory and compliance requirements applicable to a specific functional department and measuring the risk exposure in the event of non-compliance. To determine this value, the severity of non-compliance (impact of financial loss and reputational loss) and probability of non-compliance (determined by assessing the effectiveness of current controls) are evaluated with the assistance of selected employees.

- Reporting the outcome of the Compliance Risk profile sessions to the Risk Committee.
- Inform relevant third parties, in line with legislative requirements, of regulatory non-compliance (when/where applicable)

2.3 FUNCTIONAL DEPARTMENTS AND LINE MANAGEMENT

Compliance with legislation is the responsibility of functional departments.

Key responsibilities include:

- Understanding the environment in which they operate, which includes understanding processes, systems, employees and industry affiliations within their area of responsibility that are subject to regulatory requirements.
- Providing management assurance on the implementation of and compliance with the policies and regulatory requirements.
- Ensuring that employees are made aware of their duties in terms of the policy and other regulatory requirements.
- Ensuring that employees are fully aware of the Company's zero tolerance of non-compliance.
- Ensuring that identified compliance risks are monitored and controlled.
- Ensuring that employees are adequately trained in the compliance obligations related to their position.
- Reporting, managing and mitigating non-compliance.
- Ensuring that compliance obligations are incorporated into contracts with external contractors and suppliers.
- Reporting compliance/non-compliance with relevant laws, regulations, supervisory and other requirements to relevant Board sub-committees e.g. Safety department to Safety and Health Committee and Compliance Department.

2.4 EMPLOYEES

Employees are responsible for compliance with all regulatory requirements, internal policies, procedures and rules that govern the activities of their position/area of responsibility within the Company. Any regulatory non-compliance should be reported to line management, which will escalate the matter to the Compliance Department and/or relevant Board sub-committee. Such non-compliance may also be reported by means of the toll-free number.

2.5 INTERNAL AUDIT

Internal Audit provides assurance on compliance with relevant laws, regulations, supervisory and other requirements, as well as assurance on the compliance management processes to the Audit Committee and other relevant stakeholders.