ROYAL BAFOKENG PLATINUM

MORE THAN MINING

INTEGRATED REPORT 2018

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Navigating our 2018 reports

Integrated report available in print, online and pdf format at *http//www.bafokengplatinum.co.za/integrated reports*

Annual financial statements (AFS) available in online and pdf format at *http//www.bafokengplatinum.co.za/integrated reports*

RBPlat online results available online in interactive html format at *http://www.bafokengplatinum.co.za/annual-results.php*

Mineral resources and reserves statement available in pdf format at *http://www.bafokengplatinum.co.za/our-mineral-reserves-and-resources.php*

Navigation icons

Directs you to information on our website	Identifies the application of King IV principles	Identifies a sustainability key performance indicator (KPI) that has been assured	Indicates key risk indicator information

Royal Bafokeng Platinum's (RBPlat's) commitment to the United Nation's (UN's) sustainable development goals (SDGs)

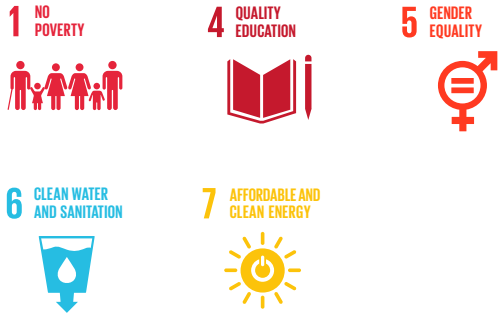
RBPlat is committed to the SDGs defined by the UN for the 2015 to 2030 period. We have incorporated them into our sustainability and stakeholder engagement framework and have prioritised the various SDGs, based on what we believe our contribution to them can be:

Measuring our environmental, social and governance (ESG) performance through integrated reporting

We do not produce separate sustainability, remuneration or governance reports. Instead, our objective is to provide our stakeholders with the information they need to assess the future performance of our business. We believe we have achieved this through the integration of comprehensive information on our ESG performance into this report. A summary of our financial performance, including a summary consolidated statement of cash flows for the year ended 31 December 2018 and a summary consolidated segmental analysis is also included in our integrated report. We have, however, published a separate set of annual financial statements (AFS) and a mineral resources and reserves statement, both of which are available online.

— Our main focus areas

— Direct contribution



— Indirect contribution

INTRODUCTION

OUR APPROACH TO REPORTING

The aim of our reporting is to provide our stakeholders with information that we have identified as being of material interest and that will provide you with the information you need to make an informed assessment of Royal Bafokeng Platinum Limited's (RBPlat's) ability to create value over the short, medium and long term. To achieve this, we have provided you with information on:

Our strategy designed to achieve *More than mining* (page 4)

Our leadership team (pages 18 to 21)

How we apply our business model to create long-term value (pages 30 to 33)

Our management of risk, opportunities and the material issues on which our reporting is based to create sustainable value (pages 44 to 51)

Our sustainable development of the business, which is addressed throughout the report and in the intellectual capital section of this report (pages 99 to 112)

Our approach to governance, which is addressed in the leadership review on pages 10 to 15, on pages 22 to 27 and in the intellectual capital section of this report (pages 109 to 112)

ABOUT THIS REPORT

Reporting scope and boundary

This report provides information relating to RBPlat's strategy and business model, operating context, material issues, risks and opportunities, governance and operational performance for the period 1 January 2018 to 31 December 2018. It covers RBPlat's mining operations and projects in the North West province of South Africa, our corporate office in Fourways and the key functions over which we exercise control.

The standards, codes, principles and guidelines applied or complied with during our reporting process

Standards/codes/principles/ guidelines	Level of application/compliance in our reporting
International Financial Reporting Standards (IFRS)	Complied with IFRS standards
International Integrated Reporting Council's (IIRC) International Reporting <IR> Framework	Guided by its principles
Global Reporting Initiative (GRI) Standards	Applied
King Code on Corporate Governance 2016™* (King IV)	Applied and application reported on
JSE Listings Requirements	Complied with
Companies Act 71 of 2008	Complied with
Principles of United Nations Global Compact (UNGC)	Applied
South African Guideline for the Reporting of Environmental, Social and Governance (SAGRESG) parameters within the mining and oil and gas industries (SAMESG Guideline)	Guided by SAGRESG principles
Sustainable Development Goals (SDGs)	Reported on RBPlat's progress on the three levels of contribution to the SDGs that we have defined, and which are incorporated into our sustainability and stakeholder engagement framework
Mining Charter and social and labour plan (SLP)	Reported on RBPlat's progress

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OUR APPROACH TO MATERIALITY

Our aim in preparing this report is to provide information on matters that have a bearing on RBPlat's ability to create value and that are of interest to current and prospective investors and other stakeholders who wish to make an informed assessment of our ability to deliver value over the short, medium and long term. The material matters included in this report were identified through an in-depth internal and external engagement process set out on page 48 of this report.

ASSURANCE

We use a combined assurance model (see page 27) to ensure the information we provide, and our underlying processes support the credibility and integrity of our reporting. PricewaterhouseCoopers Inc. (PwC) assured our AFS (page 9 of the AFS), and IBIS ESG Assurance provided independent assurance over our material sustainability information (page 160). Our financial, operating, compliance and risk management controls are assessed by our internal audit function, which is overseen by the Executive: Risk, Assurance and Sustainability and the Audit and Risk Committee. The Audit and Risk Committee also monitors the execution of our combined assurance plan and reports to the Board quarterly on its execution and annually to shareholders (page 3 of AFS).

BOARD APPROVAL

The RBPlat Board assumes responsibility for the integrity of this integrated report.

The Board has critically assessed and satisfied itself as to the assurance obtained from RBPlat's combined assurance model. The model enables an effective internal control environment that supports the integrity of information used for internal decision-making by management, the Board and its committees, and supports the integrity of the integrated report.

The Board also considered materiality for the purposes of the integrated report and the effect that the presence or absence of an item of information might have on the accuracy or validity of a statement in the integrated report, or a decision by a stakeholder (see our approach to materiality in the introduction to this report).

Our overall objective with this integrated report is to provide information that could materially impact RBPlat's ability to create value over the short, medium and long term. The Board is of the view that, to the best of its knowledge and belief, our integrated reporting addresses matters material to our stakeholders' decision-making by explaining how RBPlat creates value over time and takes into consideration the Group's impact on its stakeholders and the environment in which it operates.

The Board unanimously approved our integrated reporting for 2018 on 26 February 2019.

Kgomotso Moroka (Chairman)
Steve Phiri (Chief Executive Officer)
Hanré Rossouw (Financial Director)
Peter Ledger
Zanele Matlala
Mark Moffett
Thoko Mokgosi-Mwantembe
Obakeng Phetwe
Mike Rogers
Louisa Stephens
David Wilson

FORWARD-LOOKING STATEMENTS

Certain statements in this report constitute forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, objectives or achievements of RBPlat and its subsidiary companies (the RBPlat Group), as well as the industry in which it operates, to be materially different from future results, performance, objectives or achievements expressed or implied by these forward-looking statements.

The performance of the RBPlat Group is subject to the effect of changes in the material issues impacting mining and concentrating operations and the operating procedures and performance of the Group.

The Company undertakes no obligation to update publicly or to release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this report or to reflect the occurrence of unanticipated events.

Our **strategy** is underpinned by our aspiration of achieving *More than mining*

What we offer

Our strategy is to be a focused PGMs producer, offering a clear value proposition to outperform the market.
We believe in the concept of *More than mining* and are proud of our positive social impact as a transformation leader.

The market we operate in

We sell all our concentrate to one major client who we rely on to process it and market the final product.

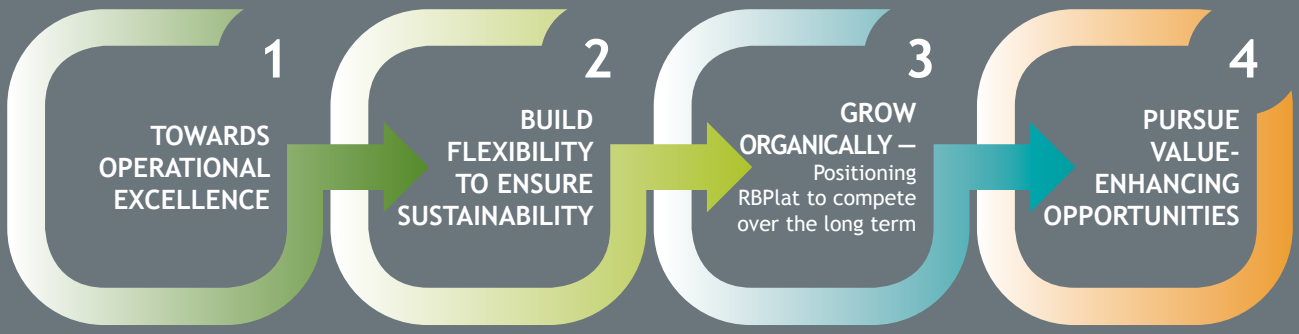
The way we work

Our performance-driven culture and our aspiration to achieve zero harm results in operational excellence. We manage our assets with high optionality and flexibility, which allows us to react quickly to changing market conditions. We grow organically through internal expansion and value enhancements. We contribute to the development of the PGM industry, both locally and internationally, through our active participation in the various industry bodies.

What we own

Robust mining and concentrator infrastructure in the form of the BRPM and Styldrift Mines and the BRPM and Maseve concentrators, supported by well-developed surface and underground infrastructure with access to competitive, high grade Merensky and UG2 ore bodies.

Our performance against our strategy



- ✗ Achieve zero harm
- ✓ Optimise volumes
- ◐ Reduce unit costs
- ✓ Labour stability
- ✓ Meet Mining Charter commitments

Effective operational flexibility addressed through:

- ✓ Maintaining our IMS panel ratio
- ✓ Processing flexibility and capacity

- ✓ Achieved Styldrift Mine 150ktpm milestone

- ✓ Royalty agreements
- ✓ Mergers and acquisitions

Legend: ✓ Achieved ◐ Partially achieved ✗ Not achieved

PERFORMANCE

ACHIEVEMENTS

3 000 000
fatality-free shifts at RBPlat

1 000 000
fatality-free shifts at Styldrift Mine. Styldrift has remained fatality free since 2016

Achieving the Styldrift Mine milestone of **150ktpm**

Concluded the **Maseve** transaction and commissioned the concentrator

Acquisition of Amplats' **33% interest** in BRPM JV on 11 December 2018

12.2%
increase in 4E metals in concentrate

4.7%
year-on-year increase in cash operating cost per platinum ounce in line with CPI

CHALLENGES

Achieving zero harm

IMPROVEMENTS

11.9%	**improvement in RBPlat's LTIFR** year-on-year
13.5%	**increase in total tonnes delivered** to the concentrators year-on-year
13.2%	**increase in total tonnes milled** year-on-year
15.4%	**increase in Styldrift built-up head grade** year-on-year to 3.45g/t
1.2%	**increase in BRPM built-up head grade** year-on-year to 4.21g/t
1.0%	**reduction in cash operating costs year-on-year**, in line with above CPI-related increases in labour and utility costs and lower BRPM volumes
7.7%	**increase in cash generated by operations** to R665.9 million (2017: R618.4 million)
25.8%	**improvement in normalised headline earnings**
56.0%	**improvement year-on-year in SLP** expenditure

TRADE-OFFS FOR GROWTH

Net debt* position of
R832.4 million
(2017: R1.3 billion net cash)

Cash position of
R883.5 million
(2017: R1 333.1 million)

DISAPPOINTMENTS

Two fatalities
in our operations

28.4% increase in our serious injury frequency rate

** Calculated as bank debt less cash and cash equivalents*

OUR BUSINESS

Who

We are a **mid-tier PGM producer** mining the Merensky and UG2 reefs.

Competitive position on the industry cost curve (see page 43).

Following our acquisition of Anglo American Platinum's 33% participating interest in the BRPM Joint Venture, held through its wholly owned subsidiary Rustenburg Platinum Mines (RPM) **we became sole owner of our operations** consisting of the:

- Bafokeng Rasimone Platinum Mine (BRPM)
- Styldrift Mine
- BRPM and Maseve concentrators

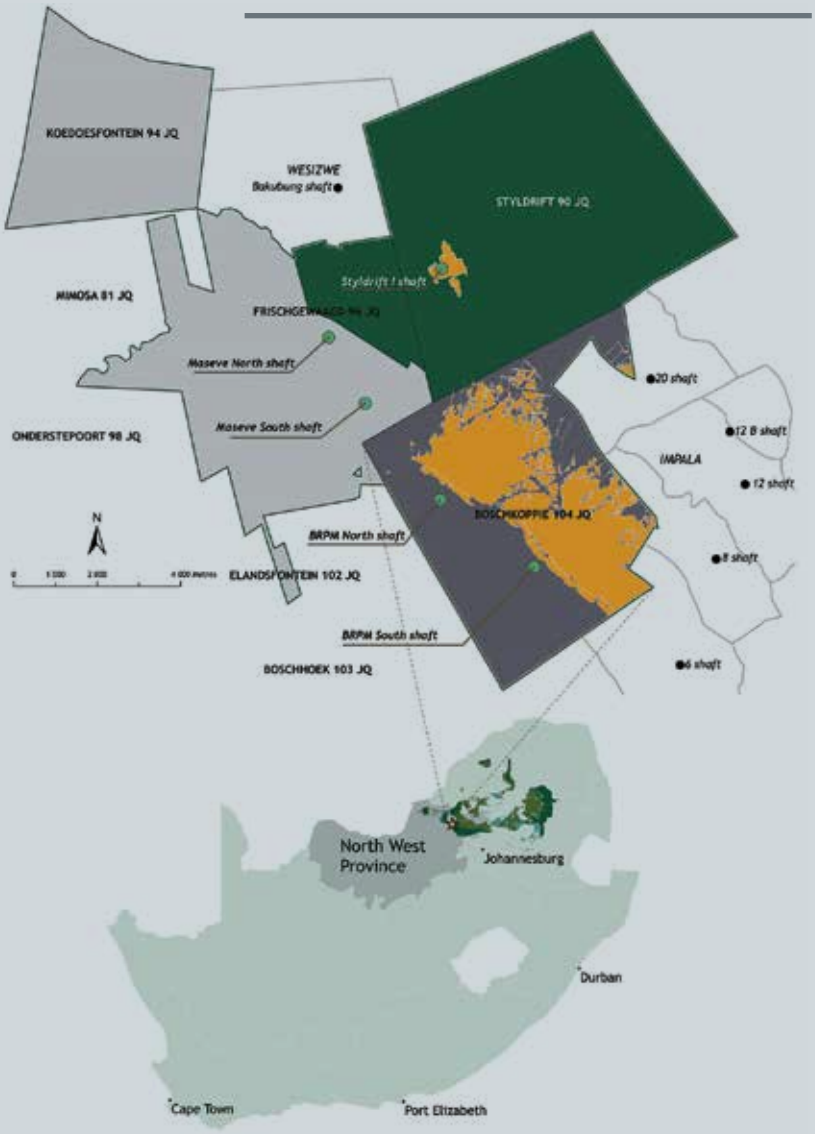
(see our ownership structure at *http://www.bafokengplatinum.co.za/our-structure.php)*

Access to both the Merensky and UG2 reefs, twin concentrating and toll treatment facilities provide for **operational flexibility.**

Organic growth through the Styldrift Mine, a high-margin mechanised operation **increasing our 2018 production by approximately 40% by 2020,** depending on market conditions.

Agile, dynamic decision-makers with in-depth operational experience.

Where



OUR VISION

is to seek and deliver the good from mining

OUR MISSION

is to leave a lasting legacy of sustainable benefits for our stakeholders

OUR PURPOSE

is to create economic value for all our stakeholders

OUR PRODUCT

The resources that we exploit have the following prill split:

THE PRILL SPLIT FOR THE MERENSKY REEF

64.75% platinum	26.70% palladium	4.34% rhodium	4.21% gold

THE PRILL SPLIT FOR THE UG2 REEF

59.15% platinum	29.29% palladium	11.00% rhodium	0.56% gold

What

BRPM

Conventional and hybrid mining

(conventional mining began in 1998)
See page 64 for detailed information

- 84.9Mt resource accessed via twin decline shafts sunk to a depth of less than 500m
- Mining the Merensky and UG2 reefs on the Western Limb of the Bushveld Complex
- Recently established mining sections 11 to 15 in the mine's North shaft are suited to hybrid mining methods
- Average production of 200ktpm

Styldrift Mine

Mechanised mining

(high margin, mechanised bord and pillar operation)
See page 66 for detailed information

- 263.1Mt Merensky and UG2 resource (including Styldrift II) accessed via a Main shaft and a Services shaft sunk to a depth of 753m and 723m, respectively
- Mining the Merensky reef on the Western Limb of the Bushveld Complex
- 150ktpm ramp-up milestone achieved in October 2018
- Steady state production of 230ktpm by the third quarter of 2020

Beneficiation

BRPM concentrator

- Capacity of 250ktpm
- Traditional MF2 process, which includes three-stage crushing process prior to milling and flotation
- Continual operations
- Produces 2.7t of saleable concentrate from every 100t of virgin rock processed
- Ultra-fine grinding circuit (IsaMill™)

Maseve concentrator

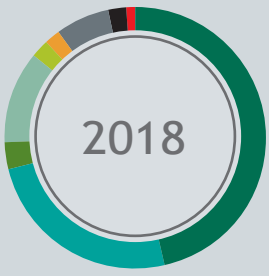
- Capacity of 110ktpm (upgradeable to 160ktpm and 200ktpm)
- Traditional mill float (MF1) process
- Producing 2.6t of saleable concentrate from every 100t of virgin rock processed

Smelting and refining

Offtake agreement with Rustenburg Platinum Mines (RPM) for the refining and sale of our concentrate from both operations

Royalty agreements

Through our royalty agreements with Impala Platinum Limited (Implats), which give it the right to mine areas at the extremities of our ore bodies that are close to Implats' shafts, we are able to extract additional value



The revenue we earned from the sale of the concentrate we produced:

- Platinum (46.4%)
- Palladium (24.9%)
- Gold (3.3%)
- Rhodium (11.3%)
- Iridium (2.2%)
- Ruthenium (2.1%)
- Nickel (6.6%)
- Copper (2.1%)
- Cobalt (1.1%)

ESG

ENVIRONMENT

- RBPlat has adopted a precautionary approach to environmental management. Our voluntary disclosure to the CDP on water and climate change has earned us Management band B scores for both our disclosures, which is above the global mining industry average score of C and the regional average of B-.

OUR PEOPLE

Transformation

- We employed 9 508 permanent employees and contractors in 2018 (2017: 8 372)
- 58% of the employees we hired during 2018 are members of local communities
- 92.3% of our workforce are black Africans
- 54.6% of the members of our experienced senior management team are black
- Over 1 000 families have purchased homes in our Employee Home Ownership Scheme (see page 114)

OUR COMMUNITIES

- To achieve real change for our communities we need to build sustainable value, which is the most challenging part of local economic development. In line with our aspiration to achieve *More than mining* we continue to invest in community training and development, education support, basic infrastructure and health support (see page 117)
- 86.7% of our discretionary procurement in 2018 was from historically disadvantaged businesses, however, we need to make better progress with contribution to the development of sustainable local black businesses. This will be a major focus of our local economic development in the year ahead (see page 118)

GOVERNANCE AND LEADERSHIP

- Independent Board committed to leading ethically and effectively. Board membership:
  - 64% independent non-executive directors
  - 55% black
  - 36% black females
- Our management team has proven its ability to adapt rapidly to a changing environment and has the courage to make tough decisions
- We have robust risk management and internal controls in place

FIVE-YEAR SUMMARY OF OPERATING STATISTICS

	Unit	2018	2017	2016	2015	2014
Financial capital						
Revenue[1]	R (million)	**3 627**	3 499	3 342	3 045	3 768
Cash operating cost	R (million)	**2 788**	2 815	2 765	2 548	2 361
Headline earnings/(loss)	R (million)	**50**	109	167	(160)	441
Headline earnings/(loss) per share	cents	**25**	56.4	86.7	(83.2)	239.0
Average rand basket price[2]	R/Pt oz	**21 006**	19 156	18 906	17 256	19 842
EBITDA[3]	R (million)	**504**	572	490	298	1 189
Cash and cash equivalent	R (million)	**884**	1 333	836	918	1 864
Net cash generated by operating activities	R (million)	**666**	618	585	619	147
Manufactured capital						
Mining production						
Total tonnes delivered	kt	**3 395**	2 992	2 759	2 457	2 471
Concentrator production						
Total tonnes milled	kt	**3 420**	3 021	2 762	2 461	2 479
Built-up head grade (4E)	g/t	**3.96**	3.94	4.03	4.11	4.29
4E metals in concentrate	koz	**368**	328	304	278	294
Pt metal in concentrate	koz	**239**	212	196	180	190
Operating costs						
Cash operating cost per tonne milled	R/t	**1 213**	1 149	1 177	1 066	957
Cash operating cost per 4E ounce	R/4E oz	**10 468**	9 941	10 068	9 359	8 040
Cash operating cost per Pt ounce	R/Pt oz	**16 145**	15 414	15 639	14 504	12 463
Capital expenditure						
Expansion capital	R (million)	**3 213**	2 008	972	1 692	1 365
Replacement capital	R (million)	**50**	34	44	205	204
Stay-in-business (SIB) capital	R (million)	**196**	118	110	112	154
SIB % of operating costs (BRPM)	%	**3.4**	3.8	3.7	4.2	6.5
Impact of stoppages						
Section 54 stoppages	number	**5**	11	11	16	10
Safety stoppage losses	kt	**59**	72	102	275	79
Human capital						
Employees (as at 31 December)[4]	number	**9 508**	8 372	7 400	7 281	8 900
Fatal injuries	number	**2**	–	1	5	2
LTIFR	/1 000 000 hours	**2.475**	2.808	1.902	2.045	2.665
SIFR	/1 000 000 hours	**1.843**	1.435	1.078	0.665	1.445
Working cost labour[5]	number	**5 843**	5 691	6 271	6 256	6 272
Capital labour[5]	number	**3 636**	2 659	1 103	999	2 601
Tonnes milled/TEC[5]	t/employee	**33.4**	34.2	30.8	31.8	33.0
Social capital						
SLP investment (including human resource development)	R (million)	**63.2**	40.5	287.1[7]	74.6	133.0
Total discretionary procurement spend in HDSA companies	%	**86.7**	87.0	79.6	74.2	68.1
Natural capital						
GHG emissions (CO_2e Scope 1 and 2)[6]	tCO_2e	**341 746**	333 596	318 220	304 674	326 606
Water efficiency	Ml/kt milled	**1.154**	1.256	1.069	1.653	1.425

[1] *Excludes Styldrift Mine on-reef development revenue (incidental revenue)*
[2] *Net proceeds from total concentrate sales including revaluation of pipeline divided by total platinum ounces produced*
[3] *The Company uses certain non-IFRS performance measures and ratios (e.g. EBITDA) in measuring the business and may provide users of the financial information with additional meaningful comparisons between current results and results in the prior periods. Non-IFRS financial measures should be viewed in addition to and not as an alternative for the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures used by other companies*
[4] *The increase in employee numbers (which include corporate office employees) is due to a 38.2% increase in the Styldrift Mine workforce*
[5] *These numbers exclude corporate office employees and capital labour*
[6] *Our scope 1 GHG emissions began increasing in 2014 (14% increase year-on-year) as the activity of diesel-driven vehicles increased at Styldrift Mine*
[7] *Includes R251.1 million housing contribution*

RESPONSIBLE USE OF THE VALUE WE CREATED

	% change year-on-year	2018 R (million)	2017 R (million)
Value created			
Revenue	3.7	**3 627.1**	3 498.5
Other income	(17.6)	**124.0**	150.5
Net finance income	(12.9)	**74.1**	85.1
Total value added	2.4	**3 825.2**	3 734.1
Value distributed			
To our employees and contractors			
Salaries, wages and other benefits	16.2	**2 593.4**	2 231.4
Skills development	47.2	**18.4**	12.5
Employee Home Ownership Scheme	(30.5)	**343.4**	493.9
To government			
Taxation, taxes collected on behalf of government and other payments to government	41.1	**498.1**	353.0
To providers of capital			
Non-controlling interest	4.4	**99.9**	95.7
Finance costs	(57.3)	**19.6**	45.9
Social investment			
Social and labour plans	56.0	**63.2**	40.5
Environmental investment			
Environmental trust investment	7.8	**149.0***	138.2
Financial closure provision	39.6	**350.9**	251.4
Total value distributed	12.9	**4 135.9**	3 662.5

** This number includes the financial provision for Maseve for the first time*

THE VALUE WE CREATED

R (million)

- Employees and contractors (R2 995.2)
- Environmental investment (R499.9)
- Government (R498.1)
- Providers of capital (R119.5)
- Social investment (R63.2)

R (million)

- Employees and contractors (R2 737.8)
- Environmental investment (R389.6)
- Government (R353.0)
- Providers of capital (R141.6)
- Social investment (R40.5)

LEADERSHIP REVIEW

Adv Kgomotso Moroka SC
Independent Chairman

Chairman's review

I must, on behalf of the Board, start my review by congratulating the RBPlat team on achieving the ramp-up to 150ktpm at Styldrift Mine before year-end. Well done, we have every confidence that you will achieve your next target of ramping up to 230ktpm in 2020.

My hope that the mining industry and government would be able to once again work together and ensure the future of the industry was rewarded when this resulted in a more workable Mining Charter III. I remain hopeful that under the leadership of the new Minister of Mines we will see further encouraging progress in 2019.

While the Board's ongoing review of the relevance and robustness of our strategy going forward culminated in RBPlat reconfirming the relevance of its current strategy as a focused PGM producer, it also resulted in RBPlat's decision to reposition itself on the PGM value chain. The Maseve transaction and our purchase of Anglo American Platinum's (Amplats) 33% participating interest in the BRPM Joint Venture, are both important steps in ensuring RBPlat remains well-positioned to create long-term sustainable value for its stakeholders. See page 12 of the Chief Executive Officer's strategic review for more information on RBPlat's strategic repositioning.

SAFETY

Tragically, despite all our efforts to keep our people safe, we were not able to achieve a fatality-free year in 2018. Venizelos Alfeu, who was working as a miner at BRPM's South shaft, was fatally injured on 24 July 2018 and Fallang Lenyatsa, a winch operator, was fatally injured at BRPM's North shaft on 11 September 2018. On behalf of the Board of RBPlat I extend our condolences to their families, friends and colleagues.

It is disappointing that despite our ongoing focus on improving our safety performance two lives were lost. However, we can be proud of the achievement of 3 000 000 fatality-free shifts at RBPlat on 4 February 2018 and 1 000 000 fatality-free shifts at Styldrift Mine on 8 September 2018, which has been fatality-free for the past three years. RBPlat also achieved an 11.9% improvement in its lost time injury frequency rate year-on-year. We remain confident that our efforts will result in further improvements in 2019 as we continue to aim at achieving zero harm in our operations.

