

corporate governance report

KEY STANDARDS AND PRINCIPLES

This governance report is Sibanye's second following its separation from Gold Fields in February 2013.

The Company listed on 11 February 2013, with its primary listing on the JSE. It is registered with the US Securities and Exchange Commission (SEC) in the USA and its ordinary shares are listed on the NYSE in the form of an ADR programme administered by BNY Mellon.

As a result, the Group is subject to compliance with the JSE Listings Requirements and to the disclosure and corporate governance requirements of the NYSE. The Group's compliance with the terms of the Sarbanes-Oxley Act, 2002 (SOX) is documented in the Form 20-F, filed initially with the SEC on 26 April 2013, and annually thereafter. In 2013 the Group complied with all the applicable governance requirements.

The Group has adopted high standards of accountability, transparency and integrity in the running of the business and reporting to shareholders and other stakeholders.

The approach to corporate governance is guided by the principles of fairness, accountability, responsibility and transparency. Special attention had been given to providing stakeholders and the financial investment community with clear, concise, accurate and timely information about the Group's operations and results; reporting to shareholders on an integrated basis on Sibanye's financial and sustainable performance; ensuring appropriate business and financial risk management; ensuring that no director, management official or other employee of the Sibanye Group deals directly or indirectly in Sibanye shares on the basis of unpublished price-sensitive information regarding the Sibanye Group, or otherwise during any prohibited period; and

recognition of the Group's social responsibility to provide assistance and development support to the communities in which it operates and to deserving institutions at large.

The Company implemented a new Memorandum of Incorporation (MOI) which was approved at a shareholder meeting in 2012. The MOI of its subsidiaries was regularised before the deadline date of 1 May 2013.

In 2013, the Group applied the principles contained in King III and implemented the King III principles and recommendations across the Group.

Sibanye complies with the principle that companies should remunerate directors and executives fairly and responsibly. The Remuneration Committee develops a remuneration policy aligned with the strategy of Sibanye and linked to individual performances. This policy addresses the base pay, bonuses, employee contracts, severance and retirement benefits and share-based and other long-term incentive schemes.

The one exception is the King III recommendation that employment contracts should not compensate executives for severance because of change of control (although this does not preclude payments for retaining key executives during a period of uncertainty).

All 75 King III principles are recorded in the compliance schedule on Sibanye's website, detailing the principles and the corresponding explanations.

Sibanye complied with all of the mandatory specific governance requirements contained in paragraph 4.84 of the JSE listing requirements during the 2013 financial year.

The Group's Code of Ethics requires its directors, officers and employees to conduct business in an ethical and fair manner and it promotes a socially-

and environmentally-responsible culture. The Audit and Risk Committee is responsible for ensuring compliance with the Code of Ethics.

In addition to meeting the requirements of King III and SOX, the Group also meets the relevant requirements of the Dodd-Frank Act (2010), the Foreign Corrupt Practices Act (1977), the UK Bribery Act (2010), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997), the UN Convention against Corruption (2003) and South Africa's Prevention and Combating of Corrupt Activities Act (2004).

Employees, suppliers and customers are encouraged to report irregularities and misconduct without fear of victimisation using an independently managed, anonymous, toll-free line.

Sibanye has established policies and procedures dealing with HIV/AIDS in the workplace and has a voluntary testing programme that has resulted in a significant number of employees taking ownership of their HIV/AIDS status. With the help of management and using independent service providers, those in need are able to get counselling and antiretroviral (ARV) treatment.

In 2013 the Group remained committed to its corporate social investment (CSI) and local economic development (LED) initiatives. These cover a broad range of programmes and activities including promoting home ownership and developing human capital through education. Sibanye's support of educational initiatives includes portable skills, bursaries, learnerships, adult basic education and training (ABET) courses and maths/science programmes. A brick-making project, waste-management centres, community centres, a library and a number of agricultural development projects are among the other projects that receive Group support.

BOARD OF DIRECTORS

The Company's MOI requires no fewer than four and no more than 15 members on the Board of Directors. The Board currently comprises 11 members. Nine of these are independent, non-executive directors and the two executive directors hold the positions of CEO and CFO. Zola Skweyiya was appointed as the eleventh member and as an independent, non-executive director on 1 October 2013. He is eligible and available for election.

