

SUMMARISED REMUNERATION REPORT

This is a summarised version of the Remuneration Committee's Remuneration Report of the Annual Financial Report 2015.

2015 REMUNERATION POLICY

The key principles of Sibanye's remuneration policy are to:

- support the execution of the Group's business strategy;
- provide competitive rewards to attract, motivate and retain highly skilled executives and staff;
- motivate and reinforce individual, team and business performance; and
- ensure Sibanye's remuneration arrangements are reasonably equitable and facilitate the deployment of people across the Group's operations.

The reward strategy is also underpinned by sound remuneration management and governance principles which are promoted across Sibanye in order to ensure the consistent application of the strategy and its policies. The Group's reward strategy includes the following elements:

- guaranteed remuneration;
- benefits;
- cash bonus and bonus shares (short-term incentives); and
- performance shares (long-term incentives).

REMUNERATION MIX

Sibanye's remuneration model and practices are aimed at attracting and retaining motivated, high-calibre employees and aligning their interests with the shareholders. Such alignment is achieved through an appropriate mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The mix of guaranteed pay and variable pay differs according to the level of the employee within the Group. Typically, more senior employees' remuneration will consist of a higher portion of variable pay as a percentage of their total remuneration.

The following remuneration mix for the period under review was approved by the Remuneration Committee.

Role	Total	Guaranteed pay	Cash bonus	Bonus shares	Performance shares
CEO	100%	36%	24%	16%	24%
CFO	100%	39%	23%	15%	23%
SVP	100%	43%	21.5%	14%	21.5%

GUARANTEED REMUNERATION

Sibanye endeavours to reward its people fairly and consistently according to their role and individual contribution to the Group. To achieve reasonable external parity and a competitive total remuneration position, Sibanye surveys the relevant data on comparable pay practices regularly. The Committee also pays attention to the matter of internal parity of pay differentials across executives and role types within the Company.

The benchmark for guaranteed remuneration is the market median level per category within the relevant gold mining companies and other comparable mining companies together with consideration of internal parity comparisons.

Guaranteed remuneration levels are reviewed annually by the Remuneration Committee, taking into account the Group's performance, change in responsibility, levels of remuneration increases based on market trends and inflation. The Remuneration Committee also considers the impact of any guaranteed remuneration increase on the total remuneration package.



LEADERSHIP

SUMMARISED REMUNERATION REPORT CONTINUED

ANNUAL BONUS

Executive directors are able to earn bonuses of 60% (for the CFO) and 65% (for the CEO) of their guaranteed pay for on-target performance, which is determined by a combination of Group and individual performance outcomes. The annual bonus could increase above 60% and 65% if stretch targets are achieved whereby the maximum variable pay potential is capped at two times the on-target bonus percentage.

The targets for annual bonus are set by the Remuneration Committee. In the case of the CEO and CFO, 90% of the annual bonus is based on Group objectives and the remaining 10% on individual objectives.

In 2015 annual bonuses were based on targets approved in advance by the Remuneration Committee, comprising a combination of Group and Operational objectives taking account of the Group's business plans.

The CEO and CFO were also assessed on individual objectives. These are set every year for each executive director based on key performance areas and are approved at the beginning of each year by the Remuneration Committee. The individual objectives are typically centred on three themes: Operational Excellence, Growing Sibanye and Securing Sibanye's Future.

For the year ended 31 December 2015, the Group performance measures for executive directors and senior executives were:

Corporate performance 2015		Weight %	Actual	Target	Achieved %
Safety	Reduce FIFR	10	0.065	0.090	200%
	Reduce LTIFR	5	6.74	5.27	0%
	Reduce SIFR	5	4.68	3.15	0%
Volume	Primary on-reef development (m)	10	19,543	19,222	133%
	Primary off-reef development (m)	10	48,581	47,246	157%
Cost	Cost of ore milled – R/ton (underground)	25	1,740	1,771	135%
Quality	Grade and quality – gold produced (kg) ¹	35	48,638	52,000	57%
		100			103%

¹ The organisational performance is based on allowance for 710kg gold production at Kloof that was lost due to three fires that are considered to be events outside direct management control as well as 152kg of gold that was lost at our surface operations across Beatrix, Driefontein and Kloof due to the need to reduce electricity consumption in response to load curtailment requirements imposed by Eskom.

In turn, the CEO develops specific individual objectives with his own direct reports at the beginning of each year. These objectives are then reviewed with the Remuneration Committee and form the basis upon which the other executives' performance, together with the Operational performance outcomes, will be reviewed at the end of the year.