EMPLOYMENT EQUITY

I was pleased to learn that Mining Charter III has set new stretch targets for black people in mining and in particular black women in mining. Women made up 17.1% of our workforce in 2018 (2017: 15.9%). I am proud to tell you that our Board not only exceeds the Mining Charter III target for black Board members of 50% (RBPlat: 55%) but also its target for black female Board members of 20% (RBPlat: 36%). Our executive team also exceeds the Mining Charter III target of 50% for black members (RBPlat: 63%) and we meet its target for black women of 25%.

See page 18 of the leadership section of this report for more information

ESG COMMITMENTS

Addressing the threat to the integrity of our business from the ethics, fraud and corruption challenges facing South Africa remains a key focus for RBPlat. Both our Audit and Risk and Social and Ethics committees monitor the management of ethics in RBPlat and receive quarterly reports on ethics management and fraud prevention in the business. Our Social and Ethics Committee also monitors our social and environmental performance. (K)2

See page 24 of the effective leadership through good governance section of this report and page 109 of intellectual capital

I am proud of the commitment and determination of our Board and executive team members to lead ethically, act in good faith and in the best interest of our business.

As part of our assumption of our responsibility for the governance of ethics in RBPlat we updated our code of ethics, which together with our fraud and corruption policy and the awareness campaigns and training taking place at RBPlat, are contributing to the establishment of an ethical culture in RBPlat.

Our continual review and revision of all our frameworks, policies and controls optimises our corporate governance standards. (K)10

The Board also took the decision to insource our internal audit function previously outsourced to KPMG.

COMMUNITY STAKEHOLDER RELATIONS

Not only do we provide our stakeholders with the information they need to make informed decisions, but we also strive for a stakeholder inclusive approach in our corporate decision-making. We regard our doorstep communities as partners rather than beneficiaries and in the past year we have strengthened our stakeholder engagements with our communities as a way of reinforcing a trust-based relationship. These engagements have focused on procurement; enterprise development; skills development; recruitment and Social and Labour Plans. Our efforts to include doorstep communities in our stakeholder approach include the MACHARORA Consultative Forum; face to face meetings with the community; the annual report to stakeholders and a bi-annual community newsletter.

RBPlat's efforts to provide its stakeholders with the information they need to make informed decisions regarding our business were recognised when our integrated report once again won the small cap section of the Chartered Secretaries, in partnership with JSE Limited, integrated reporting award in 2018. Since the Company listed in 2010 our commitment to excellence in reporting has been recognised with awards on a number of occasions. Our report preparation process includes a workshop in which the Board, management and the report preparation team participate. RBPlat always publishes its integrated report on the day it releases its results, which is something of which we are extremely proud. (K)5

CONCLUSION

During 2018 we bid farewell to Board members Linda de Beer, Robin Mills and Martin Prinsloo. Linda chaired our Audit and Risk Committee since its inception, Robin was a member of both the Audit and Risk and Social and Ethics committees and Martin was our Financial Director from 2009. On behalf of the Board my thanks go to Linda, Robin and Martin for the invaluable contribution they made to RBPlat. We shall miss their participation in our robust debates. A new addition we welcomed to the Board following Linda's departure is Zanele Matlala, the current CEO of Merafe Resources. I would also like to welcome Louisa Stephens, who is no newcomer to our Board, to her new role as Chairperson of the Audit and Risk Committee following Linda's departure and Hanré Rossouw who joined RBPlat as Financial Director in October 2018, replacing Martin Prinsloo.

I have already congratulated the RBPlat team on its achievement with the ramping up of Styldrift Mine. The executives, management and employees of RBPlat also deserve the Board's thanks for the excellent work you have done throughout our business to ensure we can create value for our stakeholders.

Adv. Kgomotso Moroka SC
Independent Chairman

55%

of our Board members are black, which exceeds Mining Charter III's target

36%

of our Board members are female, which also exceeds Mining Charter III's target

Safety

- Safety performance at BRPM, our conventional mine, was disappointing
- Styldrift, our mechanised mine, has been fatality-free for the past three years

Addressing the threat to the integrity of our business from the ethics, fraud and corruption challenges facing South Africa remains a key focus for RBPlat.

LEADERSHIP REVIEW CONTINUED

Steve Phiri
Chief Executive Officer

Chief Executive Officer's strategic review

I am delighted to be able to report that despite operating in a very challenging socio-economic environment we made good progress with a number of our strategic objectives in 2018.

PERFORMANCE AGAINST OUR STRATEGY

A proud moment for the RBPlat team was the achievement of the Styldrift Mine milestone of 150ktpm in the fourth quarter of 2018, which allowed us to deliver on our strategic objective of growing organically.

See pages 81 and 82 of manufactured capital

Completing our purchase of Maseve was a value-enhancing opportunity that gives us the concentrating capacity we need to be able to ramp-up the Styldrift Mine to 230ktpm by the third quarter of 2020. Our acquisition of the concentrator at Maseve has given us immediate concentrating capacity, without incurring the risks associated with building a new plant. It also provides us with the flexibility of being able to increase our processing of UG2 ore, which has a higher palladium and rhodium content than Merensky ore. We continually monitor the changing dynamics of the PGM market and in view of the more important role palladium and rhodium are currently playing in the market we are reviewing the option of increasing our mining of UG2 ore at BRPM going forward.

Our strategy to pursue value-enhancing opportunities fell into place when we became the sole owners of our operations in the final month of the year when we purchased the 33% participating interest of Rustenburg Platinum Mines' (RPM) — a wholly

owned subsidiary of Anglo American Platinum (Amplats) — in the BRPM Joint Venture. Post this transaction the BRPM Joint Venture ceased to exist and our operations are now held by our wholly owned subsidiary Royal Bafokeng Resources (RBR). The commitment of Anglo American Platinum to not only contribute to the economic growth and sustainability of the country but also to the transformation of the mining industry without compulsion, was again demonstrated when they agreed to this transaction. The nature of this commitment is what South Africa needs to transform itself. I wish to express my gratitude to the Board of Anglo American Platinum, their executive management and especially the CEO, Chris Griffith, for making it possible to meet one of our strategic goals. I would like to take this opportunity to thank our joint venture partners for the valuable contribution they have made to the venture since its inception. We will, of course, continue to maintain our relationship through our concentrate offtake agreement with Amplats. In terms of this agreement Amplats is responsible for the smelting, refining and marketing of our PGMs.

The funding and capital raising required for these transactions were a key focus for RBPlat during 2018. We issued 9.8 million shares raising R239.9 million payable to Amplats as partial settlement. We also needed to increase our debt facilities from R2 billion to R3 billion to ensure we had sufficient capital to fund the growth of the business (see page 59).

For information on the funding of the two transactions (see page 59) and for our capital requirements going forward (see page 83).

SAFETY PERFORMANCE

Achieving zero harm is a key strategic objective for RBPlat. It was a big disappointment for us that all the hard work, which is continually put into keeping our people safe, did not result in a fatality-free year at our operations.

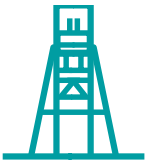
I would like to congratulate the team at Styldrift Mine on a fatality-free year during which they achieved 1 000 000 fatality-free shifts. Our analysis of historic safety data has shown that a high rate of serious injuries is an indication that there is likely to be a fatal accident. Despite us making every effort to address the high rate of serious injuries in our operations during 2018 the rate remained high and, regrettably, we had two fatalities. I would like to extend my condolences to the families, colleagues and friends of Messrs Venizelos Alfeu and Fallang Lenyatsa.

The immediate in loco inspection by the Department of Mineral Resources (DMR) inspectors and their preliminary findings confirmed our finding that while the Company is ultimately accountable, the Company safety standards were adequate, but behaviour played a primary role in both accidents. It is very clear that despite our efforts to address the issue of behaviour and supervision a lot still needs to be done. We have initiated a competency assessment and review of our supervisors with the aim of improving supervisory leadership skills and employee behaviour in support of achieving a resilient safety culture.

See page 87 of human capital

Hopefully, when I report to you in our 2019 integrated report we will have had a fatality-free year and our serious injury frequency rate will have substantially improved.

The flotation cells at the Maseve concentrator



BRPM safety performance disappoints

Styldrift achieved 1 000 000 fatality-free shifts

13.2% increase in total tonnes milled year-on-year

12.2% increase in 4E metals in concentrate

1.0% reduction in cash operating costs

4.7% increase in unit cost per platinum ounce

Organic growth achieved — Styldrift Mine 150ktpm milestone reached

The 110ktpm Maseve concentrator processed 389kt of our ore this year — we built further flexibility into our business

Pursued a value-enhancing opportunity — became the sole owners of our business

Operations now held directly by RBPlat's wholly owned subsidiary, RBR

LEADERSHIP REVIEW CONTINUED

THE EXTERNAL ENVIRONMENT

At last the absence of resolution around Mining Charter III and events such as the unusually high number of safety stoppages, which stifled growth in our industry and deterred potential investors, are a thing of the past. We now have a workable Mining Charter and the mining industry and government have started working together again. There is still uncertainty regarding certain aspects of the Charter that need addressing. The Minerals Council South Africa (Mincosa), acting on behalf of the mining industry, is engaging with Minister Mantashe in this regard.

THE CHALLENGE OF BUILDING SUSTAINABLE COMMUNITIES

The communities in which we operate face major socio-economic challenges as a result of the high rate of unemployment and the low economic growth in the country as a whole. Communities look to the mines in their area for their livelihood, whether through employment or procurement opportunities. Clearly, the mines are not able to address all their needs and expectations and this tends to result in concerning misunderstandings between communities and the mines.

We have always recognised the importance of engaging and being transparent with our communities. To achieve this we continually engage with them through a number of channels.

See page 125 of the relationship capital section of this report.

However, we also acknowledge that this is an area where we need always to look for ways of improving our effectiveness.

During 2018, when it became apparent that misunderstandings were developing between our communities and RBPlat, members of our executive team met with them on a number of occasions. We needed to listen, understand what the communities needs are and how we can best address them within the constraints of our current SLP budgets.

Enterprise development and local procurement were key issues raised at these engagements, which led to RBPlat relooking its local procurement strategy with the aim of improving its contribution to the long-term sustainable economic upliftment of our doorstep communities. To achieve the objective of our strategy we are putting in place processes to assess and develop the capacity of our local businesses; we are refining our vendor database and consolidating opportunities set aside for doorstep businesses. In 2018 we launched a small and medium enterprise (SME) hub, analysed and mapped our doorstep SMEs, identified immediate set-aside opportunities and began providing business development support with the aim of creating a sustainable platform.

See page 118 of the social capital section of this report for more information.

To ensure our efforts achieve our strategic objective of uplifting our doorstep communities, we will continually monitor and evaluate progress as we continue with the roll out of our programme in 2019.

I would also refer you to the social capital section of this report on pages 118 and 119 for information on how we have for some time now, substantially exceeded the targets set for Mining Charter II, setting our own targets during the period since 2014 during which there was no Mining Charter in place.

See pages 114 to 117 of the social and relationship section of this report for information on our SLPs

MARKET REVIEW

Platinum review

The platinum price in dollar terms fell by 15% to end 2018 at US$791/oz, reflecting a softer platinum market. However, in rand terms prices held up relatively well, losing only 1% and finishing the year at R11 372/oz, aided by a weaker R:US$ exchange rate.

Increased platinum requirements for industrial applications helped to offset half of the combined loss of jewellery and automotive demand in 2018. Stronger platinum demand from oil refining, glass manufacturing and fuel cell production contributed to a 7.6% rise in industrial demand to just under 2Moz.

The car market in Western Europe, which still accounts for 40% of platinum on-road consumption in autocatalysts, and the falling diesel market share, led to a steeper drop in global automotive platinum demand of 7.1% in 2018 compared to 4.1% in 2017. On-road autocatalyst requirements fell below 3Moz for the first time since 2010.

Platinum's other end use mainstay, jewellery demand, also fell to 2.41Moz. The contraction in Chinese platinum jewellery demand, which started in 2015, continued in 2018. Global ETF holdings also contracted, ending 2018 at 2.35Moz.

Global platinum supply was flat year-on-year at just under 8Moz in 2018. Mine production is estimated to have fallen by 0.8% to 6.1Moz. South African supply increased marginally to 4.39Moz, but a decline in output from Zimbabwe, and Russia, helped to reduce overall supply. Autocatalyst recycling grew by an estimated 5.9% to 1.4Moz owing to increased collection in Europe, while jewellery recycling fell 11.6% following weaker demand, leaving total recycling up 10koz at 1.9Moz.

Market outlook for platinum

Another challenging year is expected for platinum in 2019. The difficulties of 2018 are more than likely going to carry over into 2019. Autocatalyst demand is forecast to continue to decline as European diesel sales contract. Meanwhile, jewellery demand is heavily dependent on China, where sales are projected to fall steadily.

Industrial demand remains the bright spot for platinum, which is set to grow again, lifted by capacity expansions at petroleum refineries, and higher chemical and agro-chemical production.

Supply is unlikely to drop from current levels, unless it is disrupted, which should leave the market oversupplied.

Looking ahead, future tightening of emissions standards impacting commercial diesel vehicles in China and India in 2020 should start to offset

falling passenger car demand. In addition, there are many developments in the fuel cell market which uses platinum, including the roll out of fuel cell powered buses, trains and cars. The fuel cell market, while still small, has the potential to be a major consumer of platinum in the future.

See page 38 of the changing business context for more information on the fuel cell market.

Palladium review

The palladium market was structurally tight in 2018 as evidenced by metal lease rates which peaked at over 30% towards the end of 2018. Dollar prices responded with a rise of 20% since the start of the year, ending at US$1 267/oz. For South African mining companies, the palladium price rally was more pronounced as a weaker R:US$ exchange rate increased the palladium price in local terms by 39% to R18 208/oz by year-end, helping to offset a weaker platinum market. Palladium ETF holdings, a barometer of visible metal stocks, fell by 561koz in 2018 to just 704koz, with metal shifting out of vaults to industrial end users. This is after three previous years of successive contractions in ETF holdings, before which the ETF metal held peaked at close to 3Moz.

With the palladium market already in deficit, automotive demand and specifically higher catalyst loadings in China, was the main driver for a stronger palladium market, which recorded a rise of 2.3% to reach 8.38Moz. However, Chinese light vehicle sales fell by >3.0% year-on-year to less than 28 million units in 2018 and the United States, the second largest gasoline market, saw light vehicle sales increase slightly to 17.3 million units, supported by tax reform, high employment and low gasoline prices.

Market outlook for palladium

An ongoing tightness in the palladium market is expected in 2019. In China, palladium's biggest user, which consumed 2.17Moz in 2018, there is the risk of slower growth owing to ongoing weaker car sales. Nonetheless, tighter emission standards in China are leading to a significant increase in palladium loadings in gasoline autocatalysts, which can go some way to offset sluggish car sales. The palladium market will remain in structural deficit. Users will therefore be reliant on stock releases and the lease market which may push prices higher. In addition, ETF sales, a key source of supply, might not be as forthcoming either.

Rhodium review

Rhodium prices increased by 43% during 2018 ending the year at US$2 460/oz, while rand denominated prices rose by 66% to R35 378/oz. Stronger automotive demand led by the promulgation of China 5 emission standards, which were phased in by the beginning of 2018, and increased glass manufacturing requirements, helped to lift demand by almost 5% to 1.08Moz. Rhodium demand is more regionally spread than platinum, mirroring the sales of gasoline vehicles. China has grown rapidly to now take a quarter of the market. Rhodium mine supply contracted by 2.4% to 765koz but was offset by increased recycling of spent autocatalysts.

Market outlook for rhodium

Total rhodium autocatalyst demand is expected to continue growing in 2019, with China expected to lead growth after its move to higher loadings in gasoline three-way catalysts, while demand in other regions is likely to be essentially flat as emissions legislation is stable and vehicle sales growth is limited.

UNDERPINNING OUR ASPIRATION OF ACHIEVING *MORE THAN MINING*

Our continued support of the UNGC of which we are signatories, our contribution to the SDGs and our application of the UN Voluntary Principles on Security and Human Rights, underpins our aspiration to achieve *More than mining*. Our application of the UNGC principles and our contribution to the achievement of the SDGs is indicated throughout this report.

THE WAY FORWARD

2019 will be a pivotal year for RBPlat in terms of taking the Styldrift Mine from 150ktpm to 230ktpm by the third quarter of 2020. As sole owners of our operations we have the opportunity to streamline how we will be managing the business going forward. We will now be running two operational mines and we need to ensure our support services and supply chain are able to provide low-cost and efficient service delivery.

We will continue to monitor the market with a view to remaining flexible and ready to adapt our current production strategy to exploit pricing opportunities that may arise, particularly with regard to palladium and rhodium.

Clearly, South Africa has a long and difficult road ahead, but I am hopeful that we will be able to once again grow our economy, create jobs and regain investor confidence.

CONCLUSION

We were sad to lose Financial Director, Martin Prinsloo, who has been with RBPlat since its inception. Thank you, Martin, for the valuable contribution you have made over the past 10 years and I wish you well in your future ventures. I would like to welcome his very competent replacement, Hanré Rossouw, who joined us as our Financial Director in October 2018.

My thanks go to the Board of RBPlat for its continued support of our plans to optimise the business and its input into our development of a strategy designed to ensure RBPlat's long-term sustainability. I would also like to thank both our Board and our shareholders for their support of our purchase of RPM's 33% shareholding in the BRPM JV, which has allowed us to become the sole owners of our own operations.

My thanks go in particular to the team that made the ramp-up of Styldrift Mine to 150ktpm possible. I would also like to thank my executive team and our management team for their efforts to build a sustainable, ethical business that will ensure we can continue creating value for our stakeholders.

Steve Phiri
Chief Executive Officer

A review of the value created by RBPlat since taking over operational control of the BRPM Joint Venture on 4 January 2010

2010 → 2018

OWNERSHIP

2010	2018
RBPlat owns **67%** of BRPM JV with Amplats through its wholly owned subsidiary Rustenburg Platinum Mines (RPM)	At year-end RBPlat owned **100%** of its operations following acquisition of RPM's 33% participating interest in the BRPM JV

OPERATIONS

2010	2018
260Mt resource at **67%**	**348Mt** resource at **100%**
BRPM Phase II extension of both shafts from 5 level to 10 level nearing completion	BRPM Phase II complete
BRPM Phase III replacement project approved - deepening North shaft to 15 level	BRPM Phase III 98.8% complete - hybrid mining under way
Styldrift greenfield project shaft sinking under way	Styldrift Mine 150ktpm milestone reached in October 2018
Trial co-extraction of UG2 ore	Co-extraction of UG2 with flexibility to increase it to meet market demand
200ktpm BRPM mill float (MF2) concentrator	**360ktpm** concentrating capacity - 250ktpm capacity at BRPM concentrator following expansion + 110ktpm at Maseve concentrator purchased in 2018

SHAREHOLDING

2010	2018
30% Free float; **57%** RBH (community ownership); **13%** RPM	**48%** Free float; **48%** RBH; **4%** Directors and employee share scheme
Only community-owned company to list on the JSE (November 2010)	Remains only community-owned company listed on the JSE
Supportive institutional investors	Continued support from our institutional investors

PERFORMANCE

2010	2018
2 366kt milled; 180koz (4E); 187.4koz (Pt); LTIFR 5.00	**3 420kt** milled; 368koz (4E); 239koz (Pt); LTIFR 2.48
Revenue **R2 106.8 million**	Revenue **R3 627 million**

SPENDING TO GROW AND SUSTAIN OUR OPERATIONS

2010 → 2018

2010		2018
Production of **180koz (4E)**	**Expansion capex** of R11.8 billion spent on developing Styldrift	Production of **368koz (4E)**
2010 NAV **R10.9 billion**	**Sustaining capex** invested in BRPM: Phase II extension of both shafts from 5 level to 10 level; Phase III replacement project deepening North shaft to 15 level and introducing hybrid mining	2018 NAV **R15.7 billion**

Environmental, Social, Governance and risk practices underpinning our value creation

2010

Took over operational control of BRPM JV on 4 January 2010

- Energy consumption (diesel, petrol and electricity): 1 047GJ
- Potable water usage: 2 528 Ml
- Water use licences for both BRPM and Styldrift approved
- BRPM ISO 14001 certified
- Delivery on Mining Charter II SLPs for 2010 to 2014 begins
- Board-approved Code of Conduct, ethics policies and standards in place
- Early adopter of King III

2011

Focus on BRPM flexibility
Co-extraction of UG2
IMS generation

- 67.95% of discretionary procurement from HDSA companies – exceeded Mining Charter target of 66.5%
- <IIRC> integrated reporting framework adopted
- Carbon footprint baseline established

2012

Merensky reef Intersection at Styldrift

- ERM approach to risk adopted providing integrated approach business risk management
- 3.2% reduction in energy consumption per tonne of ore treated following implementation of major energy conservation projects at BRPM
- 13 days of protest action at BRPM — only industrial action between 2010 and 2018

2013

Started mechanised mining and development at Styldrift

- Total value distributed R3 692.3 million
- 31.6 tonnes milled per working cost employee per month
- Sustainability policy and framework adopted

2014

Equipping of Styldrift Main shaft commences

- Five months of strikes by approx. 70 000 platinum industry workers
- No industrial action at RBPlat
- RBPlat implements five-year wage agreement on 1 July 2014
- R407.7 million spent on Mining Charter II SLPs between 2010 and 2014

2015

Slowdown of Styldrift development in response to falling Pt price

- Water treatment plant commissioned reducing our concentrator's consumption of potable water by 15.6%
- Risk appetite and risk tolerances established
- SLP expenditure reduced by 44% year-on-year following fall in platinum price but focus on skills development and education support maintained

2016

Upgraded BRPM concentrator to 250ktpm

- Our environmental voluntary disclosure awarded a position on the CDP 2017 Water A list and a B performance score for our CDP climate change disclosure
- 40.5% reduction in potable water usage year-on-year following commissioning of water treatment plant
- Energy and water management strategies approved by Board
- UN SDGs incorporated into sustainability framework
- Styldrift ISO 14001 certified
- Earlier applier of King IV
- Risk management programme embedded in functional business units

2017

Initiated purchase of Maseve

- 87% of discretionary procurement from HDSA companies substantially exceed SLP targets
- 110% increase in the number of learners achieving a maths pass of 50% and above for matric since our education support project started in 2013 and three learners obtained distinctions in maths
- Performance measured against our corporate risk appetite dashboard

Purchased Amplats 33% interest in BRPM JV

- 25.8% reduction in potable water usage between 2010 and 2018 to 1 874.Ml
- 20% increase in energy consumption between 2010 and 2018 in line with increased production
- R1 150 million invested in SLPs and mandatory training between 2010 and 2018 (includes R251.1 million invested in employee home ownership scheme where over 1 000 families now live in homes they have purchased)

2018

- Audit and Risk Committee
- Social and Ethics Committee
- Remuneration and Nomination Committee
- Ad hoc Finance Committee
- Ad hoc Technical Committee

OUR LEADERSHIP

OUR NON-EXECUTIVE DIRECTORS[1]

	Kgomotso Moroka (SC)[2] Chairman	Peter Ledger	Zanele Matlala	Mark Moffett
Age	64	69	55	59
Qualifications	BProc, LLB	BSc (Eng) (Rand) Mining, PrEng, FSAIMM	BCom, BCompt (Hons), CA(SA)	BCom, CTA, CA(SA)
Date of appointment	June 2010	February 2018	September 2018	September 2014
Significant directorships	• Standard Bank Group Limited • Metmar Limited • MultiChoice Group • Nelson Mandela Hospital and Children's Trust Fund		• Executive Director of Merafe Resources Limited • Non-executive director of: – Dipula Income Fund – Steffanutti Stocks Holdings Limited – RAC Limited	• Exxaro Resources Limited
Skills and experience	A practicing senior advocate, Kgomotso was a member of the Judicial Commission for 15 years and has played a leadership role across a range of industries	Peter has had over 40 years' experience in the mining and beneficiation of coal, chrome, gold, diamonds and PGMs, 30 years of which were in general management positions in southern Africa Formerly an executive director of Lonmin plc	Chief Executive Officer of Merafe Resources, Zanele was previously the Company's Chief Financial Officer	An independent consultant, Mark spent over 25 years in senior financial positions in Anglo American plc and the De Beers Group, as Chief Financial Officer of Xstrata Alloys and Group Controller for Xstrata plc
Independence	Independent	Independent	Independent	Independent
Committee membership	● Chair of the Nomination Committee	● ● ●	●	● ●
Board attendance[3]	7/7	5/5	1/2	7/7
● **Audit and Risk Committee attendance**	4/5	–	0/1	5/5
● **Social and Ethics Committee attendance**	2/4	3/3		
● **Remuneration and Nomination Committee attendance**	4/4			
Directors to be elected or re-elected	X		X	

[1] *Following Phase I of our acquisition of the remaining 33% interest in the BRPM Joint Venture taking effect on 11 December 2018, RPM nominees Gordon Leslie Smith and Avischen Moodley were appointed to the RBPlat Board on 2 January 2019 as non-executive directors*
[2] *The Chairman attends the meetings of the Audit and Risk and Social and Ethics committees by invitation*
[3] *In addition to the quarterly Board meetings the Board attended an integrated reporting workshop and a strategy workshop*

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Thoko Mokgosi-Mwantembe	Obakeng Phetwe	Mike Rogers	Louisa Stephens	David Wilson
57	41	74	42	48
MSc	BCom (Hons), CTA, CA(SA)	BSc (Eng) (Rand) Mining, PrEng, FSAIMM	BBusSc (Finance), CD(SA), CA(SA)	CA(SA)
November 2014	February 2018	December 2009	September 2014	May 2014
• Old Mutual Limited • Omnia Holdings Limited	• Royal Bafokeng Holdings Limited • RMB Holdings Limited • RMI Holdings Limited • MOGs Oil and Gas Proprietary Limited		• African Bank Group • MultiChoice Group • Institute of Directors in Southern Africa (NPC) • BAIC Automobile South Africa Proprietary Limited	• RMB Holdings Limited (alternate) • RMI Holdings Limited (alternate) • Liquid Telecom Limited
Chief Executive Officer of Kutana Investments Group, Thoko previously held executive positions at Telkom Limited, Lucent Technologies, Siemens Telecommunications, Alcatel SA and Hewlett Packard SA, where she was Chief Executive Officer	Chief Executive Officer of Royal Bafokeng Nation Development Trust (RBNDT), Obakeng was previously Group Treasury and Business Manager for the Royal Bafokeng Nation (RBN), Finance Manager for the Royal Bafokeng Administration (RBA) and Senior Audit Manager at Mokua and Associates, Chartered Accountants	Mike is an experienced engineer, having served in operational, technical, managerial and executive capacities in the southern African mining industry for some 50 years. His experience covers both underground and surface mining and beneficiation in the coal, gold, platinum, copper and antimony industries. He is a past President of The Southern African Institute of Mining and Metallurgy	An independent financial trader at Prime Select Holdings, Louisa was previously Chief Investment Officer of Circle Capital Venture Proprietary Limited, a fund manager at the uMnotho Fund and she gained experience in acquisitions and leverage finance in RMB's Investment Banking Division	Currently Head: Financial services and consumer goods investments at RBH. David was a director and Head of Mergers and Acquisitions for sub-Saharan Africa at Deutsche Bank and an Associate Director Corporate Finance at HSBC SA
Independent	Not independent	Independent	Independent	Not independent
Chair of the Remuneration Committee		Chair of the Social and Ethics Committee	Chair of the Audit and Risk Committee	
6/7	4/5	7/7	7/7	6/6
			5/5	
4/4	2/3	4/4		4/4
4/4		4/4		
X			X	