The roles of the Chairman of the Board and the CEO are separate.

The Board, advised by the Nominating and Governance Committee, ensures that the candidates for election as independent, non-executive directors are reputable, competent and experienced and are willing to devote the necessary time to the role.

The Board of Directors' Charter outlines the objectives and responsibilities of the Board (see pages 51 and 52) and all Board sub-committees operate in accordance with written terms of reference, which are regularly reviewed by the Board. The Board takes ultimate responsibility for the Group's adherence to sound corporate governance standards and sees to it that all business judgements are made with reasonable care, skill and diligence.

The executive directors and the Company Secretary keep the Board informed of all developments in the Group.

The current membership of all the Board sub-committees is disclosed on pages 52 to 54.

The Board is required to meet at least four times a year and held its first Board meeting on 8 February 2013 with all Board members attending.

Remuneration

The Board obtains independent advice before making

recommendations to shareholders for the remuneration of non-executive directors. The remuneration is paid only in accordance with a special resolution approved by the shareholders within the previous two years.

Non-executive directors only receive remuneration due to them as members of the Board. Directors serving on Board sub-committees receive additional remuneration. Details of the directors' remuneration packages as well as those of the prescribed officers are disclosed in the Remuneration Report on page 86 to 91.

Monitoring performance

In 2013, and in line with recommendations of King III, the Board carried out a rigorous evaluation of the independence of directors.

The Chairman is appointed annually by the Board which, with the assistance of the Nominating and Governance Committee, carried out a rigorous review of the Chairman's performance and independence during 2013. The Board concluded that there were no factors that impaired his independence and appointed the Chairman for another year. The corporate secretary conducted a detailed assessment of the performance of the Board and its committees.

The assessments found the structures and processes governing the Board and its committees were well established and functioning satisfactorily. It also found that the Board had fulfilled its role and responsibilities, and had discharged its duties to Sibanye and its responsibilities to shareholders and stakeholders in an exemplary manner.

The performance of the Company Secretary was evaluated by the Board. The Board was satisfied with his competence, qualifications and experience and maintaining an arms-length relationship with the Board.

Rotation and retirement from the Board

In accordance with the MOI, one third of the directors shall retire from office at each AGM. The first to retire are those directors appointed as additional members of the Board, followed by the longest-serving members. The Board, assisted by the Nominating and Governance Committee, can recommend the eligibility of retiring directors (subject to availability and their contribution to the business) for re-appointment. Retiring directors can be immediately re-elected by the shareholders at the AGM.

Board of Directors' Charter

The Board reviewed and re-assessed the adequacy of the Board of Directors' Charter (Charter). This document compels directors to promote the vision of the Group, while upholding sound principles of corporate governance. Directors' responsibilities under the Charter include:

- determining the Group's Code of Ethics and conducting the Group's affairs in a professional manner, upholding the core values of integrity, transparency and enterprise;
- evaluating, determining and ensuring the implementation of corporate strategy and policy;
- determining compensation, development, skills development and other relevant policies for employees;
- developing and setting best-practice disclosure and reporting practices that meet the needs of all stakeholders;
- authorising and controlling capital expenditure and reviewing investment capital and funding proposals;
- constantly updating the risk management systems, including setting management expenditure authorisation levels and exposure limit guidelines; and
- reviewing executive succession planning and endorsing senior executive appointments, organisational changes and general remuneration policies.

corporate governance report continued

In this regard the Board is guided by the Remuneration Committee, the Audit and Risk Committee as well as by the Nominating and Governance Committee.

The Board considers that this Integrated Report and associated reports comply in all material respects with the relevant statutory requirements of the various regulations governing disclosure and reporting by Sibanye; and that the consolidated financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listing Requirements. As such, the Board has approved the content of the Integrated Report 2013, including the consolidated financial statements on 25 April 2014.

BOARD COMMITTEES

The Board has formed the following committees in compliance with good corporate governance:

- Audit and Risk Committee
- Remuneration Committee
- Nominating and Governance Committee
- Safety, Health and Sustainable Development Committee
- Social and Ethics Committee (to comply with the statutory requirements of the Companies Act).