Based on the bonuses determined for each executive for the year ended 31 December 2015, the annual bonus as a percentage of guaranteed pay paid to executive directors and prescribed officers of Sibanye in February 2016 was:

Name	2015 Annual incentive as percentage of guaranteed pay
Executive directors	
Neal Froneman	70.8%
Charl Keyter	64.1%
Prescribed officers	
Shadwick Bessit	52.4%
Hartley Dikgale	52.4%
Cain Farrel	41.9%
Nash Lutchman	52.4%
Dawie Mostert	53.2%
Adam Mutshinya	52.2%
Thabisile Phumo ¹	52.7%
Dick Plaistowe ²	51.2%
Wayne Robinson	52.7%
Richard Stewart	53.7%
Peter Turner	52.7%
Robert van Niekerk	52.9%
James Wellsted	52.7%

¹ Appointed as a prescribed officer on 1 June 2015

² Retired as a prescribed officer on 30 September 2015

SCHEDULE OF FEES AND REMUNERATION

The table below sets out the remuneration of executives and non-executive directors, and prescribed officers.

NON-EXECUTIVE DIRECTORS' FEES, EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS' REMUNERATION

The directors and prescribed officers of Sibanye were paid the following remuneration during the year ended 31 December 2015:

	Directors' fees (R'000)	Committee fees (R'000)	Salary (R'000)	Annual bonus accrued for the period ended 31 December 2015 paid in 2016 (R'000)	Shares proceeds and dividends on Bonus Shares (R'000)	Pension scheme total contributions (R'000)	Expense allowance (R'000)	For the period ended 31 December 2015 (R'000)	For the period ended 31 December 2014 (R'000)
Executive directors									
Neal Froneman	–	–	7,136	5,660	6,165	793	132	19,886	12,868
Charl Keyter	–	–	3,861	2,896	5,736	549	77	13,119	7,427
Prescribed officers									
Shadwick Bessit	–	–	3,278	2,012	5,122	571	–	10,983	6,029
Hartley Dikgale	–	–	2,569	1,409	1,223	167	–	5,368	3,926
Cain Farrel	–	–	1,815	938	3,078	404	–	6,235	3,880
Nash Lutchman	–	–	2,016	1,184	2,829	280	–	6,309	3,237
Dawie Mostert	–	–	2,501	1,573	1,461	439	–	5,974	4,170
Adam Mutshinya	–	–	2,271	1,398	878	399	–	4,946	4,570
Thabisile Phumo ¹	–	–	1,306	749	133	124	–	2,312	–
Dick Plaistowe ²	–	–	3,016	1,123	876	–	–	5,015	2,842
Wayne Robinson	–	–	3,584	1,962	357	277	–	6,180	3,636
Marius Saaiman ³	–	–	824	–	–	70	–	894	4,130
Richard Stewart	–	–	2,876	1,671	296	309	–	5,152	3,003
Peter Turner	–	–	5,231	3,212	17,334	908	–	26,685	13,541
Robert van Niekerk	–	–	3,633	2,119	9,585	397	–	15,734	9,126
James Wellsted	–	–	2,473	1,541	412	435	–	4,861	4,282
Non-executive directors									
Robert Chan	816	231	–	–	–	–	–	1,047	553
Chris Chadwick	816	231	–	–	–	–	–	1,047	633
Timothy Cumming	816	413	–	–	–	–	49	1,278	1,190
Barry Davison	816	528	–	–	–	–	43	1,387	1,255
Richard Menell	816	681	–	–	–	–	38	1,535	1,351
Sello Moloko	1,544	–	–	–	–	–	–	1,544	1,539
Nkosemntu Nika	816	384	–	–	–	–	–	1,200	1,115
Keith Rayner	816	604	–	–	–	–	–	1,420	1,253
Zola Skweyiya ⁴	330	93	–	–	–	–	–	423	931
Susan van der Merwe	816	269	–	–	–	–	–	1,085	1,054
Jerry Vilakazi	816	297	–	–	–	–	–	1,113	1,082
Jiyu Yuan ⁵	529	75	–	–	–	–	–	604	–
Total	9,747	3,806	48,390	29,447	55,485	6,122	339	153,336	98,623

¹ Appointed as a prescribed officer on 1 June 2015

² Retired on 30 September 2015

³ Resigned on 31 March 2015

⁴ Resigned as a non-executive director on 21 May 2015

⁵ Appointed as a non-executive director on 12 May 2015