OUR LEADERSHIP CONTINUED

EXECUTIVE COMMITTEE*

Executive directors

Executive team

	Steve Phiri Chief Executive Officer	Hanré Rossouw Financial Director	Neil Carr Executive Head: Operations
Age	62	43	59
Qualifications	BJuris, LLB, LLM, Dip Corp Law	BEng, BCom (Hons), MBA (Oxon)	BSc (Mechanical Engineering), EDP (INSEAD)
Date of appointment	April 2010	October 2018	December 2010
Skills and experience	Steve was CEO of Merafe Resources, a company listed on the JSE, for six years before joining RBPlat. Before joining Merafe he headed up Corporate and Legal Affairs for the Royal Bafokeng Nation (RBN). Steve chairs the Executive Committee and attends all committee meetings as an invitee	Hanré joined RBPlat from Investec. Before joining Investec he was Chief Financial Officer of Xstrata Alloys South Africa, having previously also served as Head of Investor Relations of Xstrata plc and Senior Manager Strategy and Business Development	Neil, who has over 30 years' experience in the PGM mining industry, joined RBPlat as Head of Projects and Engineering and was promoted to Executive Head: Operations in 2014. Before joining RBPlat he held senior management and leadership positions in Lonmin for 20 years and Implats for nine years
Independence	Not independent	Not independent	
Committee membership	Chairman of the Executive Committee	Member of the Executive Committee	Member of the Executive Committee
Board attendance	7/7	1/1	6/6
Audit and Risk Committee attendance	5/5	1/1	3/4
Social and Ethics Committee attendance	3/4	1/1	4/4
Remuneration and Nomination Committee attendance	4/4		
Directors to be elected or re-elected		X	

* *Members of the Executive Committee attend the Board and committee meetings by invitation*

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Reginald Haman

Executive: Risk, Assurance and Sustainability

44

MBA, PGDBA, Graduate Diploma in Company Direction, NHD, ND, EDP

October 2012

Reg has extensive experience in business risk and governance gained in senior executive positions in various sectors including mining and financial services. He is the past President of the Institute of Risk Management of South Africa and served on the King III risk management working group and participated in the King IV development

Member of the Executive Committee

6/6
4/4
4/4

Glenn Harris

Head of Operations

57

NHD (Metals), BTech, MDP, MMCC

January 2010

In his current role Glenn heads up operations for BRPM and Styldrift Mine. Before assuming this role he had been General Manager of BRPM since 2006. He has 34 years' experience in mining, 23 of which have been in platinum mining

Member of the Executive Committee

5/6
3/4

Lindiwe Montshiwagae

Executive: Investor Relations

47

BCompt (Hons), MCom (Financial Management), MDP

June 2010

Lindi, who has over 13 years' experience in investor relations, joined RBPlat from Merafe Resources in 2010. At Merafe Resources Lindi was responsible for investor relations and corporate finance between 2005 and 2010. She joined Merafe after spending five years at Nedbank and having spent the previous five years at PwC

Member of the Executive Committee

6/6
4/4
3/4

Mpueleng Pooe

Executive: Corporate Affairs

59

BProc, MDP, Certificate in Advanced Corporate and Securities Law

October 2013

Before joining RBPlat in 2013 Mpueleng was the Public Affairs executive at Royal Bafokeng Holdings. Having begun his career as a lawyer with Bell, Dewar and Hall (now merged with Faskens Martineau) where he later became a director, he joined AngloGold Limited as legal counsel in 1999

Member of the Executive Committee

6/6
4/4

Vicky Tlhabanelo

Executive: Human Resources

58

MM (Masters in Management), BCom (Hons), Diploma Management and Accounting

April 2010

Vicky, who joined RBPlat in 2010, has held leadership positions for over 20 years. Her experience includes over 25 years in human resources in various areas including banking, retail research, agriculture and academic institutions, as well as mining and development

Member of the Executive Committee

6/6
4/4

OUR LEADERSHIP CONTINUED

Our Board demographics

The diversity of the demographics, skills and experience of the RBPlat Board and its independence, which is maintained by 64% of its members being independent non-executive directors, ensures that our Board is well-equipped to discharge its governance role and responsibilities objectively and effectively.

Performance against our Board gender and diversity targets

We have exceeded our target of 50% of our Board members being black, but we still have some way to go before we achieve our target of 50% of our Board members being female.

55%
of our Board members are black

36%
of our Board members are female

63%
of our Exco members are black

25%
of our Exco members are female

EFFECTIVE LEADERSHIP THROUGH GOOD GOVERNANCE

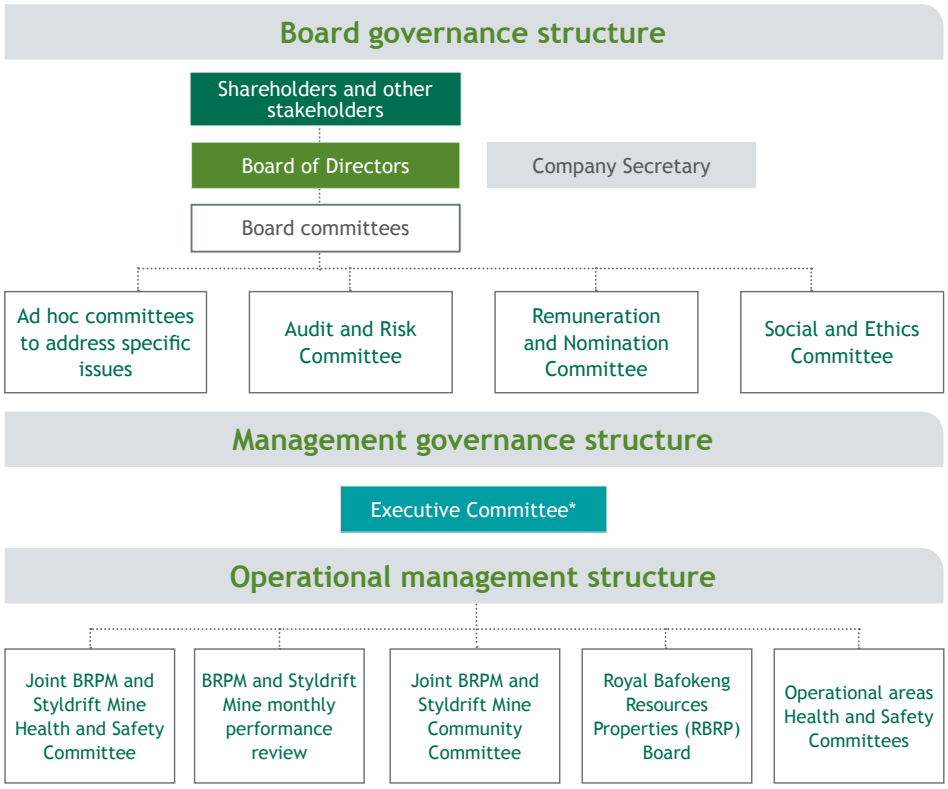
RBPlat is committed to achieving high standards of governance, ethics and integrity. Our approach to corporate governance, integrated into our standards, policies, practices and procedures supports the achievement of all of the King IV principles. We constantly review our corporate governance practices and the application of the King IV principles to ensure we act in the best interests of our stakeholders, comply with applicable laws and regulations and are able to adapt quickly to changes in our regulatory environment.

The King IV principles have been adopted by the JSE. In this section of our integrated report, in line with the JSE Listings Requirement, we assess whether our application of the King IV principles, to corporate governance in RBPlat has allowed us to realise or at least make good progress towards achieving effective leadership through: effective control and legitimacy.

We would also refer you to pages 109 and 110 of the intellectual section of this report where we have provided information on the outcome of our efforts to achieve an ethical culture and deliver a good performance through the application of corporate governance principles.

Ⓚ6 Our Board serves as the focal point and custodian of corporate governance in RBPlat

Our governance framework positions our Board as the custodian of corporate governance in RBPlat and provides it with effective control of the business. By effectively governing RBPlat and taking into consideration our stakeholders' interests our Board and management contribute value to both the business and its stakeholders. The diagram below sets out our governance structures at Board, executive management and operation level.



** The Executive Committee has taken over the responsibilities that were previously addressed by the Joint Venture Management Committee*

Achieving effective control and legitimacy

RBPlat's governance framework and culture provided a solid foundation for our application of King IV with a focus on achieving the four corporate governance outcomes of an ethical culture, good performance, effective control and legitimacy. Applying King IV is a commitment on the part of RBPlat to stakeholder inclusivity, corporate citizenship and protecting the value we create.

Board independence

(K)7 Through the appointment of strong independent directors and the separation and clear definition of the roles and responsibilities of the Chairman and Chief Executive Officer, RBPlat has established a clear balance of power and authority at Board level.

We have ensured that the interests of our minority shareholders are protected by the majority of our Board members being independent non-executive directors.

(K)8 Our Board performs its duties within a framework of policies and controls that provide for effective risk assessment and management of our economic, environmental and social performance. The RBPlat Board Charter, which is closely aligned with the recommendations of King IV, details the responsibilities of the Board, while our Memorandum of Incorporation (MOI) also addresses certain of the directors' responsibilities and powers.

RBPlat's Board committees report quarterly to the Board on their statutory duties and Board-assigned responsibilities. Their responsibilities are set out in their terms of reference, which are regularly reviewed and are available on the RBPlat website at *www.bafokengplatinum.co.za/policies-and-charters.php*.

SOCIAL AND ETHICS COMMITTEE

(K)2 (K)3 Members are all non-executive directors and the majority are independent non-executive directors – see pages 18 and 19 for profiles of each committee member. The committee's report is available on page 159 of this report.

The committee is responsible for meeting its statutory duties in terms of Regulation 43 of the Companies Act and monitoring and reviewing RBPlat's performance as a responsible corporate citizen, which includes oversight and review of:

- ethical matters in RBPlat
- RBPlat's approach to the safety and health of its people, the environment and the communities in which it operates
- the sustainable development of the business
- monitoring and overseeing operational risk in conjunction with the Audit and Risk Committee.

AUDIT AND RISK COMMITTEE

Members are all independent non-executive directors elected by the shareholders at the annual general meeting – see pages 18 and 19.

Statutory committee with statutory duties (see the report on page 3 of the annual financial statements).

Key accountability, monitoring and oversight responsibilities delegated to the committee by the Board include the:

- accuracy and transparency of our financial reporting
- ensuring appropriateness of financial reporting procedures and their application
- (K)11 risk governance
- technology and information
- (K)12 governance
- internal and external audit oversight
- funding-related matters
- internal control environment
- forensic audits
- regulatory compliance
- expense and budget variance control.

REMUNERATION AND NOMINATION COMMITTEE

Members are all independent non-executive directors – see pages 18 and 19. The remuneration and implementation report is available on
(K)14 pages 148 to 158 of this report.

The committee:

- reviews key human resource practices, policies and strategies to ensure the organisation remunerates fairly and responsibly
- ensures transparent, accurate and complete remuneration disclosure
- monitors talent management and executive succession planning
- commissions an independent assessment of our remuneration
- oversees evaluation programme for the Board and its committees
- oversees appointment process of new directors and the composition of the Board and its committees
- assesses the competence and experience of the Company Secretary and reports the outcome thereof to the Board.

Ad hoc Technical and Finance Committees made up of members of RBPlat's executive management and Board address specific technical and financial matters, respectively.

OUR LEADERSHIP CONTINUED

Ⓚ10 The roles and responsibilities of the Chairman and the Chief Executive Officer (CEO) are separate and clearly defined. The CEO is accountable to the Board for leading the implementation and execution of our Board-approved strategy, policies and business plans. As an executive director of the RBPlat Board and Chairman of the Executive Committee, the CEO plays a key role in providing a link between management and the Board and ensuring Board decisions are communicated to management.

Ⓚ10 The Board's MOI sets out the shareholders' delegation of authority to the Board, which has a formal schedule of matters reserved for its consideration and decision. Its delegation of certain matters to its committees and subsidiary companies is described in the terms of reference of these committees, which can be found in the governance section of our website www.bafokengplatinum.co.za. In addition, the Board delegates authority to the Executive Committee.

Ⓚ7 The MOI also requires one-third of our directors to retire from office at every annual general meeting based on their tenure since they were previously elected or re-elected to the Board (see pages 18 and 19).

DIVERSITY OF EXPERIENCE

Our Nomination Committee is tasked with creating an experienced Board with the range of expertise relevant to leading RBPlat and which is able to provide the business with ethical and effective leadership

77% Finance and accounting

33% Technology

44% Technical and operational

66% Governance and regulation

44% Risk management

77% Business strategy

The members of the RBPlat Board include:

3	5	1	2
engineers	accountants	IT specialist	lawyers

6

of our directors hold or have held executive management positions

All our Board members are experienced company directors

Ⓚ9 **Assessing the Board's performance**

Because there are a number of new Board members the decision was taken to conduct a review of the composition, diversity and skills of the Board and its committees. The results will be used to assess the composition of the Board and its committees, as well as the training and development needs of the newer directors. A more comprehensive evaluation will take place in 2019.

Read more about our application of King IV on our website *(www.bafokengplatinum.co.za)*.

The Board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties. All the committees report to the Board

What kept our Board busy this year

- The safety strategy and targets for the operations
- The funding requirements for Styldrift Mine
- Plans to conclude, embed and derisk our acquisition of Maseve and the Amplats' 33% stake in the BRPM JV
- Immediate and long-term corporate business and strategic plans for RBPlat
- Stakeholder management strategies
- Assessment of the industry and market in relation to the political, economic and social risks facing South Africa

What will keep the Board busy in 2019

- Corporate business and strategic plans in the short, medium and long term
- Funding requirements
- Ensuring RBPlat maintains the flexibility it requires to respond rapidly to changes in market conditions
- Stakeholder engagement on matters material to our stakeholders' decision-making
- The impact of meeting the requirements of Mining Charter III

What kept our Audit and Risk Committee busy this year

- Reviewing when it will be appropriate to stop capitalising expenses at Styldrift Mine
- Fraud and corruption prevention was a key focus for the committee during 2018
- Reviewing our relationship with external auditors, PwC, and the engagement partner with regard to the JSE changes to the process of appointing external auditors
- Review KPMG appointment and decision to insource internal audit
- Review of risk appetite and related tolerances

What will keep the committee busy in 2019

- Continue to focus on the effectiveness of RBPlat's efforts to address fraud and corruption
- Review progress with addressing the gaps in RBPlat's technology and information governance
- Further address the need to ensure we comply with the changes to the JSE process for the appointing of external auditors
- Reviewing performance of internal audits since its insourcing
- Link risk management to the new business plan
- Review of costs at Styldrift Mine as it becomes operational

What kept our Social and Ethics Committee busy this year

- Mine environmental rehabilitation and closure financial planning
- Progress with the revision and implementation of the stakeholder engagement framework
- Progress with the implementation of the sustainability framework
- Asset protection and security including ethics and human rights performance
- Addressing how we contribute to the achievement of the SDGs
- Progress with the implementations of energy, water and climate change management strategy plans
- Progress with the climate change framework implementation
- Safety, health and wellness performance
- Social and labour plans performance

What will keep the committee busy in 2019

- Keeping abreast of changes in environmental and sustainability legislation
- Embedding sustainability in the business
- Ethics and the implementation of human rights training for security practitioners
- Sustainability performance
- Progress with the implementation of our SLPs
- Continue addressing safety, health and wellness performance
- Liaise with the Remuneration Committee on the ethics of remuneration as well as key ESG matters

What kept our Remuneration and Nomination Committee busy this year

- Shareholder engagement on remuneration policy
- Revised share appreciation rights (SARs) and full share and forfeitable share plans (FSPs) revision
- Improving remuneration reporting
- Considered the appointment of new directors following the resignation of three directors
- Outcome of the benchmarking exercise
- Introduction of a measurement of the ethical performance of executives and management

What will keep the committee busy in 2019

- Ongoing engagement with shareholders on implementation of remuneration policy
- Implementation of additional measures for FSP
- Liaison with Social and Ethics Committee to increase influence of environmental, social and governance (ESG) on remuneration and ethics of remuneration

What keeps our ad hoc Technical Committee busy

The committee mainly concerns itself with progress at Styldrift Mine, capital expenditure, performance against operational business plan, key strategies for the operational business plan for the new year and optimisation of operations. It may also consider the availability of scarce resources and expertise required in our operations. Review of safety performance is also an important part of its scope.

What keeps our ad hoc Financial Committee busy

The committee reviews business plans; the viability of corporate actions, merger and acquisition activity and the processes involved in these activities, including equity raising, debt financing and compliance with applicable regulations. RBPlat's overall funding requirements, based on future cash flows, is also part of the scope of the committee.

OUR LEADERSHIP CONTINUED

(K)13 The Board governs compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

COMPLIANCE GOVERNANCE

Our Board's commitment to full compliance with all applicable laws and regulations, and its support and application of certain non-binding codes, standards and plans, includes all 10 principles of the UNGC; the UN Voluntary Principles on Security and Human Rights 2019, which have been designed specifically for extractive companies; the South African government's National Development Plan; and the UN's SDGs. Our regulatory compliance framework, compliance risk policy and our regulatory risk management process ensure that the effectiveness of the key internal controls in place to mitigate our compliance risks is continually monitored and that risk management plans are in place to ensure compliance with new legislation or amendments to current legislation.

RBPLAT'S COMPLIANCE DURING 2018

RBPlat has complied with the JSE Listings Requirements during the year under review.

RBPlat's Board-approved compliance risk management framework aims to ensure:

- alignment with RBPlat's business strategy, ERM framework, SHE risk management plan and leading practice
- it serves as a reference for those responsible for managing compliance
- a consistent approach to the management of compliance across RBPlat.

RBPLAT'S FOUR-PHASE COMPLIANCE RISK MANAGEMENT PROCESS

Phase I Compliance risk identification
Phase II Compliance risk assessment
Phase III Compliance risk management (control optimisation)
Phase IV Compliance risk monitoring

Our regulatory compliance universe outlines a list of over 81 pieces of legislation and regulations in relation to minerals, land, environmental management, geology, human resources, engineering, safety and health, financial, information technology, the Companies Act, the JSE Listings Requirements, etc, which we monitor to ensure compliance. Our regulatory compliance universe categorises each item, its legislative impact and the likelihood of non-compliance. It also allocates a priority ranking to the core pieces of legislation which are likely to have a material impact on RBPlat should we not comply with them. Compliance with these pieces of legislation is continually monitored.

The Board makes every effort to ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

RBPlat understands that it is essential that our strategy, risks, performance and rewards are aligned if we are to create shareholder value. The Remuneration and Nomination Committee is charged with ensuring that executive directors and senior management are fairly rewarded for their individual contributions to the Company's overall performance and for ensuring that RBPlat's remuneration policies and practices are designed to align performance with reward and to attract and retain the right talent, while having regard to the interests of stakeholders and the financial condition of the Group. The individual performance of executives is measured against KPIs linked to our strategic objectives (see page 156 of this report for these measures). The remuneration review on pages 148 to 158 sets out our Remuneration philosophy and policy, structure, our efforts to achieve fair and responsible remuneration, our engagement with shareholders on our remuneration reporting, components of our remuneration and implementation report setting out our implementation of our remuneration policy.

COMBINED ASSURANCE IN RBPLAT

To ensure we have adequate assurance across the RBPlat Group, and to prevent gaps or duplication in assurance efforts, we have adopted a combined assurance approach. Our risk and assurance unit is responsible for maintaining the combined assurance plan in consultation with functional and operational management and internal audit. Progress on assurance activities is tracked monthly and reported on to the Audit and Risk Committee and/or the Social and Ethics Committee every quarter, depending on the nature of the area assured.

The Audit and Risk Committee obtained assurance on the financial statements, internal controls and sustainability information included in RBPlat's integrated report and carried out its statutory duties set out in section 90 of the Companies Act 71 of 2008. It satisfied itself as to the expertise and experience of the Financial Director and the financial function and assessed the independence and performance of the internal and external audit functions.

(See the Audit and Risk Committee report on page 3 of the annual financial statements available online at *www.bafokengplatinum.co.za*.)

The Social and Ethics Committee advises and provides guidance to the Board on the effectiveness of management's efforts in respect of social, ethics and sustainable development-related matters. It also carries out its duties as prescribed in the Companies Act 71 of 2008 and reports on its discharge of its duties in this regard to the Board and stakeholders (see its report on page 159 of this report).

COMBINED ASSURANCE MAP

	Lines of defence									
	First line	Second line			Third line					
Risk	Manage-ment	SHER	Risk and com-pliance	Sustain-ability	Internal audit	External audit	Other external assurance	Type of assurance	Level assurance	Oversight committee
Styldrift project delivery ramp-up								MPR and risk register	Limited	ARC
Capital funding								Risk registers	Limited	ARC
Safety performance								Compliance certification audit (OHSAS 18001	Extensive	ARC SEC
Stakeholder engagement/ community unrest								Risk appetite dashboard	Extensive	ARC SEC
Operating costs								Financial audit	Extensive	ARC
Adverse PGM prices								Financial audit	Extensive	ARC
Political and economic risk								Risk registers	Limited	ARC
Environment and climate change								Compliance certification audit ISO 14001 Environmental Legal compliance audit EMPR performance assessments WUL compliance audit Landfill legal audit WTP audit	Extensive	SEC
Adequate and appropriate skills								Internal audit Risk register	Moderate	ARC REMCO
Cyber risk								Internal audit	Extensive	ARC

ARC: Audit and Risk Committee
SEC: Social and Ethics Committee
REMCO: Remuneration and Nomination Committee

MPR: Monthly production review
WUL: Water usage licence
WTP: Water treatment plant

Legends:

Level of assurance as per RBPlat framework
- Extensive assurance
- Moderate assurance
- Limited assurance
- No assurance

Lines of defence
First line – Management
Second line – SHE, Risk and Compliance and Sustainability
Third line – Internal audit, external audit and other external assurers (regulators)

- Management providing assurance
- Safety, health and environment assurance
- Risk and compliance
- Sustainability
- Internal audit
- External audit (PwC/IBIS)
- Other external assurance providers

OUR STRATEGIC BUSINESS MODEL

We use our business model to create economic value for all our stakeholders

Elements underpinning the business strategy

1 VALUES

Values designed to deliver earnings and growth, and create shared value:

Safety and people first
- Mining is a high-risk business and cannot succeed without total trust, respect, teamwork and uncompromising commitment to safety and people first

Promises delivered
- We do what we say we will do

Mutual interests and mutual rewards
- We have mutual goals and mutual interests and we depend on each other to realise our vision and mission
- We operate in good faith, openly and transparently

2 DIFFERENTIATORS

What differentiates us

Great people including
- An experienced management team
- RBPlat's development of a brand based on a loyal working culture
- Labour stability
- A highly skilled workforce

The RBPlat brand built on
- Strong environmental, social and governance practices
- Trust, delivery and vision
- Black community ownership

Our position on the cost curve
- High grade long-life Merensky producer
- Low-cost bord and pillar mechanised mining at Styldrift Mine
- Modular approach to processing capacity

3 ASSETS AND CAPABILITIES

Our key assets and capabilities

Highly competitive ore bodies in the form of
- Shallow high grade Merensky resources
- Long life Merensky and UG2 resources

Efficient processing plants
- Flexible processing
- Operational flexibility

Appropriate proven technologies applied in our
- Mechanisation of Styldrift and BRPM Phase III hybrid mining
- Optimisation and application of technologies

Financial standing which includes
- Supportive shareholders
- Maintaining a strong balance sheet

4 STAKEHOLDERS

Our promise to stakeholders

We are focused
- With a clear value proposition
- And we will pursue diversification when there is a tangible advantage to doing so

Establish RBPlat as a first quartile performer
- That delivers better returns – benchmarked across multiple dimensions
- Our returns are sustainable

Believe in being *More than mining*
- We care for our employees, communities and our environment
- We lead by being accountable

Leader in transformation
- We are a model of transformation in the mining industry

5 FOCUS

Our focus: products, value chain and geography

Focus
- PGMs are our core focus
- Plus any by-products that can be mined synergistically

Mining and concentrating
- We operate mines and concentrators
- Our portfolio currently excludes greenfield exploration, smelting, further beneficiation, or downstream integration

South Africa is our base
- Where we own competitive assets but are open to opportunities elsewhere

We have one major client
- Which is Anglo American Platinum (Amplats)
- Amplats relies on our quality concentrate volumes, while we rely on their processing capacity

6 OPERATING MODEL

Our operating model and how we will win

Operational excellence from our
- Performance-driven culture
- Commitment to zero harm
- Focus on labour stability
- Appropriate technologies

High flexibility from
- Agile decision-making
- Merensky and UG2 optionality
- Levers to respond to market changes

Organic growth through
- Styldrift Mine and Styldrift II/Maseve
- Long life of mine

HOW WE USE OUR STOCK OF CAPITALS TO ACHIEVE OUR STRATEGIC OBJECTIVES AND CREATE VALUE

INPUTS

1
- R1.3 billion in cash on hand
- R1.5 billion available in term debt and revolving credit facilities
- R508 million in general banking facilities of which R119.4 million was used for guarantees
- NAV of R10.7 billion
- Our competitive position on the cost curve
- Royalty agreement with Implats

CHALLENGES:
- Volatile commodity markets and depressed platinum demand
- Market appetite impact on our ability to raise the funding we require for growth and acquisitions
- Global and local economies

2
- Operational flexibility provided by our shallow high grade Merensky and UG2 ore bodies
- Long life Merensky and UG2 resources
- Flexible, efficient processing capacity
  - BRPM concentrator at 250ktpm
  - UG2 toll concentrating agreement at 30ktpm
  - Maseve concentrator at 100ktpm
- Low-cost producer
- Ability to optimise volumes

CHALLENGES:
- Maintaining unit increases below CPI
- Two phase ramp-up of Styldrift
  - 150ktpm milestone fourth quarter 2018
  - 230ktpm milestone third quarter 2020
- Maseve concentrator ramp-up