All these committees are composed exclusively of independent non-executive directors except for the Safety, Health and Sustainable Development Committee of which the CEO is also a member. The committees are all chaired by an independent non-executive director and operate in accordance with written terms of reference which have been approved by the Board.

Board meetings and attendance

Director	Date					
	8/2	13/5	15/5	6/8	5/11	6/12
Moloko, Sello	√	√	√	√	√	√
Cumming, Timothy	-	√	√	√	√	√
Davison, Barry	-	√	√	√	√	√
Froneman, Neal	√	√	√	√	√	√
Keyter, Charl	√	√	√	√	√	√
Menell, Richard	√	√	√	√	√	√
Nika, Nkosemntu	-	√	√	√	√	√
Rayner, Keith	√	√	√	√	√	√
Skweyiya, Zola	-	-	-	-	√	√
van der Merwe, Susan	-	√	√	√	√	√
Vilakazi, Jerry	√	√	√	√	√	√

¹ Messrs Cumming, Davison, Nika and van der Merwe were appointed to the Board on 21 February 2013.

² Dr Skweyiya was appointed to the Board on 1 October 2013.

THE AUDIT AND RISK COMMITTEE

Keith Rayner (Chairman)
Richard Menell
Nkosemntu Nika
Susan van der Merwe

This committee monitors and reviews Sibanye's accounting controls and procedures, including the effectiveness of its information systems and other systems of internal control; the effectiveness of the internal audit function; reports of both external and internal auditors; half-yearly reports, the Form 20-F; the consolidated annual financial statements; the accounting policies of Sibanye and any proposed revisions thereto; external audit findings and reports, and the approval thereof; and compliance with applicable legislation and requirements of regulatory authorities and Sibanye's Code of Ethics.

The CFO's expertise was evaluated by the Audit and Risk Committee. The committee is satisfied that the incumbent has the appropriate expertise and experience to carry out his duties as the financial director of the Group and that he is supported

by qualified competent senior staff.

The committee reviewed and assessed the independence of the external auditors, including their confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and international bodies have been followed. The committee is satisfied that KPMG Inc. is independent of the Group.

Sibanye's CFO and internal and external auditors as well as management attend all the Audit and Risk Committee meetings and have unrestricted access to the chairman of this committee. The Audit and Risk Committee, in turn, communicates freely with other members of the Board not serving as members of the Audit and Risk Committee. To effectively perform its functions, the Audit and Risk Committee meets at least quarterly, but more frequently if required.

The Sarbanes-Oxley Act requires the Board to identify a financial expert from within its ranks. The Board has resolved that the committee's Chairman, Keith Rayner, is the Audit Committee's financial expert.

Membership and attendance of the Audit and Risk Committee

Director	Date					
	27/2	14/3	28/3	14/5	5/8	4/11
Rayner, Keith	√	√	√	√	√	√
Menell, Richard	√	√	√	√	√	√
Nika, Nkosemntu	√	√	√	√	√	√
van der Merwe, Susan	√	√	√	√	√	√

AUDIT AND RISK COMMITTEE STATEMENT

Based on information from the discussions with management and external auditors, the Audit and Risk Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year and that the financial records can be relied upon as the basis for preparation of the consolidated financial statements.

The Audit and Risk Committee considered and discussed this Integrated Report with both management and the internal and external auditors. During this process, the committee:

- evaluated significant judgements and reporting decisions;
- determined that the going concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact on the Integrated Report;
- evaluated the completeness of the financial and sustainability discussion and disclosures; and
- discussed the treatment of significant and unusual transactions with management and the internal and external auditors.

The Audit and Risk Committee considers that this Integrated Report complies in all material respects with the statutory requirements of the various regulations governing disclosure and reporting of the consolidated financial statements. The consolidated financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides issued by the Accounting Practice Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listings Requirements. The Audit and Risk Committee has recommended to the Board that the consolidated annual financial statements be adopted and approved by the Board.