3
- Performance-driven culture
- Leader in transformation
- Flexible, agile management team and skilled workforce that support strategy delivery and sustainability
- Labour stability
- Substantial investment in skills development and training with a focus on safety leadership skills and improved comprehension
- Invested in a healthy, productive workforce through provision of medical cover

CHALLENGES:
- Improving safety performance by reducing total injuries and zero fatalities
- Maintaining labour and community stability

4
- Technical know-how
- Ethical and effective leadership
- Best practice corporate governance
- Optimised risk management
- Value-enhancing supply chain management processes
- Industry-leading collision avoidance systems
- Expansion and integration of technology at our operations

CHALLENGES:
- Establishing an ethical culture in the current South African environment
- Cost of digitisation

5
- Social licence to operate
- Ongoing focus on stakeholder engagement, with increased focus on community engagement
- SLP investment
- Employing members of local communities
- Creating value through our Employee Home Ownership Scheme
- Strong brand built on strength of environmental, social and governance practices

CHALLENGES:
- Expectations of communities under stress as a result of unemployment, poor performance of economy and lack of skills

6
- Good stewardship of our mineral resources and reserves
- Effective environmental and climate change management
- Annual sustainability implementation plans and targets, including water and energy efficiency targets
- Complying with applicable legislation and regulations

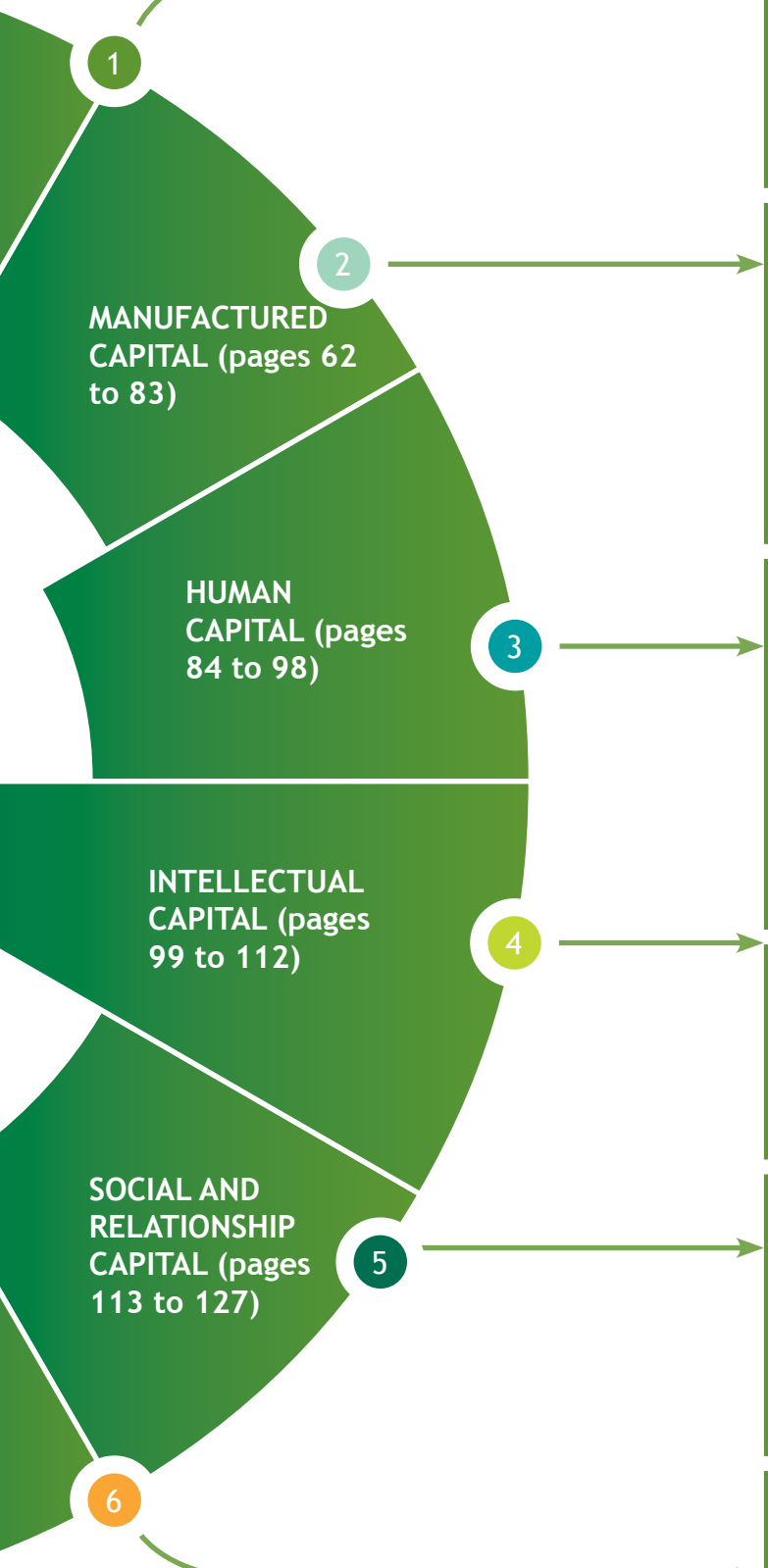
CHALLENGES:
- Legislative and regulatory compliance
- Establishing resources and reserves at Maseve
- Undertaking concurrent rehabilitation and financial closure provisioning of our operations
- Unpacking and understanding environmental issues at Maseve

What was available in RBPlat's stock of capital at the beginning of 2018 to support the achievement of our strategic objectives and the challenges we needed to overcome to achieve these objectives and create value

FINANCIAL CAPITAL (pages 52 to 61)

NATURAL CAPITAL (pages 128 to 146)

OUTPUTS



- R883.5 million cash on hand
- R2 500 million in term debt and revolving credit facility of which R1 680 million was drawn
- R508 million general banking facility of which R119.4 million was used for guarantees and R65.9 million was used to fund working capital
- Net debt of R832.4 million
- Net asset value of R15.7 billion
- R4 168.9 million Group capital expenditure

- Achieved Styldrift 150ktpm milestone by October 2018
- Phase III North shaft replacement project 98.8% completed at year-end
- 12.2% increase in 4E metals
- 13.2% increase in tonnes milled
- 7km of development at Styldrift
- BRPM IMS panel ratio of 1.92
- 2 268kt of ore delivered by BRPM
- 1 127kt delivered by Styldrift Mine
- R16 145 cash operating cost per platinum ounce
- Cash operating costs per platinum ounce increased

- 13.6% increase in workforce
- Two fatalities
- Improved lost time injury frequency rates
- Improvement in safety leadership
- No strikes
- 92.3% of our total workforce is black
- 17.1% of our enrolled and fixed contractors were women
- 58% of the enrolled employees we engaged in 2018 are from local communities
- R112.4 million invested in legal and mandatory training, people development and SLP human resource development
- R2.6 billion spent on employee remuneration and benefits

- Injury-free completion of rehabilitation of Silo 4
- Revised Code of Ethics and Ethics awareness programme and the use of data analytics to protect our supply chain from fraud and corruption
- Digitisation of some of the key processes at Styldrift

- Continuing improvement in stakeholder engagement
- 56% increase in our annual spend on SLP projects to R63.2 million
- 58% of enrolled employees engaged in 2018 are local community members
- Over 1 000 employees have purchased homes in our Employee Home Ownership Scheme
- 298 community members received portable skills training
- R2.3 million invested in enterprise and supplier development (ESD)
- 48.0% of our discretionary procurement was from HDSA businesses in our local and doorstep communities

- 33% increase in resources and reserves
- 0.4% increase in total potable water consumption
- 8.0% improvement in total water efficiency
- 8.3% increase in electricity consumption
- 2.2% increase in GHG emissions
- Closure liability assessments conducted for all operations

TRADE-OFFS TO CREATE VALUE

- Acquisition of Amplats' 33% interest in BRPM JV resulted in dilution of RBH shareholding
- Enlarged debt resulting in increase in finance costs

- Drop off in concentrator recovery to 84.43% attributable to lower recoveries from Maseve MF1 circuit
- Reduction in BRPM production due to suspension of unprofitable production of UG2 at South shaft
- In 2020 we will be upgrading the Maseve plant to an MF2 circuit. This will:
  - Increase volumes
  - Provide option to exploit additional UG2 reserves

- Increase in workforce allowed us to achieve organic growth through the ramp-up of Styldrift Mine to 150ktpm
- Substantial investment in safety leadership skills has helped us gain a better understanding of the causes of accidents and to address these causes

- The decision to rehabilitate Silo 4 as opposed to abandoning it due to technical conditions

- While investing in our SLPs and doing what we can to contribute to the building of sustainable doorstep communities may mean using value that could have been attributed to shareholders, it is an essential investment in our social licence to operate

- Investing in the replacement of the return water pipeline at BRPM will improve the use of recycled water at the BRPM concentrator

THE VALUE WE CREATED IN 2018

- Cash flow generated by the sale of our concentrate achieved by employing financial, human, manufactured and natural capital
- Acquisition of Maseve
- Acquisition of Amplats' 33% participating interest in the BRPM JV held through its subsidiary, Rustenburg Platinum Mines (RPM)
- Net asset value of R15.7 billion

- 12.7% increase in saleable product in the form of platinum concentrate
- Organic growth through the achievement of the 150ktpm milestone at Styldrift, a shallow bord and pillar mechanised mine
- Purchase of Maseve concentrator will allow us to ramp-up Styldrift Mine to 230ktpm by the third quarter of 2020 and adapt to changes in market demand
- Further extended life of BRPM North shaft through North shaft Phase III project
- RBPlat has retained its position as a low-cost PGM producer (see page 43 of the changing business context section of this report)

- Transformation leader
- Disappointing overall safety performance
- Increased understanding of safety risks and ability to prevent accidents resulted in reduction in LTIFR
- Improvement in safety leadership skills achieved through ongoing investment in skills development
- Labour stability
- Key skills retained
- 17.5% reduction in TB incidence rate
- 19.3% reduction in the number of new cases of enrolled employees and contractors who tested positive for HIV
- A productive, healthy workforce with the necessary skills
- Maintained the OHSAS 18001 certification for BRPM and Styldrift

- Infrastructure in place to ramp-up Styldrift Mine to 150ktpm
- First phase of digital integration at Styldrift
- Increased ability to protect the business from fraud and corruption
- Responsible use of our supply chain to contribute to community sustainability
- Through technical know-how successfully rehabilitated Silo 4 to support Styldrift ramp-up

- Retained our social licence to operate
- Increased focus on community engagement
- ESD programme to provide business development advice and access to funding assistance in 2019
- Community members better equipped to obtain value-creating employment through our education support and portable skills programmes
- Contributed to community sustainability through HDSA discretionary procurement (R1.5 billion in capital goods, consumables and services from local HDSA businesses) in 2018

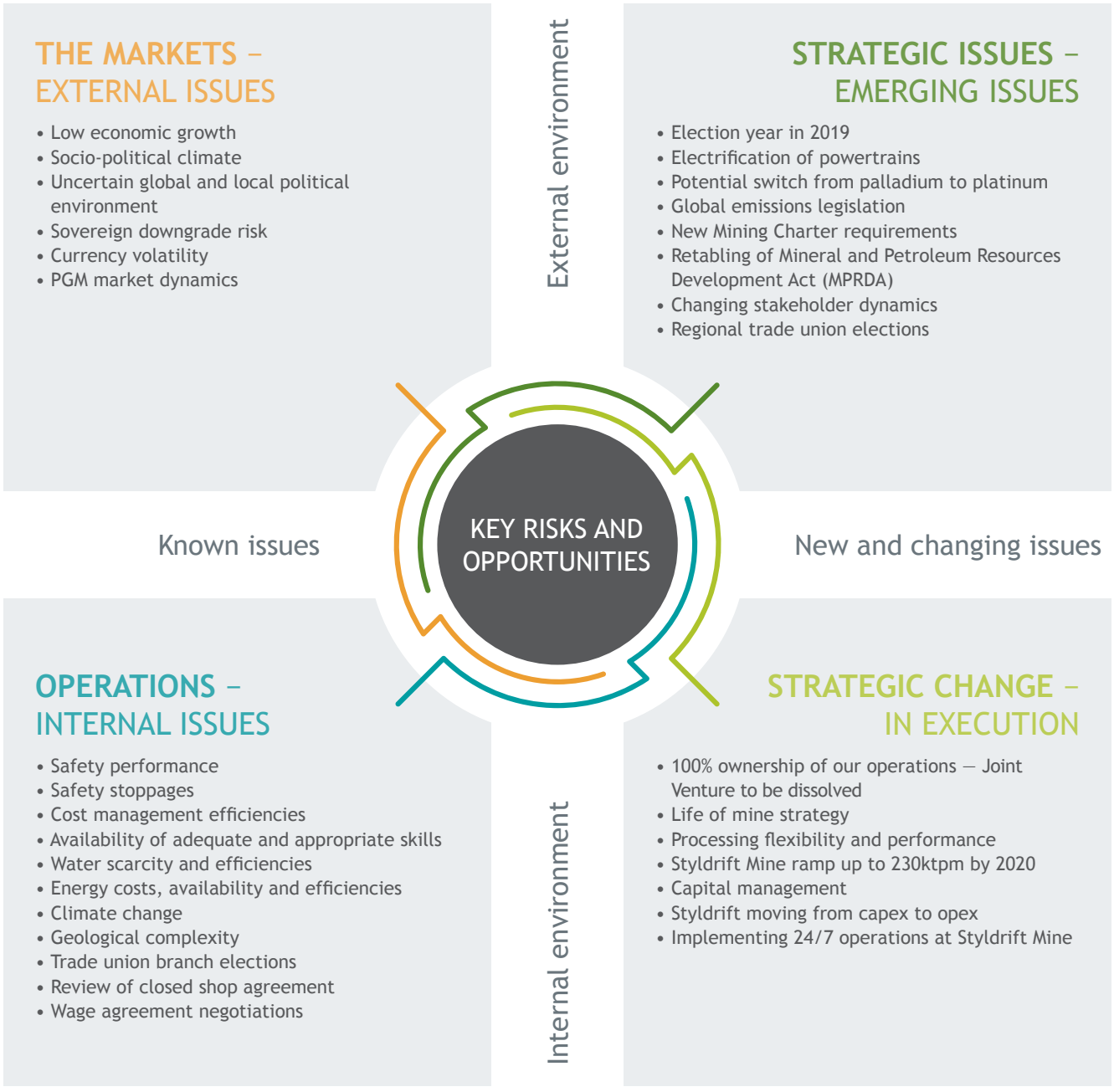
- 22.53Moz increase in 4E resources
- 5.65Moz increase in 4E reserves
- Maintained the ISO 14001 certification for BRPM and Styldrift
- 8.4% increase in total recycled water
- Financial closure provisioning updated
- Potable water cost saving of R8.9 million realised due to use of our water treatment plant

OUR CHANGING BUSINESS CONTEXT

In this section of our report we:

- review our global and local internal and external environments
- identify the issues that have implications for our business model, their impact or possible impact on value
- provide a brief summary of our strategic response to these issues and guidance as to where you can read more about our response.

We address the risks and opportunities our internal and external environments present, and our responses to them throughout this report. We have provided page references to where this information can be found and an indication as to whether these issues are risks, opportunities or both for RBPlat, on the graphic that follows.



In this section of our report we review the issues currently impacting the PGM market, those that are likely to impact our industry in the short and medium term and our response to them. We also refer you to our Chief Executive Officer's market review on pages 14 and 15 of this report.

The diverse range of industries using PGMs includes the automotive industry, which remains the largest user of PGMs, followed by the jewellery, chemical, fuel cell, medical, biomedical, glass, electrical, petroleum industries, and non-road diesel-powered equipment.

PGM demand

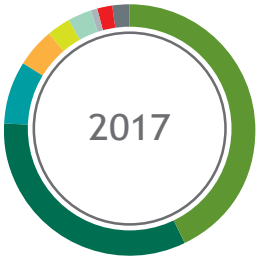
THE KEY INDUSTRIES USING PGMs

Estimate

- Auto (40.4%)
- Jewellery (32.8%)
- Chemical (7.8%)
- Other (5.7%)
- Medical and biomedical (3.2%)
- Electrical (2.5%)
- Petroleum (2.6%)
- Non-road (2.0%)
- Glass (3.0%)

Source: SFA (Oxford)

Platinum



Actual

- Auto (42.7%)
- Jewellery (32.8%)
- Chemical (7.8%)
- Other (5.3%)
- Medical and biomedical (3.1%)
- Electrical (2.6%)
- Petroleum (1.3%)
- Non-road (1.9%)
- Glass (2.5%)

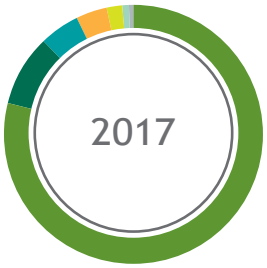
Source: SFA (Oxford)

Estimate

- Auto (80.4%)
- Electrical (8.3%)
- Chemical (4.4%)
- Dental (3.4%)
- Jewellery (2.1%)
- Other (1.1%)
- Non-road (0.4%)

Source: SFA (Oxford)

Palladium



Actual

- Auto (79.5%)
- Electrical (8.6%)
- Chemical (4.6%)
- Dental (3.6%)
- Jewellery (2.2%)
- Other (1.1%)
- Non-road (0.3%)

Source: SFA (Oxford)

Estimate

- Auto (80.0%)
- Chemical (8.6%)
- Other (3.0%)
- Glass (7.9%)
- Electrical (0.5%)

Source: SFA (Oxford)

Rhodium

Actual

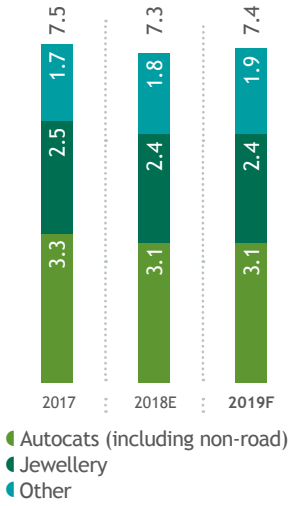
- Auto (82.5%)
- Chemical (8.8%)
- Other (3.1%)
- Glass (5.1%)
- Electrical (0.6%)

Source: SFA (Oxford)

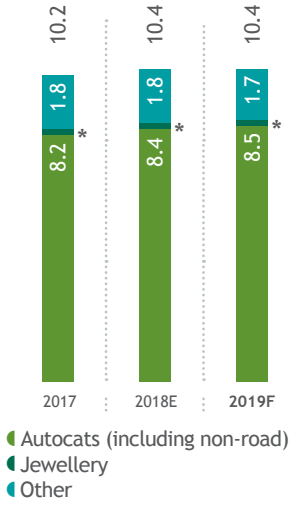
OUR CHANGING BUSINESS CONTEXT CONTINUED

THE CURRENT ENVIRONMENT

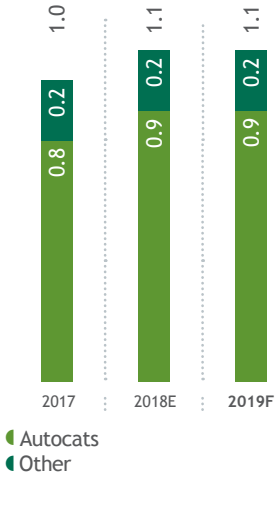
Global platinum demand (Moz)



Global palladium demand (Moz)



Global rhodium demand (Moz)



Source: SFA (Oxford)

PGMs in today's transport industry

THE CURRENT ENVIRONMENT

The urgent need to address climate change by reducing the GHG emissions from road transport and to improve air quality by cutting emissions of particulates, NO_x and others has resulted in the introduction of increasingly demanding emissions legislation and the need to find automotive powertrain alternatives to the internal combustion engine. To comply with legislation vehicles powered by internal combustion engines will have to be fitted with more efficient autocatalysts that will need to make increased use of PGMs to achieve this efficiency. Hybrid, electric or fuel cell-powered vehicles are beginning to replace internal combustion vehicles, albeit on a small scale for now. While PGMs are not required in battery-powered electric vehicles, they are still required in the autocatalysts of hybrid cars and hydrogen fuel cell technology, which uses platinum and other PGMs.

The autocatalysts used in diesel-powered vehicles are platinum rich, while those used in gasoline-powered vehicles use more palladium. As a result, the fall-off in sales of diesel passenger cars in Europe since 2015 has negatively affected the demand for platinum. European demand for platinum, which was 2.1Moz in 2015, is estimated at 1.9Moz in 2018.

Light vehicle production in Europe increased from under 14.2 million units in 2015 to above 14.6 million units in 2018. Gasoline-powered, hybrid, and electric vehicles gained from the increase in production while diesel-powered vehicles declined by more than two million units during this time.

European palladium demand for autocatalysts has remained constant at 1.7Moz between 2015 and 2018, while rhodium demand accounts for 200koz.

Opportunities

While the current gasoline domination of powertrains worldwide is providing a strong market for palladium, the advent of China 5 tailpipe emissions regulations throughout China in 2018 led to increased loadings of rhodium on three-way catalysts over the last couple of years in preparation for increasingly stringent NO_x regulations.

Our response

Palladium makes up over 25% of the prill split of RBPlat's Merensky ore and nearly 30% of the prill split of our UG2 ore. Rhodium makes up less than 5% of our Merensky ore prill split and 11% of our UG2 prill split. Our access to increased UG2 concentrating capacity gives us the flexibility to raise our UG2 production should market conditions warrant it.

Our industry, through the International Platinum Group Metals Association (IPA), Platinum Guild International (PGI), the World Platinum Investment Council (WPIC) and supported by the Platinum Leadership Forum (PLF), which is made up of the chief executives of PGM companies, has engaged in extensive marketing and research efforts.

THE CHANGING ENVIRONMENT

Engine technology, combined with autocatalyst technology, can ensure that the emissions from new light-duty diesel vehicles are entirely compliant with the appropriate Euro 6 emissions legislation. While a substantial share of diesel cars in their product ranges can indeed help automakers meet their CO_2 emissions targets, anti-diesel sentiment and uncertainty over the extent and timing of possible diesel bans in many European cities are suppressing consumer demand.

Electrification in the passenger car segment will be more about the growing hybridisation of internal combustion engines (ICEs) than a move to battery electric vehicles (BEVs) in the next decade. The loss of PGM demand from car autocatalysts in gasoline and diesel ICEs when BEVs are purchased is more than offset by growth in demand for hybrid powertrains, which still contain similar PGM loadings to ICE cars.

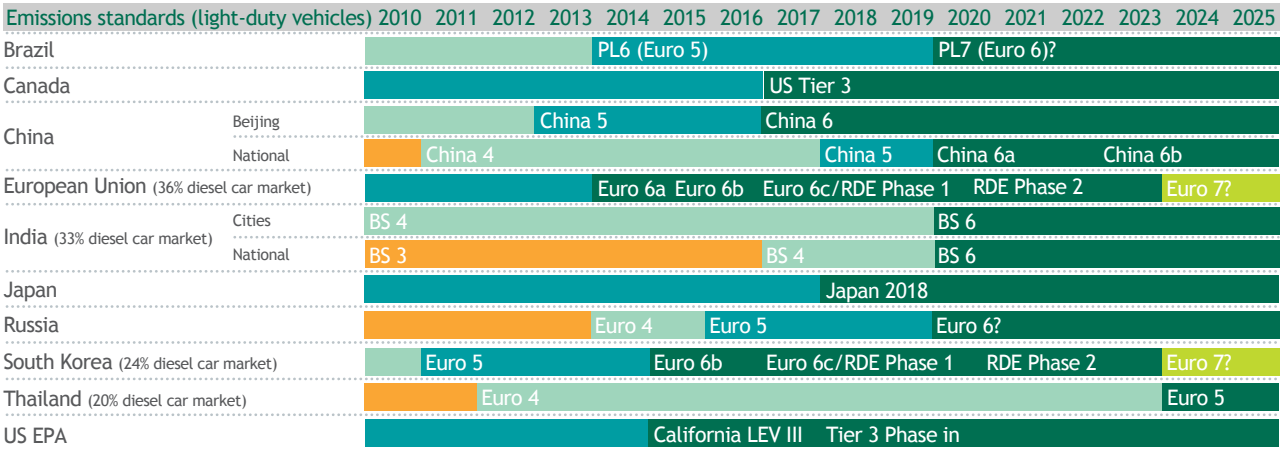
The increasing use of mild hybrid technology, mostly in gasoline vehicles, offers significant fuel efficiency benefits (and therefore CO_2 emissions), but at a lower cost compared to full hybrid technology and without the cost or range anxiety of BEVs. This supports continued use of palladium and rhodium in the short to medium term.

Opportunities

The use of diesel vehicles remains critical to meet the 2021 target of 95gCO_2/km in Europe. The German Federal Minister of Transport and Digital Infrastructure is quoted as saying: 'Alternative powertrains are needed but until they are established nationwide, we will need the diesel to reach our climate goals'. The autocatalysts for these vehicles will continue to use platinum.

Long-term powertrain trends are platinum rich and the ICE is expected to continue playing an important role in light commercial and heavy commercial vehicles in many key regions, with electric vehicles accounting for only a small share of sales in these vehicle segments. Although alternative powertrains can work well in niche markets now, a large-scale move towards alternatives is likely to take many years as the infrastructure and supply chains required for this transition are developed.

The introduction of China 6a emissions legislation in 2020 (and further tightening in the early 2020s to China 6b) is expected to be supportive of increased palladium and rhodium demand.



Note: Countries listed in this table represent around 85% of sales in 2018

Source: SFA (Oxford)

OUR CHANGING BUSINESS CONTEXT CONTINUED

The future of fuel cell vehicles

The past year has seen a significant number of commercial launches involving fuel cell technology; hydrogen pumps have appeared at mainstream fuel filling stations, fuel cell buses are seen on city streets, fuel cell-powered trains have entered service, while fuel cell cars are available to taxi fleets and increasingly to private drivers.

Fuel cell vehicles can provide a cleaner alternative to battery electric vehicles, hybrids and the internal combustion engine. They have zero emissions at the point of use (no particulates or NO_x), and when the hydrogen fuel they use is produced from renewable energy (such as solar or wind), there are no CO_2 GHG emissions either.

The challenge is the provision of the hydrogen fuelling infrastructure required for these vehicles, economies of scale to reduce cost of the technology, and the use of renewable energy to manufacture and store the hydrogen. It is increasingly clear that hydrogen is set to play a significant role in decarbonising the world's energy system.

While fuel cell passenger cars receive much publicity, commercial vehicles and public transport vehicles are expected to see rapid growth over the near to medium term. Such vehicles, generally operating on fixed routes with a regular return to base, are more easily able to be fuelled from a more limited fuelling infrastructure than private passenger vehicles. Extensive fuel cell bus fleets already operate, passenger trains are running, heavy duty freight haulage is growing, and short-hop ferries are in development.

Fuel cell electric passenger vehicle production is estimated to begin to grow rapidly from the late 2020s and to become a significant part of the market by 2040, which will have a positive effect on PGM demand, but this is several years away. Overall platinum demand estimates are based on the amount of metal used on the fuel cell stacks in a vehicle. Leading automakers Toyota, Hyundai and Honda all have fuel cell vehicles on the market today.

Opportunities

Europe and China are already investing in the hydrogen economy. China's largest light-truck manufacturer has invested in a company, which is a joint venture between six European countries. The company currently operates 50 hydrogen fuelling stations in Germany.

The aim of the investment is to tap into the company's expertise in the hydrogen fuelling infrastructure and construction that will be required for the commercialisation of fuel cell vehicles. The company plans to have completed a fuel cell vehicle prototype by 2020 and to demonstrate a small fleet of fuel cell vehicles at the Winter Olympics in China in February 2022.

Our response

The ramp-up of Styldrift Mine to 150ktpm in 2018 has increased our production of not only high grade platinum ore, but also of palladium and rhodium when palladium is in short supply. The future ramp-up of the mine to 230ktpm in the third quarter of 2020 will further increase this production.

Industry marketing and research efforts are focused on assuring original equipment manufacturers (OEMs) of the security of the PGM supply from South Africa and contributing to the research into technology using PGMs that will further reduce GHG emissions.

Toyota, Hyundai and Honda all currently market fuel cell vehicles, which are a cleaner alternative to battery electric vehicles and hybrids. Their fuelling time and range are similar to those of conventional petrol and diesel vehicles.

PGMs in the jewellery industry

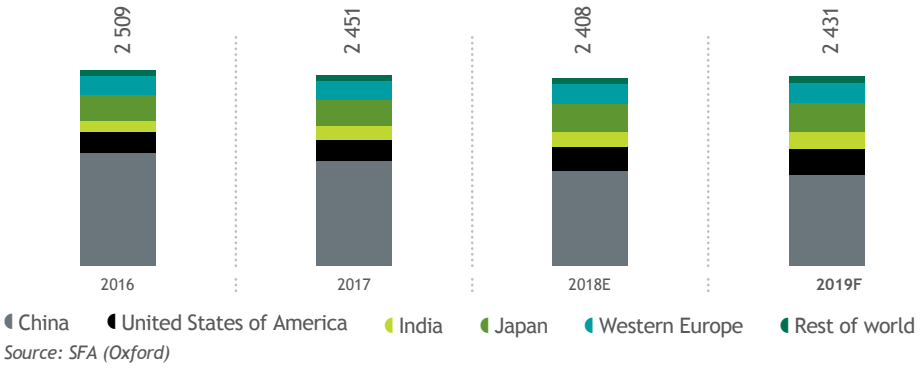
THE CURRENT ENVIRONMENT

Total platinum jewellery purchases in China are expected to have fallen by 120koz in 2018 to 1.2Moz despite marketing to tier 3 and 4 cities. While platinum jewellery is still the metal of love in China, it is losing out to the recent shift in consumer tastes to more style-focused jewellery that is priced per piece as opposed to the demand previously for plain pieces with weight-based pricing.

Platinum jewellery sales in the United States increased 10% year-on-year in 2018, as a result of a strong economic performance and platinum's discount to gold. The Japanese and European platinum jewellery markets both saw slight growth as the platinum price fell over the course of the year supporting demand.

Indian platinum jewellery demand contributed strong growth to this sector of the platinum market in 2018, but from a small base.

Platinum jewellery demand (koz)



Source: SFA (Oxford)

There was strong growth in the Indian platinum jewellery demand, albeit from a small base.

THE CHANGING ENVIRONMENT

Contraction of the Chinese platinum jewellery market is expected to continue in 2019. The main difficulty is the ongoing shift in consumer preferences, which has mainly been to gold's benefit, and at current levels of platinum jewellery marketing this trend is not expected to change next year.

Economic growth in the US, Europe and Japan is expected to ease in 2019, but while the price remains at a large discount to gold, platinum jewellery demand is likely to hold up in those markets.

Indian demand for platinum jewellery is expected to steadily increase.

Opportunities

There are opportunities to increase sales of platinum jewellery through the marketing efforts of the PGI, of which RBPlat is a member, in China and India, which includes the appeal of platinum jewellery to Indian men.

Our response

RBPlat to invest in the marketing efforts of the PGI in both India and China.

OUR CHANGING BUSINESS CONTEXT CONTINUED

PGM investments

THE CURRENT ENVIRONMENT

Platinum ETF holdings declined 227koz year-on-year to just under 2.4Moz. Global holdings fell during the first half of the year, but stabilised in the third quarter owing to some buying interest from US investors when the price fell by approximately 10%. However, sales from UK, Swiss and South African ETFs continued and ETF holdings fell further in the fourth quarter. South Africa has the largest platinum ETF holdings at 823koz.

Japanese platinum bar purchases are expected to have increased by around 30% year-on-year (2017: 136koz) following the metal's price decline.

Profit taking resulted in palladium ETF holdings falling during 2018 to below 1Moz. Global sales of palladium ETFs during 2018 were 561koz, which reduced total global holdings of these ETFs to 704koz. There were sales of ETFs in all regions, but the majority of these sales came from South Africa. However, this still leaves South Africa with the largest ETF holdings at 234koz.

Profit taking in rhodium ETF holdings continued as the price climbed during the year, resulting in rhodium ETF holdings being down almost 50% by year-end to 37koz.

Opportunities

The World Platinum Investment Council (WPIC) has expanded the availability of platinum investment products such as bars and coins. China is a mostly untapped market for platinum investment products and has the potential to be a large market. In 2018, the WPIC partnered with Hengfu Ying Jia and China National Offshore Oil Corporation (CNOOC) for the introduction of platinum investment bars into China. In 2018 it also partnered with Bank of China to assist with the marketing of platinum products. The WPIC also partnered with the Royal Mint in the UK to introduce a series of platinum coins.

Our response

We continued to promote investment in platinum through the WPIC of which RBPlat is a member.

THE CHANGING ENVIRONMENT

Strong industrial demand has lifted palladium and rhodium lease rates to high levels. This makes holding bars outside of ETFs more attractive. Holdings of palladium and rhodium in ETFs are likely to continue to decline.

Rising bond yields make investment in non-yielding commodities less attractive, as a result platinum ETF holdings might continue to shrink.

Opportunities

The relatively depressed price of platinum could continue to attract bar and coin investors in 2019. Japanese investors, in particular, tend to buy on price weakness.

Our response

We will continue to support the efforts of the WPIC to promote investment in platinum.

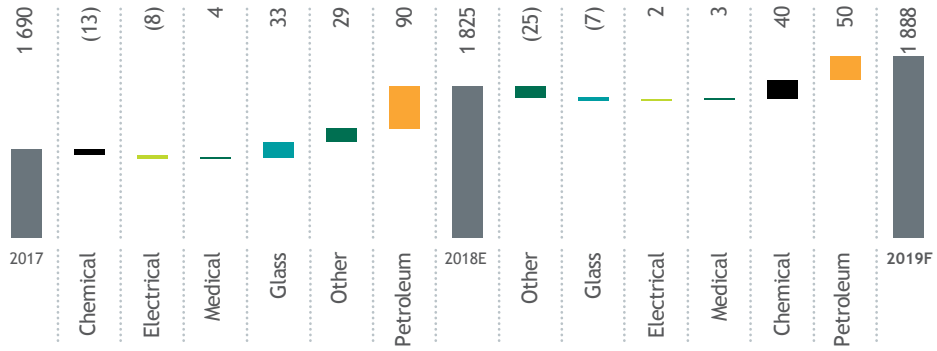
The industrial use of PGMs

THE CURRENT ENVIRONMENT

Industrial demand for platinum is estimated to have risen by 8% year-on-year boosted by the expansion of petroleum refining capacity in Asia, the expansion of glass manufacturing capacity in Western Europe and Asia, and the growth in fuel cell manufacturing.

The elevated price of palladium has negatively affected non-automotive uses of the metal.

Industrial platinum demand (koz)



Source: SFA (Oxford)

OUR CHANGING BUSINESS CONTEXT CONTINUED

Opportunities

Growing populations, increasing wealth and urbanisation will continue to generate demand for PGMs for rising food production (PGMs used in the manufacture of nitric acid for fertiliser), glass in building construction and electronics (PGMs used in high-temperature glass manufacturing equipment), medical equipment and chemicals required for everyday products such as silicones, which consume PGMs.

Our response

Growing production from our operations to provide PGMs for the myriad of industrial end uses.

THE CHANGING ENVIRONMENT

Industrial demand for platinum is expected to maintain steady growth over the next three years, supported by the expansion in petroleum refining capacity, increasing chemical requirements and the growth in glass and electrical demand. Industrial demand for palladium is estimated to continue to decline as a result of the ongoing high price with thrifting in electrical applications and lower chemical and dental demand. Rhodium's use in industrial applications is expected to remain stable.

Opportunities

China, Western Europe and the Rest of the World are set to boost their refining capacity to meet increased petroleum usage, which will increase their use of PGMs in 2019. At the same time the growth in silicone production and PDH (propane dehydrogenation) capacity is likely to lift chemical demand, and consequently the demand for PGMs in China, North America and the Rest of the World.

In 2020 expanding chemical requirements in China and the Rest of the World and a new gas to liquids plant in Asia should both increase PGM demand.

By 2021 rising fuel cell consumption in Japan, North America and the Rest of the World, plus growth in glass and electrical demand are expected to offset a decline in petroleum requirements in the Rest of the World

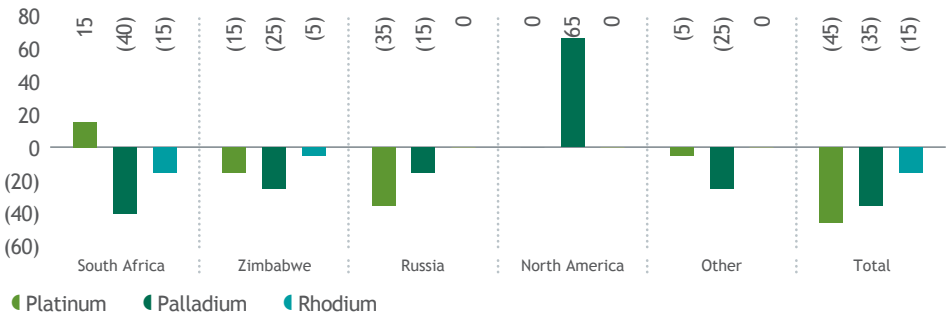
Our response

The platinum industry has made a substantial investment in research into fuel cell technology and its use in a range of industrial applications as well as in the marketing of the advantages of this zero emission technology.

PGM supply

Global primary platinum supply is estimated to have fallen by 0.8% year-on-year in 2018 to 6.1Moz. South African supply increased marginally but output from both Zimbabwe and Russia is predicted to have declined. Global palladium supply for 2018 is estimated at 7.0Moz, down 0.5% year-on-year, and rhodium supply decreased by 2.4% to 765koz. Overall, the reduction in the supply of PGMs in 2018 is estimated to be 95koz.

PGM supply year-on-year change 2018 versus 2017 (koz)



Source: SFA (Oxford)

Opportunities

A major shortfall in palladium supply worldwide will require increased mine production from all parties to provide metal primarily to the automotive sector to cut harmful emissions.

Our response

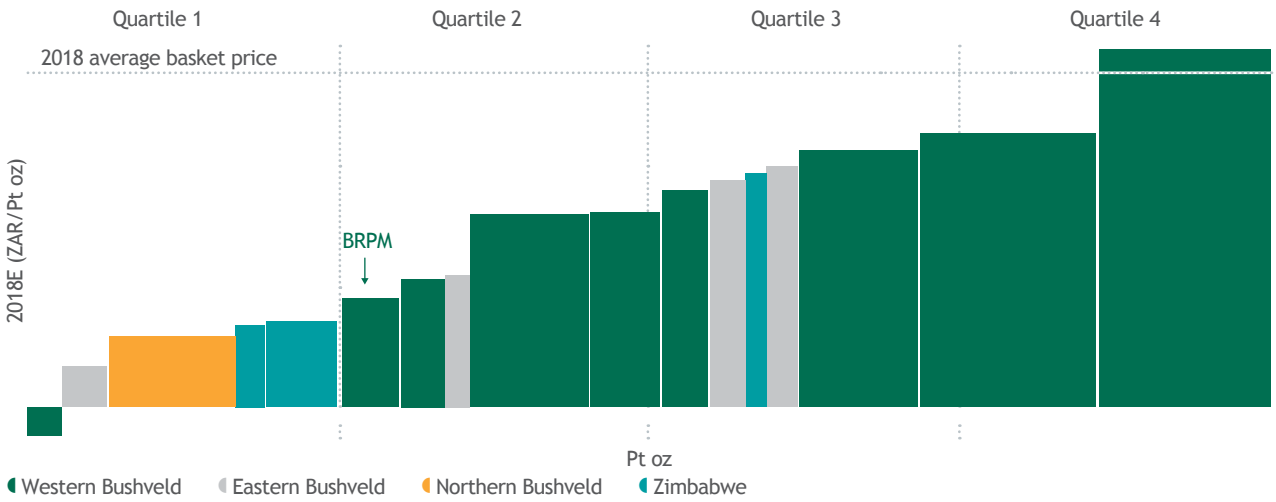
Styldrift Mine will be producing 150ktpm of PGM-bearing ore, increasing to 230ktpm during 2020, which will increase our supply of palladium, rhodium and platinum.

PGM prices

The rand weakened during 2018 which, along with strong increases in the palladium and rhodium prices, lifted the basket price to around R15 500/4E oz by the end of the year. This is now above the cash operating cost for the majority of South African mines.

While the palladium price declined for over six months, a strong rally in the final few months of 2018 saw its dollar price rise 20% over the year. Rhodium outperformed with the price rising steadily for a gain of 43%. Platinum again underperformed, falling by 15%.

Net total cash cost including SIB capex



Source: SFA (Oxford)

MANAGING OUR RISKS AND OPPORTUNITIES FOR SUSTAINABLE VALUE CREATION

The Board is responsible for the governance of risk in RBPlat. (K)4 It sets the direction for how we approach and address risk, and mandates the Audit and Risk Committee to exercise ongoing oversight of risk management. This section sets out the outcome of this oversight. (K)11

RBPlat has a low tolerance for an aggregate level of risk that could jeopardise the Company's strategy.

Quantitative analysis of three years of operating data allowed us to identify the key metrics that represent the overall business health of our operations.

SIX KEY METRICS represent our overall business health
We also regard fatalities as an overriding factor that can impact business performance

By maintaining an optimised level of risk management and risk governance at RBPlat we are able to provide the business with the information it needs to effectively manage its risks and opportunities and continually take corrective action that will allow it to deliver on its strategy and the targets put in place to measure our performance against strategy.

See page 99 of the intellectual capital section of this report for information on the governance of risk in RBPlat

To ensure the business maintains a balance between its efforts to provide stakeholder rewards with its responsibilities as a responsible corporate citizen we have in place Board-developed risk appetite statements and risk tolerances, which the Audit and Risk Committee monitor on behalf of the Board and on which they regularly report to the Board. The Board's Social and Ethics Committee monitors our performance as a responsible corporate citizen, which includes protecting our people, the environment and our social licence to operate, while operating ethically and applying good corporate governance.

See page 159 for the Social and Ethics Committee's report

OUR APPROACH TO RISK APPETITE AND RISK TOLERANCES

When any major strategic or tactical decision is made by the Group our risk appetite statements ensure that the compatibility of a course of action with our risk appetite is always considered.

While a business must assume a certain amount of risk if it is to thrive there are, however, limits as to how much risk RBPlat can accept in the pursuit of value creation for all its stakeholders. Assuming too much risk could cause the fabric of the organisation to unravel should several of these risks materialise or, in an extreme case, it could cause the collapse of the business. RBPlat's failure to contain its risk exposures within acceptable limits would be irresponsible and could harm people and the environment, and jeopardise our social licence to operate.

See page 4 for details of our strategy

USING STATISTICAL EVALUATION OF HISTORICAL KEY PERFORMANCE INDICATOR (KPI) DATA TO TRACK PERFORMANCE

Measuring our performance against planned targets is a vital element of the governance and operational excellence that RBPlat targets with its core business strategy. We continually evaluate a large number of measures in all areas of the business at operational level. While the business monitors these measures at a granular level we needed to establish, at a higher level, which measures provide us with an overall perspective of our business.

In order to identify a set of key metrics that could be used to form the basis of a statistical evaluation of RBPlat's historical data we applied quantitative analysis to three years of operating data (2015 to 2017), which showed that:

- direct mining activities have the most significant weighting with regards to the performance of the business
- it is necessary to manage the use of utilities, mineral resources and processing capabilities, within the business
- increased safety-related incidents contribute negatively towards the business.

We further identified that the overall business health of our operations can be well-represented through key metrics:

SIX KEY METRICS	OVERRIDING FACTOR
• Total injuries	• Fatal injuries
• Tonnes treated	
• Cost per platinum ounce	
• Cost per 4E ounce	
• Total capital expenditure	
• Total development metres	

The measurement of total injuries has proved to be an adequate measure of safety performance. However, while the frequency of fatal injuries is not predictable, it is also clear that they have a significant impact on the performance of the business. We therefore regard fatal injuries as an overriding factor that, in addition to the six key metrics, impacts our business performance.

While our factor analysis indicates that these metrics are key at this time we should point out that our analysis largely evaluated items under RBPlat's control. We have not as yet considered in detail external factors such as the basket price we receive and the overall macroeconomic environment, which will be included in future refinements of our analysis. In the ongoing pursuit of operational excellence we will continue to explore new measures and revisit existing measures over time, to ensure that the metrics that make up our dashboard remain relevant.

Our key metrics

	Unit	Actual performance
Six key metrics		
Total tonnes treated	kt	3 420
Unit cost (R/Pt oz)	R/oz	16 145
Unit cost (R/4E oz)	R/oz	10 468
Total capital expenditure	Rm	3 459
Total development	km	35.0
Total injuries	number	176
Overriding factor		
Fatal injuries	number	2

Measuring executive performance

We also use our KPIs to measure the performance of our executives and determine the short-term and long-term incentives.

See page 156 of our remuneration review for details

MEASURING OUR ESG PERFORMANCE

Our sustainability performance dashboard measures the KPIs we have identified as applying to our material issues. Following the annual review of our material issues the dashboard is also reviewed to ensure it is aligned with our identified material issues. Currently, the 57 KPIs that make up the sustainability performance dashboard are monitored and measured monthly and reported on to the Social and Ethics Committee every quarter. The tolerance levels applied to the sustainability performance dashboard are in line with our Board-approved risk tolerances. In instances where Board-approved risk tolerances have not been developed for a particular KPI we have included a 5% tolerance. The reasons for deviations and action plans to ensure tolerance levels are met, are recorded and tabled at the Social and Ethics Committee.

These KPIs are assured at Group level as part of the sustainability assurance process and disclosed in this integrated report. We publicly disclose the progress we have made in implementing our sustainability framework, and its related water management, climate change, and energy management strategies, by publishing the measurement of our performance in our integrated reporting both in our corporate risk appetite dashboard which follows on pages 46 and 47 and in the KPI and KRI tables provided in the various capitals.

Sustainability KPIs that have been assured and KRIs are identified throughout this report by these icons KRI.

57 SUSTAINABILITY KPIs

These KPIs are also used to measure executive performance and determine short- and long-term incentives

The KPIs that make up our sustainability performance dashboard are monitored and measured monthly

MANAGING OUR RISKS AND OPPORTUNITIES FOR SUSTAINABLE VALUE CREATION CONTINUED

OUR PERFORMANCE IN TERMS OF OUR CORPORATE RISK APPETITE DASHBOARD AT 31 DECEMBER 2018

🟢 In line with risk tolerance 🟠 Within risk tolerance range 🔴 Risk appetite exceeded

KEY PERFORMANCE INDICATORS (KPI)	KEY RISK INDICATORS FOR EACH KPI	ACTUAL PERFORMANCE	PERFORMANCE AGAINST RISK TOLERANCE	PAGES WHERE YOU CAN FIND MORE INFOR-MATION
Primary capital: Financial capital (secondary capitals at risk: manufactured capital)				
Manage unit costs	Cash operating cost/tonne milled	1 213	🟢	page 79
	Cash operating cost/Pt oz (R/oz)	16 145	🟢	page 79
	Cash operating cost/4E oz (R/oz)	10 468	🟢	page 79
Basket price	Rand basket price per Pt oz	21 006	🟢	page 57
	Rand basket price per 4E oz	13 620	🟢	
Styldrift capital spend	Total annual Styldrift Mine capex (Rm)	3 213	🔴	page 80
	Annual cost performance index (CPI)	0.95	🟢	
	Estimate at completion (EAC) (bn)	11.8	🟢	page 81
Primary capital: Manufactured capital (secondary capitals at risk: human and financial capital)				
Production losses	Tonnes milled lost due to section 54 stoppages (kt)	59	🟢	page 77
	Production losses (tonnes) due to Eskom load curtailments (Kt)	0	🟢	page 77
	Tonnes milled lost due to unrest (kt)	0	🟢	page 77
Styldrift capital project performance	Footprint development (metres)	7 011	🟠	page 81
	Schedule performance index (SPI)	0.97	🟢	
Production volumes and key efficiencies	Tonnes milled – Merensky (kt)	2 997	🟠	page 74
	Tonnes milled – UG2 (kt)	423	🟢	page 74
	Tonnes milled per working cost employee (t/employee)	33.4	🟢	page 78
	BRPM stoping efficiency (m^2/team)	336	🟠	page 78
Optimise volumes	Pt – metal in concentrate (koz)	239	🟠	page 74
	4E – metal in concentrate (koz)	368	🟠	page 74
BRPM ore reserve management and production flexibility	4E built-up head grade (g/t) – concentrator	3.96	🟢	page 74
	Immediately available ore reserves (IMA) – Merensky (months)	24	🟢	page 72
	Immediately available ore reserves (IMA) – UG2 (months)	40	🟢	page 72
	Immediately stoppable reserves (IMS) – Merensky (ratio)	1.74	🟢	page 72
	Immediately stoppable reserves (IMS) – UG2 (ratio)	3.06	🟢	page 72

KEY PERFORMANCE INDICATORS (KPI)	KEY RISK INDICATORS FOR EACH KPI	ACTUAL PERFORMANCE	PERFORMANCE AGAINST RISK TOLERANCE	PAGES WHERE YOU CAN FIND MORE INFOR-MATION
Primary capital: Human capital (secondary capitals at risk: human, social and relationship, financial and manufactured capital)				
Achieve zero harm	Fatalities (number)	2	🔴	page 87
	LTIFR/1 000 000 hours	2.475	🔴	page 88
	SIFR/1 000 000 hours	1.843	🔴	page 88
Labour stability	Staff turnover A + B (%)	3.3	🟢	
	Staff turnover C – D1 (%)	4.1	🟢	
	Staff turnover D2 – above (%)	4.9	🟢	page 86
Transformation	Senior management – HDSA %	54.6	🟢	page 96
	Middle management – HDSA %	56.4	🟢	page 96
Employee health	Number of employees compensated for noise-induced hearing loss (NIHL) exceeding 10%	3	🟢	page 90
Primary capital: Social and relationship capital (secondary capitals at risk: human and financial capital)				
Continually improve stakeholder relationships	SLP expenditure (Rm)	63.2	🟢	page 117
	SLP training and development (Rm)	40.8	🟢	page 117
	Adverse media coverage (number)	10	🟠	page 126
Primary capital: Natural capital (secondary capitals at risk: social and relationship and financial capital)				
Climate change and critical resources	Water usage – BRPM processing (kl/tonne milled)	0.42	🟠	page 143
	Energy usage – BRPM processing (kWh/tonne milled)	45.0	🟢	page 139
	Water usage – BRPM Mine (kl/tonne hoisted)	0.234	🟢	page 143
	Energy usage – BRPM Mine (kWh/tonne hoisted)	66.4	🟠	page 139
	GHG emissions carbon intensity (tCO_2/000 tonnes)	0.120	🟢	page 138

MANAGING OUR RISKS AND OPPORTUNITIES FOR SUSTAINABLE VALUE CREATION CONTINUED

RBPlat materiality process 2018

Our materiality determination process, which is both retrospective and forward looking, is an integral part of our efforts to embed integrated thinking in RBPlat and to identify the issues that should form the basis of our internal and external reporting. We began both our internal and external processes by engaging with our stakeholders on what they believed were the most material issues for them and for RBPlat.

During 2018 our external engagement processes focused on our investor community and the communities in which we operate but also included our all-important engagement with government, in particular with regard to the impact of the Mining Charter on our industry.