THE NOMINATING AND GOVERNANCE COMMITTEE

Sello Moloko (Chairman)
Richard Menell
Jerry Vilakazi

This committee is responsible for ensuring that new directors undergo an appropriate induction process; recommending to the Board the need for Board participation in continuing-education programmes; identifying and recommending to the Board successors to the Chairman and CEO; developing the approach of Sibanye to matters of corporate governance; and making recommendations to the Board concerning such matters.

Membership and attendance of the Nominating and Governance Committee

Director	Date		
	14/5	5/8	4/11
Moloko, Sello	√	√	√
Vilakazi, Jerry	√	√	√
Menell, Richard	√	√	√

THE REMUNERATION COMMITTEE

Timothy Cumming (Chairman)
Barry Davison
Sello Moloko
Nkosemntu Nika

This committee is responsible for determining Sibanye's remuneration policy and the practices needed to attract, retain and motivate high-performing executives who are demonstrably aligned with Sibanye's corporate objectives and business strategy; and for ensuring that remuneration levels relative to other comparable companies are pitched at the desired level taking relative performance into account.

The Remuneration Committee also reviews, on behalf of the Board, both the remuneration levels of senior executives and management share-incentive schemes and the related performance criteria and measurements. To perform these functions the Remuneration Committee meets quarterly, or more frequently if required.

Membership and attendance of the Remuneration Committee

Director	Date		
	14/5	5/8	4/11
Cumming, Timothy	√	√	√
Davison, Barry	√	√	√
Moloko, Sello	√	√	√
Nika, Nkosemntu	√	√	√

corporate governance report continued

THE SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

Barry Davison (Chairman)
Neal Froneman
Sello Moloko
Richard Menell
Susan van der Merwe

This committee reviews adherence to occupational health, safety and environmental standards by Sibanye. The committee seeks to minimise mining-related accidents, to ensure that Sibanye's operations are in compliance with all environmental regulations and to establish policy in respect of HIV/AIDS and health matters.

Membership and attendance of the Safety, Health and Sustainable Development Committee

Director	Date		
	13/5	5/8	4/11
Davison, Barry	√	√	√
Froneman, Neal	√	√	√
Moloko, Sello	√	√	√
Menell, Richard	√	√	√
van der Merwe, Susan	√	√	√

THE SOCIAL AND ETHICS COMMITTEE

Jerry Vilakazi (Chairman)
Timothy Cumming
Barry Davison
Sello Moloko
Keith Rayner

This committee is responsible for discharging its statutorily imposed duties as outlined in section 72 of the Companies Act and the applicable regulations, which include monitoring Sibanye's activities in relation to relevant legislation, other legal requirements and prevailing codes of best practice regarding:

- (i) the social and economic development;
- (ii) good corporate citizenship;

- (iii) the environment, health and public safety and the impact on Sibanye's activities, products and services;
- (iv) consumer relations; and
- (v) labour and employment legislation.

The Social and Ethics Committee must bring any matters relating to this monitoring to the attention of the Board and report to shareholders at the AGM. The Board seeks the assistance of the Social and Ethics Committee in ensuring that Sibanye complies with best practice recommendations in respect of social and ethical management.

Membership and attendance of the Social and Ethics Committee

Director	Date		
	14/5	5/8	4/11
Vilakazi, Jerry	√	√	√
Cumming, Timothy	√	√	√
Davison, Barry	√	√	√
Moloko, Sello	√	√	√
Rayner, Keith	√	√	√

EXECUTIVE DIRECTORS AND EXECUTIVE COMMITTEE

Neal Froneman (CEO)
Charl Keyter (CFO)
Peter Turner (COO)
Cain Farrel (Company Secretary)
Shadwick Bessit
Hartley Dikgale
Nash Lutchman[§]
Dawie Mostert
Adam Mutshinya
Marius Saaiman*
Robert van Niekerk
James Wellsted

Sibanye's Executive Committee meets on a regular basis to discuss and make decisions on the strategic and operating issues facing Sibanye.

[§] appointed 1 March 2014

*appointed 1 February 2014

RISK MANAGEMENT

The total process of risk management, which includes the related systems of internal control, is the responsibility of the Board. Management is accountable to the Board for designing, implementing and monitoring an integrated process of risk management into the daily activities of Sibanye. The Board, through the Audit and Risk Committee, ensures that management implements appropriate risk management processes and controls.