See pages 123 and 124 of the relationship capital section of this report for details of this engagement

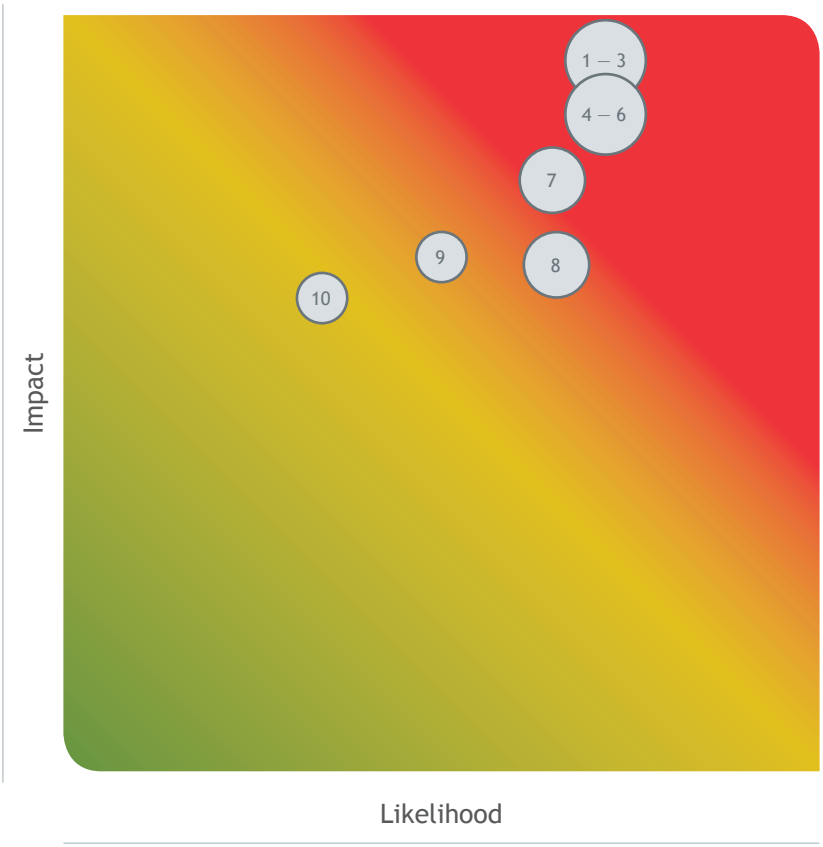
Top 10 risks and material issues

INHERENT RISKS	MATERIAL ISSUES	RESPONSE TO RISKS, OPPORTUNITIES AND MATERIAL ISSUES
1 Styldrift Mine ramp-up to 150ktpm	• Achieve Styldrift Mine 150ktpm milestone by year-end 2018 and 230ktpm by the third quarter of 2020	• Strong project management controls • Established independent project operations teams • Early onboarding of resources • Decoupling of 600 level and 642 level ore handling – dump trucks – 600 level dip conveyors – alternative tipping arrangements
2 Capital funding	• RBPlat's ability to raise the funding it requires • Overall profitability	• Review of funding strategy and structure • Engage with shareholders, investment community and monitor the PGM market and the market in general • Deferred non-critical capital • Keep the market appraised of progress and achievement of milestones
3 Safety performance	• Safety performance and the health and wellness of our employees	• Zero harm and resilient organisation philosophy, cross audits and internal shaft audits • Investigations to determine the root cause of all safety incidents • Safety leadership training • Back to basics training • Provision of health, wellness and emergency care • Legitimate leadership training • Implementation of OHSAS 18001
4 Stakeholder engagement (community/ labour instability)	• Labour stability • Stakeholder engagement • Expectations and concerns of the communities in which we operate • Meeting SLP commitments	• Continued engagement in accordance with a robust stakeholder engagement framework to ensure stable stakeholder relations • Review community engagement, our approach to enterprise development and local economic development • Negotiating five-year wage agreement • Execute SLP projects as per our commitments
5 Controlling operating costs	• Overall profitability • Impact of increased concentrator capacity on unit costs	• Increased focus on improving productivity and cost reduction across our operations and corporate office • Continuous monitoring of costs to ensure savings • Focus on redirecting fixed costs to variable costs • Ensuring our supply chain and shared services are fit for purpose for running two mines and two concentrators • Realise benefit of increased concentrator capacity on unit costs

MANAGING OUR RISKS AND OPPORTUNITIES FOR SUSTAINABLE VALUE CREATION CONTINUED

INHERENT RISKS	MATERIAL ISSUES	RESPONSE TO RISKS, OPPORTUNITIES AND MATERIAL ISSUES
6 Commodity prices	• Global economic and market conditions resulting in continuing soft PGM prices	• Continual monitoring of the PGM market • Focus on cost optimisation strategies at BRPM and maintaining a low cost base • Detailed impairment models prepared annually • Long-term and medium-term analysis to support investment decisions
7 Political and economic risk	• Global economic and market conditions resulting in continuing soft PGM prices • Effective corporate governance	• RBPlat's engagement with the DMR through its representation and participation in the Minerals Council of South Africa • Enhanced stakeholder management and investor relations strategy to mitigate investor sentiment • Participated in industry bodies and other forums to raise our concerns regarding sovereign, political and regulatory risks
8 Environmental and climate change	• Environmental and climate change	• Ongoing monitoring of licence requirements in place and address deviations if and when they are identified • Regulatory compliance and business sustainability framework, strategies and policies in place • ISO 14001 environmental management system implementation
9 Adequate and appropriate skills	• Availability of adequate and appropriate skills	• Human resource development strategy (training) to meet operational requirements, develop talent and retain key skills • Implementation of skills development programme • Benchmarking of remuneration basis to ensure it remains competitive • Investigate specific minimum requirements for different specific types of employees • Simplified onboarding constraints • Well-structured contracts based on a fixed and variable pay mix, offer fair and competitive remuneration • Measuring voluntary skilled employee turnover
10 Cyber risks	• Alignment of information management strategy with business requirements	• Implement a business intelligence system that will build trends by applying predictive analytics to risks and events • Conducted audit of potential cyber security vulnerabilities and took action to address any gaps identified

The inherent risk ranking RBPlat's top 10 strategic risks in 2018 in line with our enterprise risk management approach



Risk

1 Styldrift Mine ramp-up
2 Capital funding
3 Safety performance
4 Stakeholder engagement (community/labour instability)
5 Controlling operating costs
6 Commodity prices
7 Political and economic risk
8 Environmental and climate change
9 Adequate and appropriate skills
10 Cyber risk

- 20 – 25 Extremely high risk
- 10 – 20 High risk
- 5 – 10 Moderate risk
- 1 – 5 Low risk

A comparison of the inherent risk rankings of our top 10 strategic risks in 2018 and 2017.

	2018		2017	
Risk	Risk ranking	Inherent	Risk ranking	Inherent
Styldrift Mine ramp-up	1	25	1	20
Capital funding	2	25	–	–
Safety performance	3	25	2	25
Stakeholder engagement (community/labour instability)	4	25	5	10
Controlling operating costs	5	25	6	20
Commodity prices	6	25	4	25
Political and economic risk	7	20	3	20
Environmental and climate change	8	16	7	16
Adequate and appropriate skills	9	16	8	20
Cyber risk	10	16	9	16

Financial capital

Our materiality determination process identified that the following issues were material to our financial capital:

Material issues	Our response to the risks and opportunities associated with these material issues can be found on pages 49 and 50	Pages on which these issues are addressed in this report
Global economic and market conditions resulting in continuing soft PGM prices		page 50
Overall profitability		page 55
RBPlat's ability to raise the funding it requires		page 59

Our financial capital performance

KPIs	2018	2017	Performance details
Manage unit costs	●	●	page 79
Styldrift capital spend	●	●	page 81
Basket price	●	●	page 57

Legend:
- ● In line with risk tolerance
- ● Within risk tolerance range
- ● Risk tolerance exceeded

The data provided in financial capital that represents our performance in terms of a key risk indicator (KRI) is represented by this icon KRI, which will be coloured KRI if we are in line with our risk tolerance, KRI if our performance is within the risk tolerance range and KRI should we have exceeded our risk appetite.

Hanré Rossouw
Financial Director

INTRODUCTION

2018 was a transformative year for RBPlat during which we delivered significant progress towards our:

- organic growth strategy when we achieved the Styldrift Mine production milestone of 150ktpm in October 2018
- strategic objective of pursuing value-enhancing opportunities when we:
  - completed the purchase of Maseve, which gave us access to an additional 110ktpm of concentrating capacity, which can be increased further to 160ktpm – 200ktpm
  - acquired the 33% participating interest in Anglo American Platinum Limited (Amplats) held in the BRPM Joint Venture (BRPM JV) through its wholly owned subsidiary Rustenburg Platinum Mines Limited (RPM).

The first of these transactions gave us both the concentrating capacity which we need to ramp-up the Styldrift Mine to 230ktpm by the third quarter of 2020 and the operational optionality and flexibility to be able to respond rapidly to changes in market conditions.

Through the second transaction we became the sole owners of our operations, which has increased our ability to be flexible and agile in our response to market conditions and new opportunities that may arise.

Our rapid response to tough market conditions in 2017 and the improvement in market conditions from the second half of 2018 resulted in a 25.8% improvement in our normalised headline earnings year-on-year to R166.5 million (2017: R132.4 million). Headline earnings, however, decreased 54.2% to R49.8 million in 2018 (2017: R108.8 million).

- **43.6%** increase in net asset value per share year-on-year
- **25.8%** improvement in normalised headline earnings year-on-year to R166.5 million
- Acquired Amplats' **33%** participating interest in the BRPM JV for a consideration of R2 177.8 million
- **15.0%** increase in royalties from Implats year-on-year

FINANCIAL CAPITAL CONTINUED

FINANCIAL SUMMARY AND STATISTICS

Summary consolidated statement of financial position at 31 December 2018

	% change year-on-year	2018 R (million)	2017 R (million)
Non-current assets	16.5	**21 483.9**	18 448.3
Property, plant and equipment	23.1	**14 661.6**	11 912.2
Employee housing loan receivable, benefit and other	37.5	**877.8**	638.4
Mineral rights	(0.7)	**5 647.7**	5 686.5
Environmental trust deposits and guarantee investments	37.8	**227.0**	164.7
Deferred tax asset	50.1	**69.8**	46.5
Current assets	8.9	**4 026.7**	3 697.1
Employee housing asset and benefit	33.8	**790.7**	591.1
Inventories and trade and other receivables	32.7	**2 352.5**	1 772.9
Cash and cash equivalents	(33.7)	**883.5**	1 333.1
Total assets	15.2	**25 510.6**	22 145.4
Equity and liabilities			
Total equity	9.0	**15 729.0**	14 423.9
Non-current liabilities	(54.6)	**9 025.2**	5 837.7
Deferred tax liability	15.3	**3 195.9**	3 774.3
Convertible bond liability	(5.8)	**986.7**	932.4
PIC housing facility	(33.3)	**1 299.6**	975.0
Interest-bearing borrowings	(100.0)	**1 650.0**	–
RPM deferred consideration	(100.0)	**1 621.6**	–
Restoration, rehabilitation and other provisions	(74.0)	**271.4**	156.0
Current liabilities	59.8	**756.4**	1 883.8
Total equity and liabilities	15.2	**25 510.6**	22 145.4
Net asset value per share (cents per share)	36.7	**75.6**	55.3

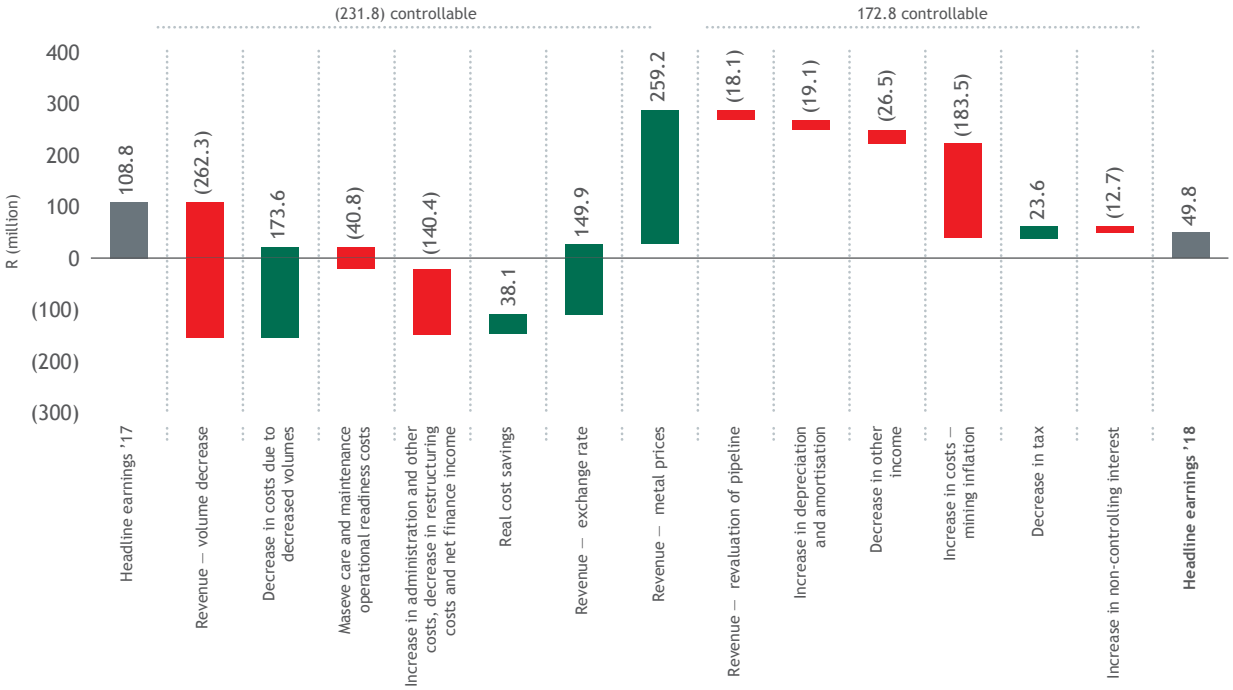
Note: The summary consolidated statement of financial position, summary consolidated statement of comprehensive income and summary consolidated statement of cash flows are only summaries of the full set of the 2018 consolidated financial statements available online and do not contain full details. Any investment decisions by investors or shareholders should be based on consideration of the full set of consolidated financial statements published online on RBPlat's website. (www.bafokengplatinum.co.za)

Styldrift Mine

Summary of consolidated statement of comprehensive income for the year ended 31 December 2018

	% change year-on-year	2018 R (million)	2017 R (million)
Revenue	3.7	**3 627.1**	3 498.5
Cost of sales	(4.1)	**(3 317.2)**	(3 186.5)
Gross profit	(0.7)	**309.9**	312.0
Other income	(17.6)	**124.0**	150.5
Administration expenses	(10.9)	**(284.0)**	(256.2)
Corporate office	(39.7)	**(264.5)**	(189.4)
Housing project	219.7	**21.3**	(17.8)
Restructuring costs	100.0	**–**	(49.0)
Maseve care and maintenance and plant readiness	(100.0)	**(40.8)**	–
Gain on bargain purchase	100.0	**118.3**	–
Impairment of non-financial assets	97.0	**(26.3)**	(864.3)
Net finance income	(12.9)	**74.1**	85.1
Profit/(loss) before tax	155.2	**316.0**	(572.9)
Tax (expense)/credit	28.1	**(60.5)**	(84.1)
Non-controlling interest	4.4	**(99.9)**	(95.7)
Net profit/(loss) attributable to the owners of the Company	120.7	**155.6**	(752.7)
Headline earnings	(54.2)	**49.8**	108.8
Basic earnings/(loss) per share (cents per share)	120.0	**78.1**	(390.6)
Diluted earnings/(loss) per share (cents per share)	118.8	**73.3**	(390.6)
Basic headline earnings per share (cents per share)	(55.7)	**25.0**	56.4
Diluted headline earnings per share (cents per share)	(51.4)	**27.4**	56.4
Dividend per share (cents per share)		**–**	–

Headline earnings R (million)



FINANCIAL CAPITAL CONTINUED

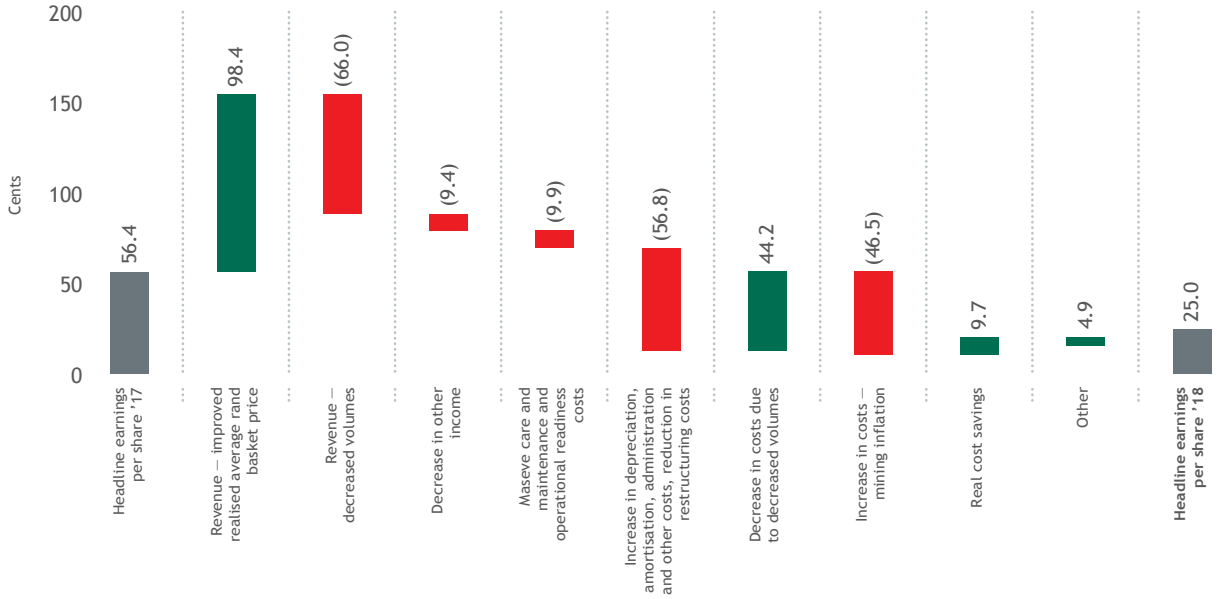
FACTORS IMPACTING EARNINGS

During 2018 our earnings per share (EPS) were negatively impacted by:

- R25.9 million relating to the scrapping of feasibility study costs previously capitalised. These costs were in respect of the 100ktpm concentrator plant originally envisaged to handle the output from the Styldrift Mine as an addition to the BRPM concentrator
- R40.8 million in care and maintenance costs on the newly acquired Maseve concentrator and mine.

RBPlat's EPS for the year ended 31 December 2018 was 78.1 cents compared to a loss per share of 390.6 cents for the year ended 31 December 2017. Headline earnings per share (HEPS) amounted to 25.0 cents (2017: 56.4 cents), a 55.7% decline year-on-year. In line with 2017, our earnings only reflect BRPM's contribution to earnings. The earnings from Styldrift Mine, which achieved commercial production during the fourth quarter of 2018, will be included in our operating profit going forward.

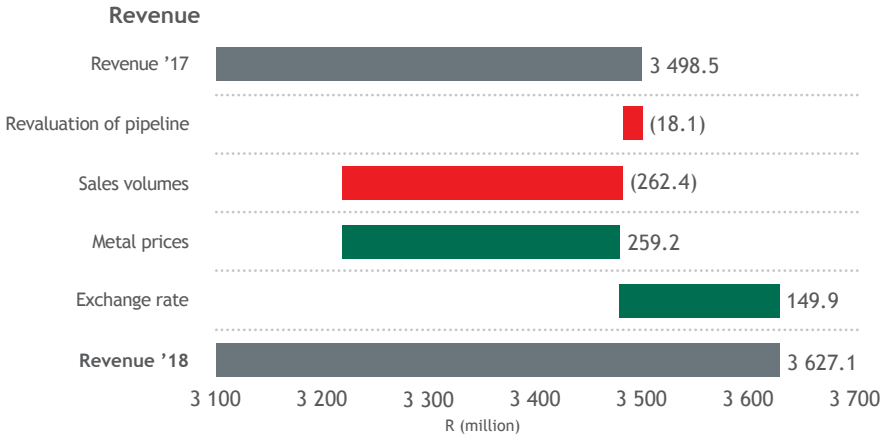
Headline earnings per share



REVENUE

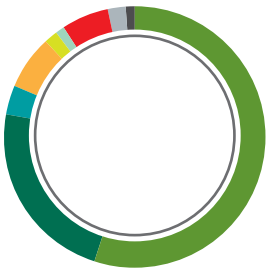
The increase in our revenue, which improved 3.7% to R3 627.1 million in 2018 (2017: R3 498.5 million) was mainly due to a 9.7% higher realised average rand basket price per platinum ounce of R21 005.8 (2017: R19 155.7), offset by 5.5% reduction in BRPM's platinum production in 2018. Despite the reduction in BRPM's production, our overall platinum ounce production increased 12.7% year-on-year with the inclusion of Styldrift's on-reef development. Styldrift on-reef revenue, which increased 148.4% year-on-year to R1 420.3 million (2017: R571.8 million) as a result of RBPlat delivering on its growth strategy of ramping up Styldrift Mine to 150ktpm during October 2018, was credited against capital expenditure on property, plant and equipment.

Palladium and rhodium contributed 36.2% of the revenue we earned from our operations in 2018, an increase of 6.5% year-on-year, and platinum contributed 46.4%.



Revenue contribution 2018

- Platinum (46.4%)
- Palladium (24.9%)
- Gold (3.3%)
- Rhodium (11.3%)
- Iridium (2.2%)
- Ruthenium (2.1%)
- Nickel (6.6%)
- Copper (2.1%)
- Cobalt (1.1%)



Revenue contribution 2017

- Platinum (55.1%)
- Palladium (22.9%)
- Gold (3.4%)
- Rhodium (6.8%)
- Iridium (1.7%)
- Ruthenium (1.0%)
- Nickel (5.9%)
- Copper (2.2%)
- Cobalt (1.0%)

- **9.7%** increase year-on-year in average rand basket price per platinum ounce of R21 005.8 (2017: R19 155.7)
- **36.2%** of revenue in 2018 earned from palladium and rhodium (2017: 29.7%)
- **46.4%** of revenue in 2018 was from platinum (2017: 55.1%)
- **85.9%** of revenue in 2018 from PGMs (4E)
- **13%** of revenue in 2018 from nickel, gold, copper and cobalt

FINANCIAL CAPITAL CONTINUED

COST OF SALES

Our total cost of sales increased by 4.1% year-on-year to R3 317.2 million (2017: R3 186.5 million), which is below inflation. The restructuring RBPlat undertook in 2017, together with other cost saving initiatives, has continued to deliver the cost saving benefits which resulted in a 2.2% reduction year-on-year in the fixed component of our cash costs to 69.6% (2017: 71.8%).

The contributors to the 4.7% increase year-on-year in BRPM's average cash operating cost per platinum ounce to R16 145 (2017: R15 414), was the 5.5% reduction in platinum ounce production offset to some extent by a 1% reduction in cash operating costs.

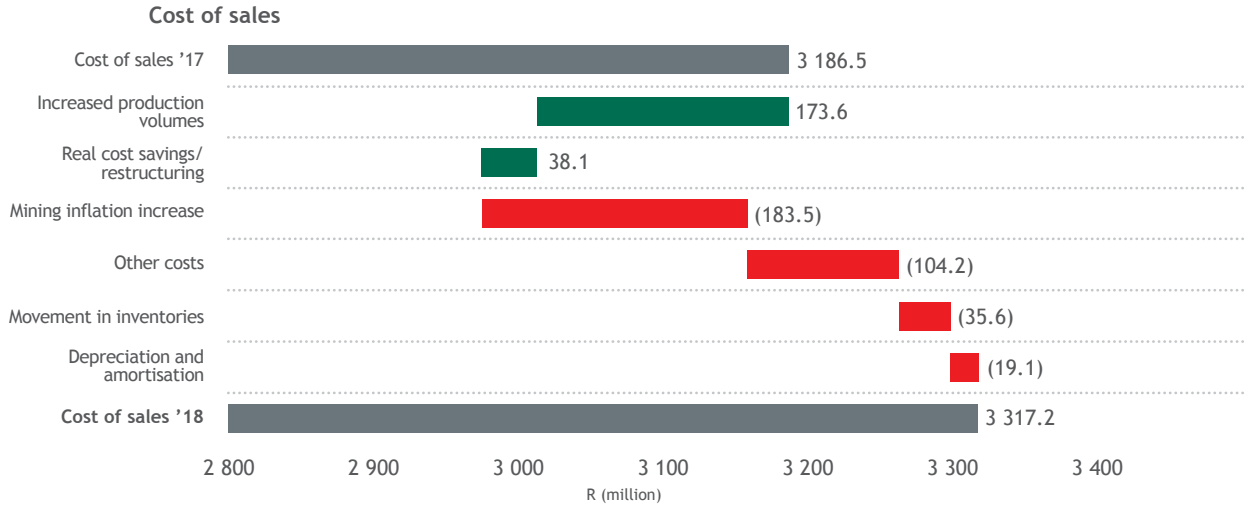
OTHER INCOME

Other income decreased by R26.5 million or 17.6% year-on-year, mainly as a result of the once-off inclusion of R19.5 million in 2017 that related to the fair value gain in the derivative liability from the date of issue of the convertible bond on 15 March 2017 to 8 May 2017 when shareholder approval was obtained. In addition, the environmental equity-linked deposit earned a variable loss of R2.1 million compared to R7.8 million variable return in 2017.

Income from our royalties from Implats increased 15.0% year-on-year to R98.8 million.

FINANCE INCOME AND FINANCE COSTS

Our finance income reduced by R36.5 million, mainly due to the decrease in cash on hand as a result of the net cash paid towards the consideration for the acquisition of Maseve (R658 million). A reduction in finance costs from R52.3 million in 2017 to R26.8 million in 2018 offset the reduction in finance income. This reduction resulted from the capitalisation of interest on borrowing cost amounting to R186.7 million (2017: R58.7 million) in line with the provision of IAS 23 regarding borrowing costs.



Summary of consolidated statement of cash flows for the year ended 31 December 2018

	% change year-on-year	2018 R (million)	2017 R (million)
Net cash flow generated by operating activities	7.7	**665.9**	618.4
Net cash flow utilised by investing activities	(61.4)	**(3 600.5)**	(2 231.0)
Net cash flow generated by financing activities	17.8	**2 485.0**	2 110.2
Net increase/(decrease) in cash and cash equivalents	(190.4)	**(449.6)**	497.6
Cash and cash equivalents at beginning of year	59.6	**1 331.1**	835.5
Cash and cash equivalents at end of year	(33.7)	**883.5**	1 333.1

7.7% increase in the net cash flow generated by our operating activities year-on-year

As at 31 December 2018 the RBPlat Group had cash and near cash investments of R883.5 million (2017: R1 333.1 million). This cash balance includes restricted cash of R67.6 million ring-fenced for our Employee Home Ownership Scheme and R84 million earmarked for the payment of the convertible bond coupon. Despite a 95.0% increase year-on-year in the Group's capital expenditure (including the Maseve acquisition) to R4 168.9 million (2017: R2 138.3 million) RBPlat was able to fund 37.3% (2017: 50.0%) of its capital expenditure from cash generated by its operations, together with Styldrift on-reef development revenue receipts.

MASEVE ACQUISITION

In April 2018 we achieved financial closure of Phase I of the Maseve acquisition, which related to the acquisition of immovable property and the Maseve concentrator plant for US$58 million (R691.4 million).

We reached financial closure on Phase II of the Maseve transaction, which relates to the acquisition of 100% of the shares in Maseve and shareholder claims owing by Maseve, following the Department of Mineral Resources' (DMR) approval of the section 11 transfer to RBPlat, for the rand equivalent of US$12 million (see note 28 on page 45 of our annual financial statements for 2018).

ACQUISITION OF 33% OF THE BRPM JV

The Company announced terms for the acquisition of the remaining 33% in the BRPM JV from Rustenburg Platinum Mines Limited (a wholly owned subsidiary of Amplats) on 5 July 2018. The transaction is structured in two phases:

- Phase I — the acquisition of Amplats' 33% participating interest in the BRPM JV for a consideration of R2 177.8 million
- Phase II — acquisition of the Amplats mining rights from Amplats.

Phase I of the acquisition was funded by means of a combination of cash, equity and debt. RBPlat issued 9 791 823 RBPlat shares to investors to raise R239.9 million as part settlement of the acquisition. The R314.8 million refund of contributions from Amplats to the joint venture during the interim period (from 5 July 2018 to the Phase I effective date) was settled from cash and facilities on hand. The remaining deferred consideration of R1 610.1 million is due to be paid to Amplats, either in cash or equity in three annual instalments, commencing 18 months from the closing of the transaction on 11 December 2018.

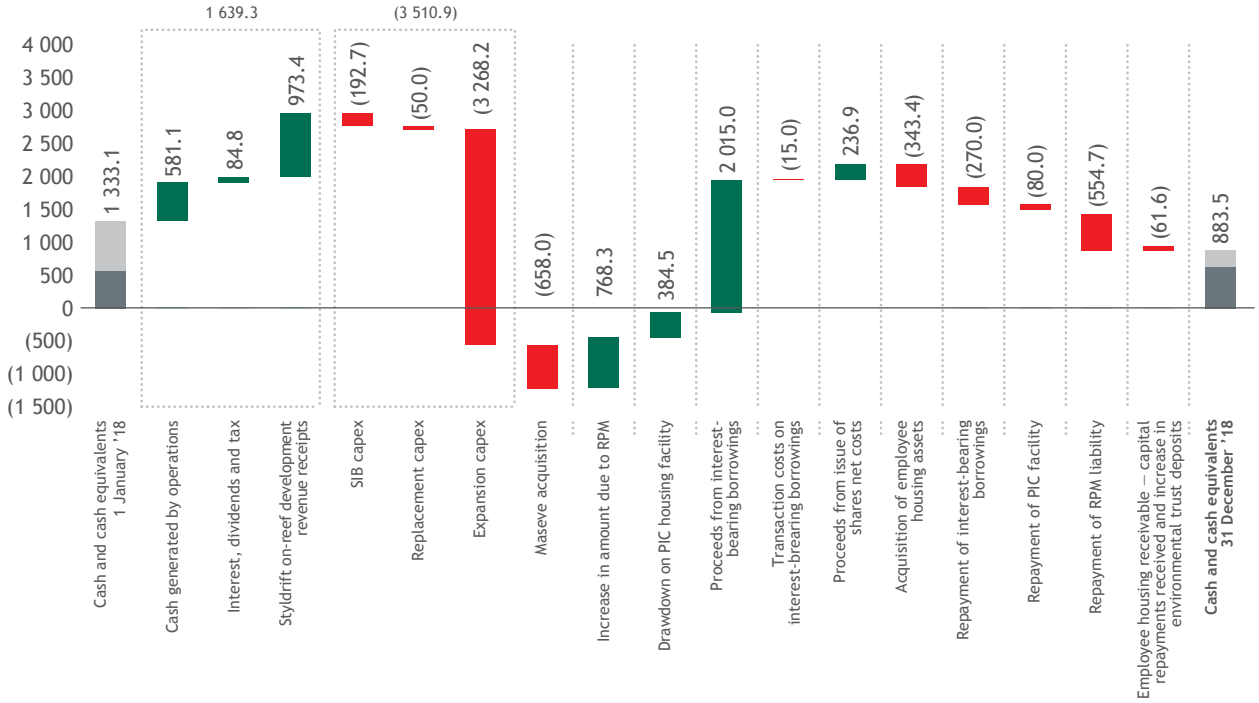
Phase II of the transaction remains subject to approval of the transaction by the DMR in terms of section 11 of the Mineral and Petroleum Resources Development Act.

ENLARGED DEBT FACILITIES

One of the conditions precedent to Phase I of the BRPM JV transaction was the increase in the Group's debt facilities from R2 billion to R3 billion. The enlarged debt facilities comprise a seven-year term debt facility of R750 million (2017: R750 million), a five-year revolving credit facility of R1 750 million (2017: R750 million) and one-year general banking facilities of R508 million (2017: R508 million). The revolving credit facility was increased from R750 million in 2017 to R1 750 million in 2018 following the approval by the lenders as part of the acquisition of Amplats' 33% of the BRPM JV. As at 31 December 2018, RBPlat had drawn down R930 million of the revolving credit facility and R750 million of the term debt facility. In total, R119.4 million of the general banking facilities was used for guarantees, while R65.9 million was drawn down to finance working capital requirements as at 31 December 2018.

FINANCIAL CAPITAL CONTINUED

Cash flow R (million)



The Cyclone at the Maseve concentrator

Summary of consolidated segmental analysis

	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment (C) R (million)	Corporate office and consoli-dation adjustment (D) R (million)	Total (A+B+C+D) R (million)
Summary segmental statement of comprehensive income — for the year ended 31 December 2018						
Gross profit/(loss)	**342.1**	**(14.7)**	**327.4**	**0.4**	**(17.9)**	**309.9**
Profit/(loss) before tax	**476.9**	**(35.6)**	**441.3**	**67.7**	**(193.0)**	**316.0**
Summary segmental statement of financial position — as at 31 December 2018						
Non-current assets*	**5 190.5**	**15 089.9**	**20 280.4**	**881.5**	**322.0**	**21 483.9**
Current assets	**2 145.4**	**805.4**	**2 950.8**	**872.5**	**203.4**	**4 026.7**
Non-current liabilities	**92.3**	**18.6**	**110.9**	**1 381.6**	**7 532.7**	**9 025.2**
Current liabilities	**7 163.6**	**201.6**	**7 365.2**	**63.0**	**(6 671.8)**	**756.4**
Summary segmental cash flow statement — as at 31 December 2018						
Cash and cash equivalents at end of year	**639.0**	**—**	**639.0**	**67.6**	**176.9**	**883.5**
Summary segmental statement of comprehensive income — for the year ended 31 December 2017						
Gross profit/(loss)	331.6	(8.4)	323.2	1.7	(12.9)	312.0
Profit/(loss) before tax	414.3	(7.2)	407.1	22.4	(1 002.4)	(572.9)
Summary segmental statement of financial position — as at 31 December 2017						
Non-current assets	4 841.9	13 043.0	17 884.9	642.5	(79.1)	18 448.3
Current assets	1 953.5	333.1	2 286.6	668.7	741.8	3 697.1
Non-current liabilities	93.6	13.6	107.2	1 023.8	4 706.7	5 837.7
Current liabilities	4 817.4	164.7	4 982.1	45.8	(3 144.1)	1 883.8
Summary segmental cash flow statement — as at 31 December 2017						
Cash and cash equivalents at end of year	571.2	—	571.2	65.4	696.5	1 333.1

** Segment non-current assets include mineral rights allocated to the relevant segment*

OUTLOOK

Our ability to increase efficiencies and contain costs remains key in the current environment.

To meet our stewardship responsibilities in terms of RBPlat's financial capital and creating value for our stakeholders, we will make every effort to protect and grow our financial capital in the short, medium and long term, through responsible investment in capital expenditure to increase profitability and growing the business.

To achieve this we will:

- be prudent with our use of the cash flow from our operations and our debt facilities, and ensure we meet our financial obligations
- maintain the financial flexibility to exploit opportunities to create value for our stakeholders
- continue with the process we started in 2018 as part of our ongoing drive to reduce costs and increase efficiencies, which is to realign our supply chain with the changes in our business following the ramp-up of Styldrift to an operating mine and ensure it is fit for purpose (see page 108 of the intellectual capital section of this report)
- invest in the mining infrastructure and footprint required to ramp-up the Styldrift Mine to 230ktpm by the third quarter of 2020
- invest in the upgrading of the Maseve concentrator to increase its production to 160ktpm — 200ktpm
- investing in the upgrading of the BRPM and Maseve tailings storage facilities
- complete the Phase III hybrid mining project at BRPM's North shaft
- continue to invest in delivering on our SLP commitments.

Manufactured capital

Our materiality determination process identified that the following issues were material to our manufactured capital:

Material issues	Our response to the risks and opportunities associated with these material issues can be found on pages 49 and 50	Pages on which these issues are addressed in this report
Styldrift Mine 150ktpm milestone by year-end and ramp-up to 230ktpm by third quarter of 2020		page 83
Operating costs		page 79
Impact of increased concentrator capacity on unit costs		page 79

Our manufactured capital performance

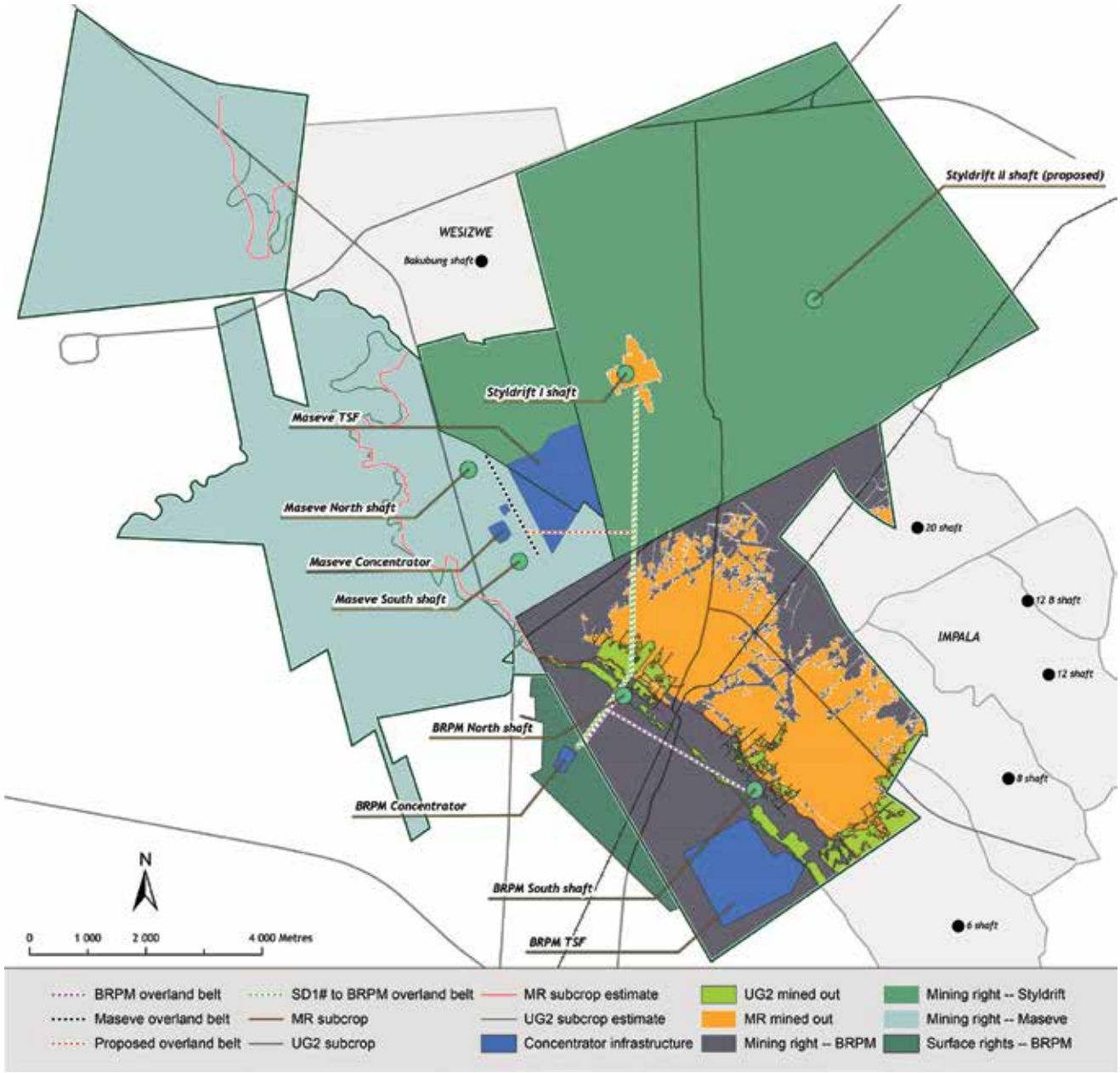
KPIs	2018	2017	Performance details
Styldrift capital project performance	●	●	page 81
Production volumes and key efficiencies	●	●	page 72
Optimise volumes	●	●	page 73
Production losses	●	●	page 77
BRPM ore reserve and production flexibility	●	●	page 64

Legend:
- ● In line with risk tolerance
- ● Within risk tolerance range
- ● Risk tolerance exceeded

The data provided in manufactured capital that represents our performance in terms of a key risk indicator (KRI) is represented by this icon (KRI), which will be coloured (KRI) if we are in line with our risk tolerance, (KRI) if our performance is within the risk tolerance range and (KRI) should we have exceeded our risk appetite.

OUR OPERATIONS

Our operations comprise the Bafokeng Rasimone Platinum Mine (BRPM), which consists of a North and South shaft; the Styldrift Mine; the BRPM and the Maseve concentrator plants. They are located on the Western Limb of the Bushveld Igneous Complex, approximately 30km north west of the city of Rustenburg in the North West province of South Africa and immediately south of the Pilanesberg Complex.



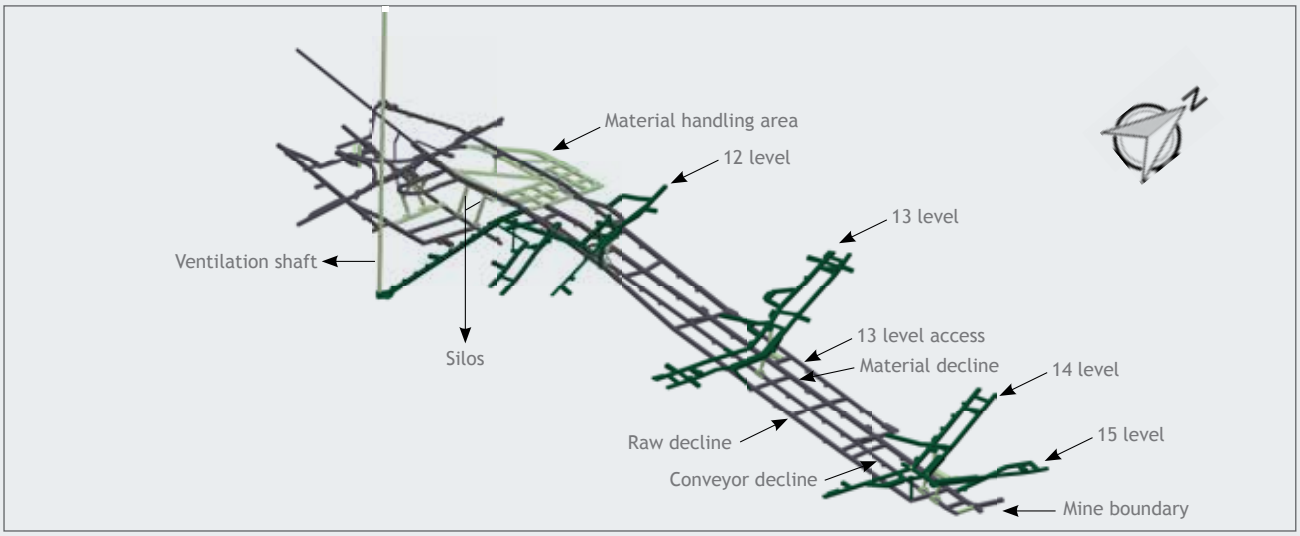
RBPlat operations

MANUFACTURED CAPITAL CONTINUED

Bafokeng Rasimone Platinum Mine (BRPM)

- An **underground mine** operating at a depth of less than 500m, currently accessed by two decline shafts, North and South shafts
- **Current workforce:** 5 473 (including shared services employees)
- **Resources and reserves:** Merensky resource of 5.06Moz (4E); Merensky reserve of 1.87Moz (4E); UG2 resource of 11.83Moz (4E); UG2 reserve of 6.15Moz (4E)
- The first concentrate was produced from the Boschkoppie property in **1999**
- **Current production** is approximately 200 000 tonnes of milled ore per month yielding approximately 180 000 platinum ounces in concentrate per annum
- **Mining method** is conventional stoping moving to hybrid mining in the Phase III extension of the North shaft Merensky decline system (from 11 level down to the mining boundary at 15 level)
- The mining scope of the Phase III extension of North shaft is complete. Construction services relating to services, conveyor belts and associated bulkheads on levels 14 and 15 will come online when required in the second quarter of 2019
- The Phase III extension of BRPM's North shaft provides **access to an additional 1.4 million Merensky ounces (4E)**
- **Utilities:** power and water supplies secured for the life of mine. The water treatment plant commissioned in 2015 continues to substantially reduce BRPM's use of potable water and achieved average annual monetary savings of R9.1 million a year

Overview of BRPM



North shaft Phase III — hybrid mining layout

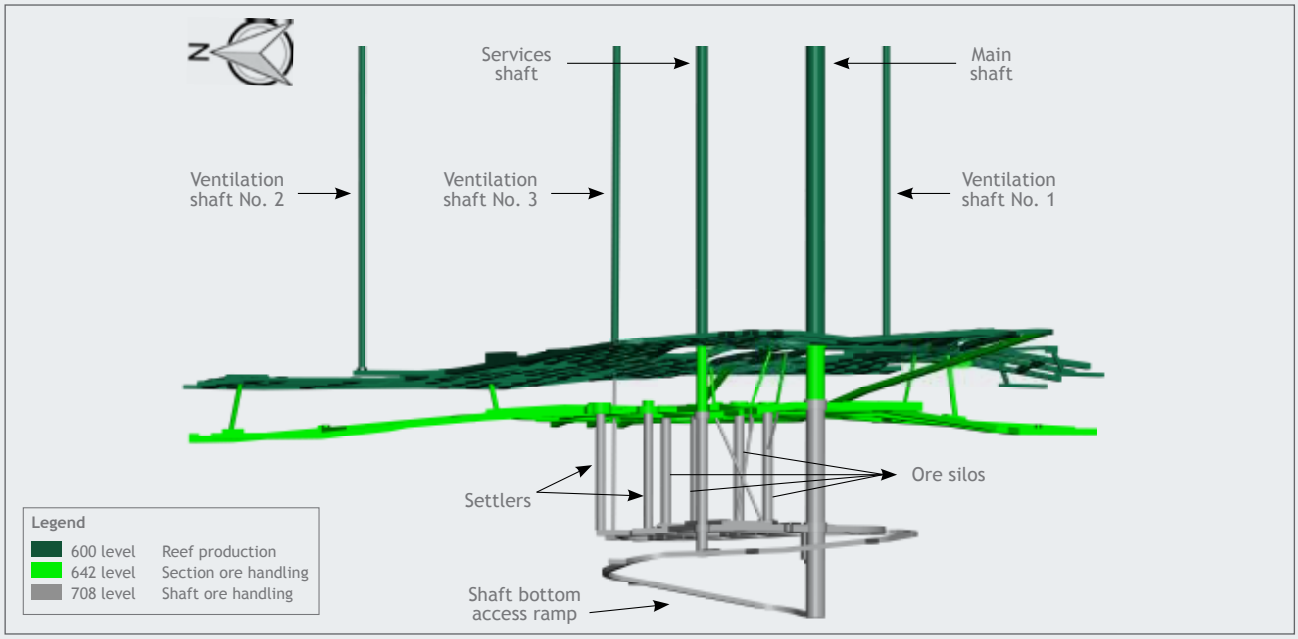
Tipping of ore in Phase III 114 level hybrid mining section at BRPM

MANUFACTURED CAPITAL CONTINUED

Styldrift Mine

Styldrift Mine

- The site (which lies within the boundaries of the Styldrift and Frischgewaagd farms) was established in 2009 on **one of the last significant high grade blocks of relatively shallow Merensky reef**
- **A mechanised underground mine**, located around five kilometres from BRPM's North shaft
- **Access** to the underground workings is via a twin concrete-lined vertical shaft system; comprising a 10.5m diameter Main shaft sunk to a depth of 753m and a 6.5m diameter Services shaft, sunk to a depth of 723m. The shaft system is linked to the up-dip and down-dip on-reef roadway clusters on both the reef horizon and the footwall level. Ore handling is effected through a network of on-reef conveyors and footwall dip conveyors. Two 22-tonne rock skips will be used to hoist the ore to the surface via the Main shaft
- **Phase I ramp-up 150ktpm** milestone achieved in October 2018
- **Current workforce:** 3 557 employees
- All key life of mine infrastructure in place for **Phase II ramp-up milestone of 230ktpm by third quarter, 2020**
- This **will increase RBPlat's production to 410ktpm**
- **Mining method:** a trackless bord and pillar mining method is employed in the thicker Merensky resource areas with mining heights varying between 2.0m and 2.2m. A conventional hybrid breast mining layout is currently envisaged for the extraction of the narrow Merensky reef area
- **Utilities:** power and water supplies have been secured for the life of mine
- **Resources and reserves:** Merensky resource of 16.12Moz (4E); Merensky reserve of 9.09Moz (4E); UG2 resource of 10.08Moz (4E); UG2 not converted to reserve as yet



Styldrift — general shaft and level layout

OUR CONCENTRATING FACILITIES

BRPM concentrator

BRPM concentrator

- **Originally designed** to receive Merensky ore from BRPM's two decline shafts with the ability to treat up to 10% of UG2. The concentrator complex produces 2.7 tonnes of concentrate from every 100 tonnes of ore it processes
- **Capacity:** The concentrator's original design capacity of 200ktpm was upgraded to 250ktpm in 2016 to accommodate production from Styldrift
- **Operation:** The plant operates 24 hours a day, 365 days a year and follows a traditional mill-float, mill-float (MF2) process, which includes a conventional three-stage crushing process prior to milling and flotation. The circuit also includes a ultra-fine grinding circuit (IsaMill™). The flotation processes produce a platinum rich PGM concentrate, which RBPlat sells as a final product for further processing and refining. RBPlat has an offtake agreement with Rustenburg Refineries (owned by Anglo American Platinum) for the sale of the concentrate
- **Current workforce:** 278 employees

MANUFACTURED CAPITAL CONTINUED

Maseve concentrator

Maseve concentrator

- The Maseve concentrator was **commissioned in 2017**. The plant was designed as an MF2 and built as an MF1, as phase 1 of the project. All key civils required to complete the MF2 plant upgrade have also been completed. **The MF1 design capacity is 110ktpm and 160ktpm on MF2**. The upgrading of the plant to MF2 will increase our concentrating options and flexibility
- The current plant configuration consists of a jaw crusher ahead of the primary mill for run of mine (ROM) top size control, followed by a 10 000 tonne ore storage silo. A 20ft x 24ft grate discharge, semi-autogenous primary mill with 5.2MW installed power to grind ore to pulp ahead of flotation
- The flotation design configuration is termed ***two grade concentrate***, in that all primary and secondary fast floats produce a high grade concentrate and slow floats produce a low grade concentrate. The flotation circuit consists of roughers, cleaners, recleaners and a two-stage recleaning circuit
- A low grade rougher tail is discarded to the tailings storage facility, while the PGM rich concentrate stream is filtered to produce a concentrate cake
- **Current workforce of 171 employees of which 140 are related to concentrator operations and 31** to Maseve Mine care and maintenance

OVERVIEW

Despite a year-on-year increase in our average basket price, the continued depressed demand and surplus in the platinum market resulted in our 2018 operating environment remaining constrained. In these circumstances our key challenges within the constraints of relatively low market prices were ensuring that BRPM continued delivering margin-bearing ounces and that we achieve the ramp-up of Styldrift to 150ktpm.

Our primary focus areas for the year were:

- improving our safety performance
- achieving below inflation increases in our unit costs
- Styldrift Mine infrastructure development, construction and resourcing necessary to meet the production output of 150ktpm
- finalising the Maseve transaction and commissioning the Maseve concentrator in support of the Styldrift ramp-up.

The collaboration, support and hard work of all our employees and stakeholders ensured that we continued to maintain operational stability. This is a key factor in our ability to operate effectively and efficiently and it led to:

- ongoing operational flexibility
- consistent labour productivity
- year-on-year unit cost increases in-line with inflation
- achieving the Styldrift Mine to 150ktpm milestone.

Towards operational excellence

Operational excellence is a combination of many factors, both internal and external to our operations, the safety, health and wellness of our employees being key factors in its achievement.

To achieve ongoing improvements in our safety performance and our goal of achieving zero harm it is essential that we entrench a resilient safety culture. Our efforts in this regard included an additional emphasis on safety training initiatives

See pages 87 to 89 of the human capital section of this report for details) and our incident reporting and tracking systems

Sadly, having achieved year-on-year reductions in the total injury frequency rate (TIFR) and three million fatality-free shifts during the first half of the year, we suffered two fatal accidents at BRPM during the second half of the year

See page 89 of human capital for details of our safety performance

The health and wellness of our employees and our doorstep communities is not only a key driver of productivity and our ability to achieve operational excellence, it also impacts their quality of life

See pages 90 and 91 for information on our health and wellness programmes

The year under review

As mentioned previously, the completion of the Maseve transaction, which supports our growth ambitions, resulted in meaningful change in our operations. With the capacity of the BRPM concentrator fully utilised, the commissioning of the Maseve concentrator in August not only removed the constraint for Styldrift to ramp-up to 230ktpm, but has also allowed us to continue with mining operations at our South shaft to mid-2020 on the Merensky reef.

The underground operations at Maseve have temporarily been placed under care and maintenance while a full technical study and review is being conducted to determine the most beneficial approach to extracting reserves through the Maseve infrastructure.

We have made significant progress in developing the Styldrift mining and infrastructure footprint to support our ramp-up schedule and achieved the Phase I ramp-up milestone of 150ktpm in October, in line with the guidance for the year under review.

A strong BRPM mining performance, despite the deferment of South shaft UG2 in 2017, and the growth in production from Styldrift Mine resulted in the total tonnes milled increasing by 13.2% to 3 420kt. 4E and platinum metals in concentrate increased by 12.2% and 12.7% year-on-year to 368koz and 239koz respectively.

Cost control and energy-saving initiatives, combined with savings accrued through the restructuring process and the strong BRPM operational performance, helped to offset above CPI inflation-related increases in labour and utility costs (which represent approximately 65% of our cost base), yielding year-on-year unit cost increases in line with inflation. Cash operating unit cost per tonne milled and platinum ounce increased by 5.6% to R1 213 and 4.7% to R16 145, respectively year-on-year.

Total capital expenditure increased by 60.1% to R3 459 million from R2 160 million in 2017. The Styldrift project accounted for R3 313 million (expansion + SIB) of total capital expenditure.

MANUFACTURED CAPITAL CONTINUED

South dip conveyor in bulkhead installation on 642 level

Vent shaft No 3

A utility vehicle exiting the main shaft bank at Styldrift

LHD tramming ore on 600 level

Tipping of ore into an ore pass (OPC4) at 600 level

Services shaft winder

Styldrift Mine at work

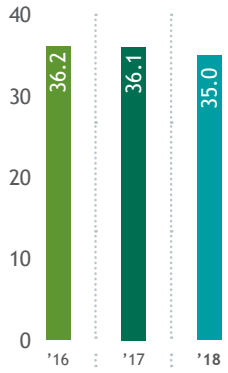
The 6.8km overland belt conveys Styldrift Mine's ore to the BRPM concentrator

MANUFACTURED CAPITAL CONTINUED

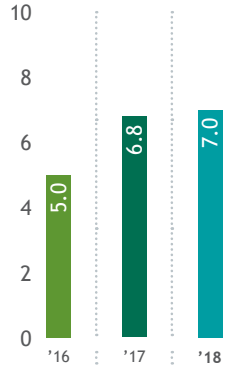
Mining production

Description	Unit	% change year-on-year	2018	2017	2016
Total development	km	(3.0)	**35.0**	36.1	36.2
BRPM	km	(4.4)	**28.0**	29.3	31.1
Working cost development	km	(7.2)	**27.1**	29.2	30.8
Capital development	km	800.0	**0.9**	0.1	0.2
Styldrift	km	2.9	**7.0**	6.8	5.0
Capital development	km	2.9	**7.0**	6.8	5.0
IMS panel ratio (BRPM)	ratio	14.3	**1.92**	1.68	1.58
Total stoping square metres	000m²	6.3	**542**	510	466
BRPM	000m²	(10.4)	**420**	469	453
Styldrift	000m²	200.0	**123**	41	13
Merensky	000m²	14.8	**482**	420	367
UG2	000m²	(33.3)	**60**	90	99
Total tonnes delivered	kt	13.5	**3 395**	2 992	2 759
BRPM	kt	(6.7)	**2 268**	2 431	2 349
Styldrift	kt	100.9	**1 127**	561	410
Merensky	kt	21.8	**2 969**	2 437	2 176
UG2	kt	(23.2)	**426**	555	583
UG2%	%	31.6	**13**	19	21

Total development (km)



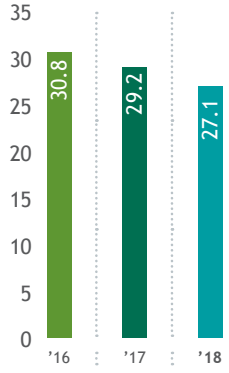
Styldrift capital development (km)



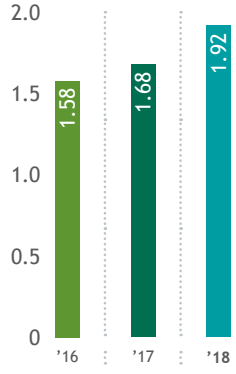
Development

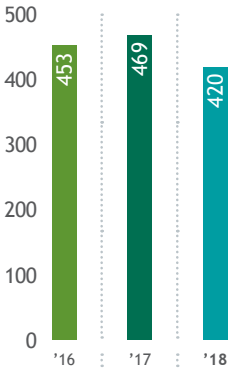
- Total development decreased by 3.0% from 36.1km to 35.0km
- BRPM working cost development reduced by 7.2% in line with the suspension of UG2 mining activities at South shaft and current Merensky ore reserve depletion
- The BRPM IMS panel ratio of 1.92 remains above the target of 1.50
- Capital development at Styldrift Mine increased by 2.9% and remains aligned with project infrastructure and ore reserve development requirements to meet steady state ramp-up milestones

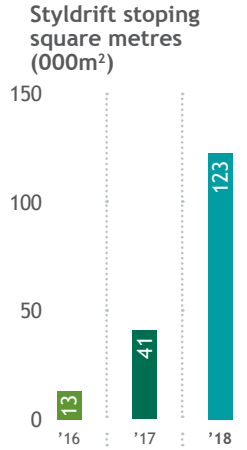
BRPM working cost development (km)



IMS panel ratio (ratio)





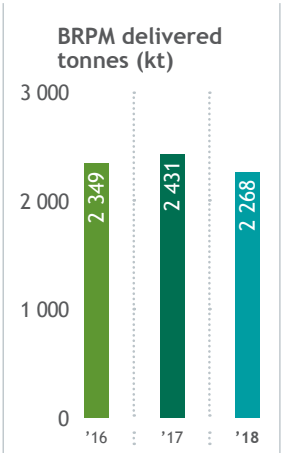


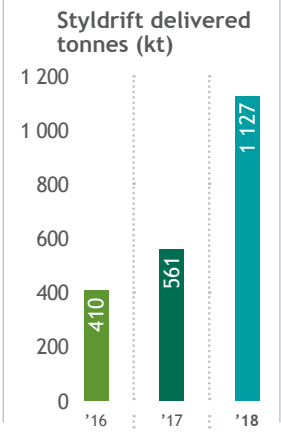
Stoping

- BRPM stoping square metres decreased by 10.4%. The reduction being mainly attributable to the suspension of UG2 mining activities at South shaft
- Styldrift stoping square metres increased by 200% in line with ramp-up requirements

Tonnes delivered

- Total tonnes delivered to the concentrators increased by 13.5% to 3 395kt
- BRPM tonnes delivered decreased by 6.7% to 2 268kt, mainly due to a 23.2% reduction in UG2 tonnes delivered as a result of the suspension of UG2 mining activities at our South shaft operation
- Styldrift tonnes delivered increased by 100.9% to 1 127kt in line with ramp-up requirements





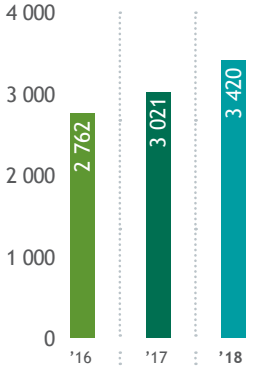
Strike drive development drill rig in the hybrid mining section on 14 level at BRPM

MANUFACTURED CAPITAL CONTINUED

Processing

Description	Unit	% change year-on-year	2018	2017	2016
Total tonnes milled	kt	13.2	**3 420**	3 021	2 762
BRPM	kt	(6.1)	**2 299**	2 449	2 348
Styldrift	kt	96.0	**1 121**	572	414
Merensky	kt	21.6	**2 997**	2 464	2 180
UG2	kt	(24.1)	**423**	557	582
UG2% milled	%	33.3	**12**	18	21
BRPM concentrator tonnes milled	kt	5.4	**2 847**	2 701	2 453
Merensky	kt	7.8	**2 657**	2 464	2 180
UG2	kt	(19.8)	**190**	237	273
UG2% milled	%	22.2	**7**	9	11
Tonnes milled — UG2 Toll	kt	(42.5)	**184**	320	309
Maseve concentrator tonnes milled	kt	100	**389**	—	—
Merensky	kt	100	**341**	—	—
UG2	kt	100	**48**	—	—
UG2% milled	%	100	**12**	—	—
Built-up head grade (4E)	g/t	0.5	**3.96**	3.94	4.03
BRPM	g/t	1.2	**4.21**	4.16	4.18
Styldrift	g/t	15.4	**3.45**	2.99	3.12
Merensky	g/t	0.3	**3.94**	3.93	4.08
UG2	g/t	3.0	**4.11**	3.99	3.82
Recovery — 4E (total concentrating)	%	(1.5)	**84.43**	85.71	84.98
Recovery — 4E BRPM concentrator	%	(1.3)	**85.18**	86.28	85.59
4E metals in concentrate	koz	12.2	**368**	328	304
4E metals in concentrate — BRPM	koz	(6.0)	**266**	283	275
4E metals in concentrate — Styldrift	koz	126.7	**102**	45	29
Pt metal in concentrate	koz	12.7	**239**	212	196
Pt metal in concentrate — BRPM	koz	(5.5)	**173**	183	177
Pt metal in concentrate — Styldrift	koz	127.6	**66**	29	19

The semi-autogenous mill at the Maseve concentrator

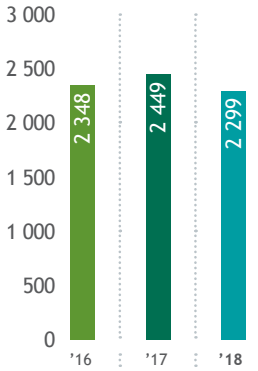


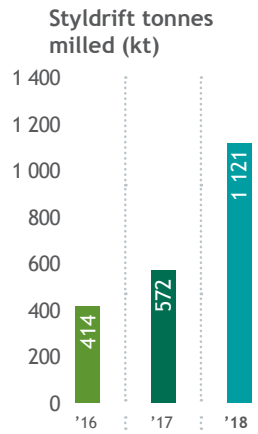
Tonnes milled

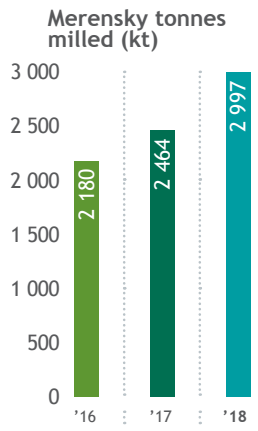
- Total tonnes milled increased year-on-year by 13.2% to 3 420kt
- Merensky tonnes milled increased by 21.6% to 2 997kt on the back of increased ramp-up volumes from Styldrift
- UG2 tonnes milled decreased by 24.1% to 423kt in line with the suspension of UG2 mining at South shaft
- BRPM concentrator treated 2 847kt (5.4% increase year-on-year)
- Maseve concentrator treated 389kt
- 184kt of UG2 was toll treated

Grade

- 0.5% increase in overall built-up head grade — in line with expectations and guidance
- 1.2% increase in BRPM built-up head grade to 4.21g/t (4E) from 4.16g/t (4E) in 2017
- 15.4% increase in Styldrift built-up head grade from 2.99g/t (4E) to 3.45g/t (4E)

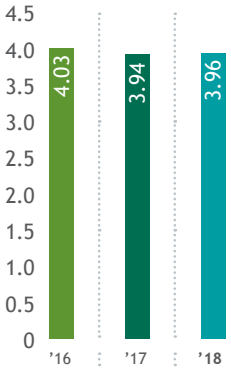




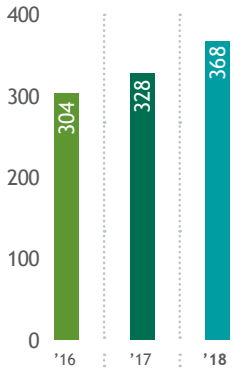


MANUFACTURED CAPITAL CONTINUED

Built-up head grade (4E) (g/t)



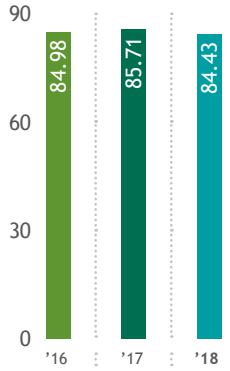
4E metals in concentrate (koz)



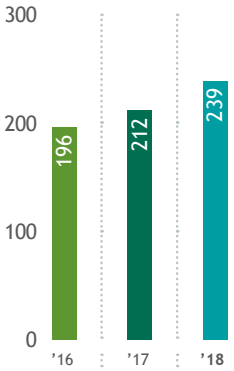
Metals in concentrate

- 1.5% reduction in overall recovery. The reduction is mainly attributable to lower recoveries from the Maseve MF1 circuit. Recoveries remain in line with expected grade recovery thresholds
- The 13.2% increase in milled volumes, marginal increase in built-up head grade and 1.5% reduction in recovery yielded a 12.2% and 12.7% increase in 4E and platinum metals in concentrate respectively
- 4E metals in concentrate equated to 368koz
- Platinum metal in concentrate amounted to 239koz

Overall recovery (4E) (% recovery)

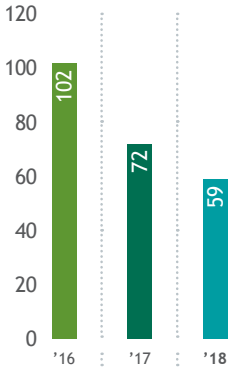


Platinum metal in concentrate (koz)

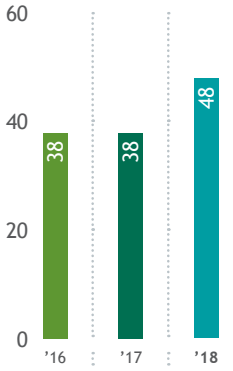


Operational disruptions

Milled tonnes lost (kt)



DMR visits (number)



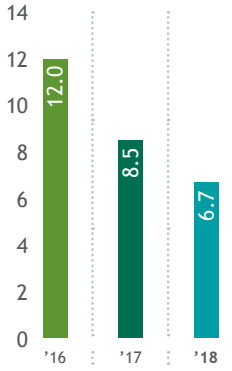
Department of Mineral Resources (DMR)

- DMR-related visits increased by 26.3% compared to 2017. The increase in visits can be attributed to the overall DMR strategy to enforce compliance and achieve sustainable improvements in industry safety statistics through increased visibility at mines
- Section 54 stoppage-related losses reduced by 18.1% to 59kt milled tonnes or 6.7koz 4E compared to 2017

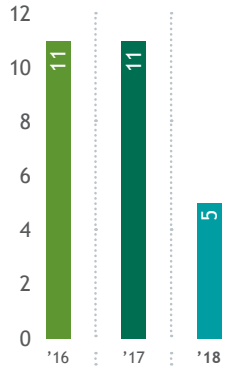
Labour and communities

- No operational disruptions due to employee or community unrest occurred during 2018 despite a community protest

4E ounces lost (koz)



Section 54s issued (number)



The impact of section 54 notices on our production during 2018

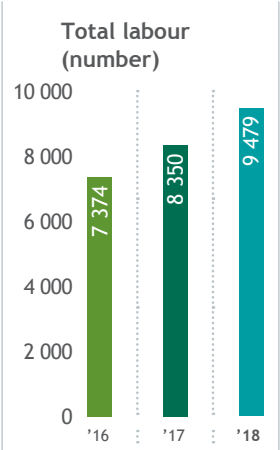
Description	Unit	% change year-on-year	2018	2017	2016
Section 54 notices issued	number	54.5	5	11	11
Production shifts affected	number	56.1	25	57	42
Milled tonnes lost	kt	18.1	59	72	102
4E ounces lost	koz	21.2	6.7	8.5	12.0

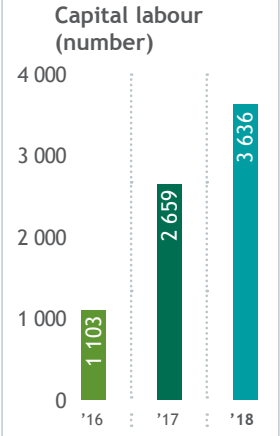
MANUFACTURED CAPITAL CONTINUED

Labour

Description	Unit	% change year-on-year	2018	2017	2016
Total labour*	number	(13.5)	**9 479**	8 350	7 374
Working cost labour	number	(2.7)	**5 843**	5 691	6 271
Capital labour	number	(36.7)	**3 636**	2 659	1 103
BRPM	number	7.1	**79**	85	58
Styldrift	number	(38.2)	**3 557**	2 574	1 045
BRPM stoping efficiency – total	m^2/crew	(4.8)	**336**	353	334
Stoping efficiency – enrolled	m^2/crew	2.9	**351**	341	320
Stoping efficiency – contractor	m^2/crew	(5.9)	**334**	355	337
Tonnes milled/total employee costed (TEC)	t/TEC	(2.3)	**33.4**	34.2	30.8

** Labour numbers are as at year-end – excludes corporate office*



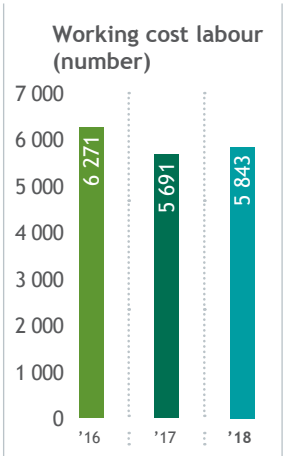


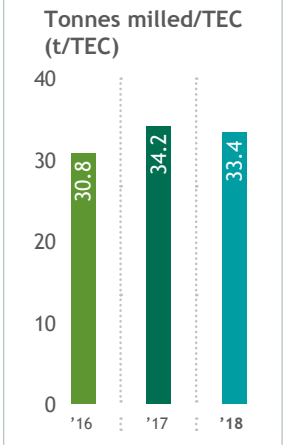
Labour complement

- Total labour increased 13.5% from 8 350 in 2017 to 9 479. The increase in labour is attributable to staffing requirements commensurate with the Styldrift construction and ramp-up profile
- Working cost labour increased by 152 people compared to 2017. The increase in labour is as a direct result of the commissioning of the Maseve plant and conditions set out by the Competition Commission to finalise and secure the Maseve transaction – requiring all ex-Maseve concentrator employees to be re-employed by RBPlat

Labour efficiencies

- Total tonnes per TEC reduced by 2.3% to 33.4 tonnes per employee costed
- BRPM stoping efficiency reduced by 4.8% compared to 2017



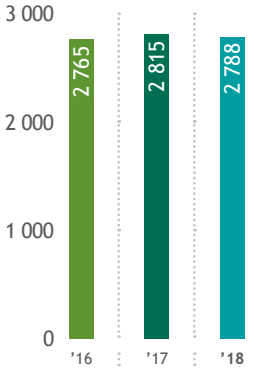


Operating costs — BRPM (excludes Styldrift)

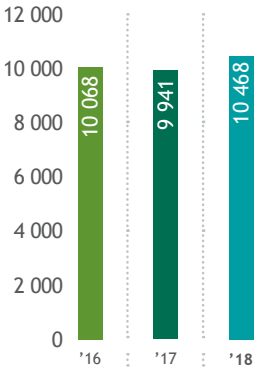
Description	Unit	% change year-on-year	2018	2017	2016
Cash operating cost*	R (million)	1.0	**2 788**	2 815	2 765
Cash operating cost/tonne milled	R/t	(5.6)	**1 213**	1 149	1 177
Cash operating cost/4E oz	R/oz	(5.3)	**10 468**	9 941	10 068
Cash operating cost/Pt oz	R/oz	(4.7)	**16 145**	15 414	15 639

** Styldrift operating costs capitalised as per IFRS*

Cash operating cost (R million)



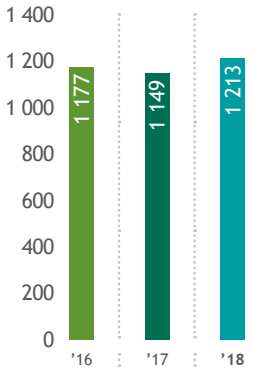
Cash operating cost/4E oz (R/oz)



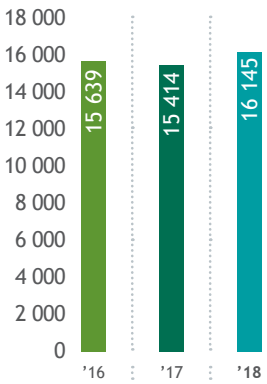
Cash costs

- Year-on-year cash operating costs reduced by 1.0% despite above CPI-related increases in labour (in accordance with our negotiated settlement) and utility costs and lower BRPM volumes
- Above inflation increases in our labour (2.0%), contractor labour (5.9%), utilities (0.3%) and sundries (0.4%) combined with the 6.1% reduction in BRPM milled volumes were key drivers in the unit cost increases. CPI equated to 4.6%
- Cash operating cost per tonne milled increased by 5.6%
- Cash operating cost per 4E and platinum ounce increased by 5.3% and 4.7%, respectively year-on-year

Cash operating cost/tonne milled (R/t)



Cash operating cost/Pt oz (R/oz)

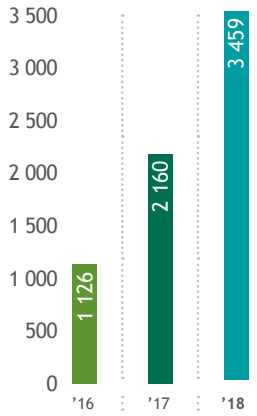


MANUFACTURED CAPITAL CONTINUED

Capital expenditure

Description	Unit	% change year-on-year	2018	2017	2016
Stay-in-business (SIB) capital	R (million)	66.1	**196**	118	110
BRPM	R (million)	(10.3)	**96**	107	104
Styldrift	R (million)	809.1	**100**	11	6
SIB % of operating cost (BRPM)	%	(10.5)	**3.4**	3.8	3.8
Replacement capital	R (million)	47.1	**50**	34	44
Phase III	R (million)	51.5	**50**	33	44
BRPM UG2	R (million)	100.0	**—**	1	—
Expansion capital	R (million)	60.0	**3 213**	2 008	972
Styldrift	R (million)	60.2	**3 213**	2 005	968
Styldrift exploration drilling	R (million)	(100.0)	**—**	3	1
Styldrift II	R (million)	0.0	**—**	—	3
Total capital expenditure	R (million)	60.1	**3 459**	2 160	1 126

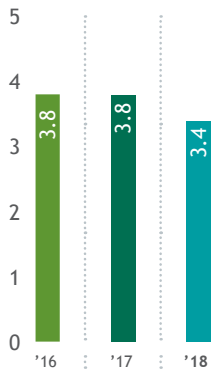
Total capital expenditure (R million)



Capital expenditure

- Total capital expenditure increased by 60.1% to R3 459 million compared to 2017
- Expansion capital expenditure increased in line with the Styldrift project construction programme and the delay in the commissioning of Silo 4 (which resulted in an additional R1 012 million of capitalised operating costs being accrued) to R3 213 million from the R2 005 million in 2017
- Replacement capital increased by R16 million in line with BRPM North Merensky Phase III construction requirements
- SIB expenditure increased by R78 million, which was offset by Styldrift on-reef revenue. The key contributor to the increase being Styldrift SIB capital related to trackless fleet rebuilds, section belt extensions and shaft maintenance being accrued for the first time
- BRPM SIB as a percentage of operating cost amounted to 3.4%

SIB percentage of opex (%) — BRPM



- North shaft Phase III project 98.8% complete and is estimated to achieve a 14.2% (R200 million) saving on a budget of R1 409 million
- Styldrift Mine generated R1 420 million in incidental revenue from on-reef development in 2018 and R2 410 million for the project to date
- To achieve the ramp-up of Styldrift to 150kptm in October 2018 we completed 7.0km of capital development work and commissioned the:
  - Services shaft
  - overland belt to the BRPM concentrator
  - ventilation shaft No. 3
  - 18 trackless workshops
  - Silo No. 4
  - North decline ore handling infrastructure
  - Phase I of the South decline ore handling infrastructure
  - Six strike conveyor sections

PROJECTS

North shaft Phase III replacement project

The project, which extends the shaft decline system and ancillary infrastructure from 10 level down to the mine boundary at 15 level, started in 2010. It replaces the Merensky reserves at our North shaft operation and allows us to maintain our current Merensky production levels from North shaft to at least 2025.

Project expenditure for the year was R50 million, bringing expenditure on the project to date to R1 120 million. Our cost estimate at completion remains at R1 200 million, which indicates a saving of approximately R200 million against the budget of R1 409 million.

The project is currently 98.8% complete, with the entire mining scope for the project being completed and only the engineering construction scope remaining on 15 level. The total project scope will be completed during the second half of 2019.

Styldrift

Establishing the infrastructure, stoping face length and operational resourcing required to reach 150ktpm was the primary focus at Styldrift during 2018.

A total of 7.0km of capital development work was completed during the reporting period, bringing total development for the project to date to in excess of 24.5km. Tonnes delivered to the concentrator amounted to 1 127kt, equating to a 100.9% increase and the built-up head grade improved by 15.4% year-on-year to 3.45g/t 4E.

The key infrastructure commissioned during 2018 included the:
- main Eskom power supply
- services shaft
- overland belt to the BRPM concentrator
- ventilation shaft No. 3
- 18 trackless workshops
- Silo No. 4 and associated North decline ore handling infrastructure
- Phase I of the South decline ore handling infrastructure
- six strike conveyor sections

Good progress was also made with construction activities related to Silo No. 3, Settler No. 1, the main pump station, ventilation shaft No. 2, permanent piping installations, the remaining trackless workshops and 642 South decline ore handling infrastructure. The completion of these items remains on schedule to meet our 230ktpm ramp-up milestone in the third quarter of 2020.

The initial expectation was that Styldrift would reach commercial sustainable production by the end of the first half of 2018, and as such operating costs associated with on-reef development and stoping would be expensed during the second half of the year. However, the delays resulting from the complex Silo No. 4 rehabilitation process resulted in the conversion to a commercially sustainable operation only being achieved by year-end.

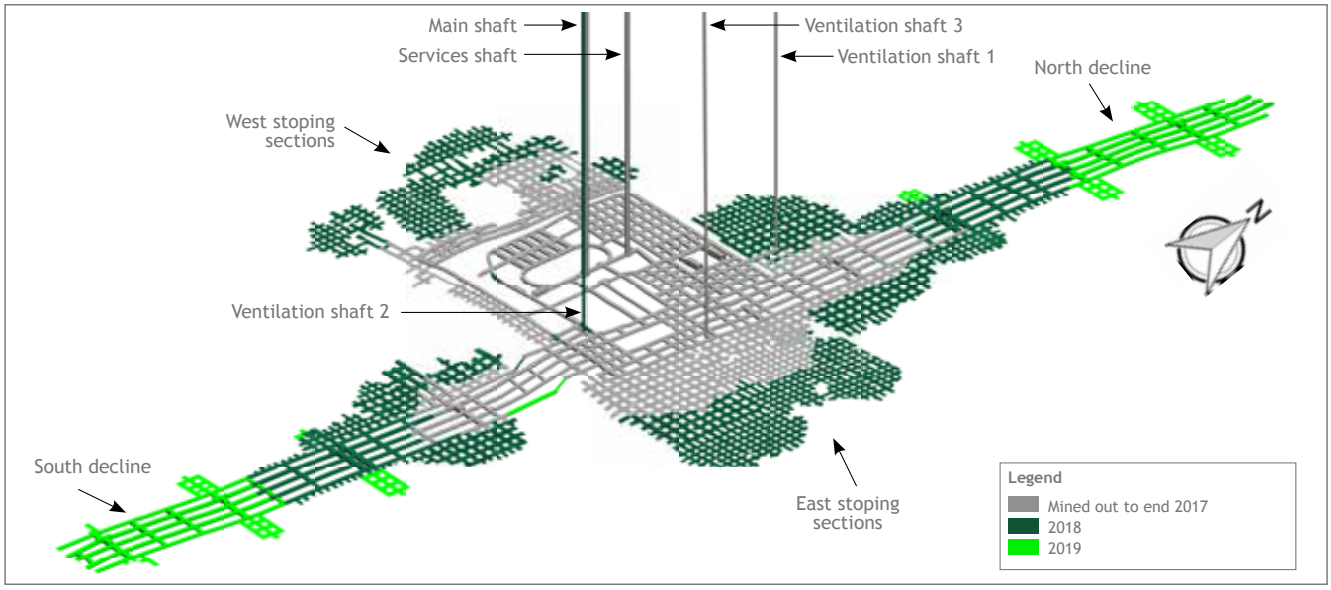
This delay has resulted in R1 012 million in operating costs related to on-reef development and stoping costs that accrued during the second half of the year, being capitalised, effectively increasing the Styldrift capital expenditure required to reach 150ktpm from R10.8 billion to R11.8 billion. The net impact on an overall cash flow basis, however, remains neutral.

Incidental revenue generated from on-reef production amounted to R1 420 million for the year and R2 410 million for the project to date.

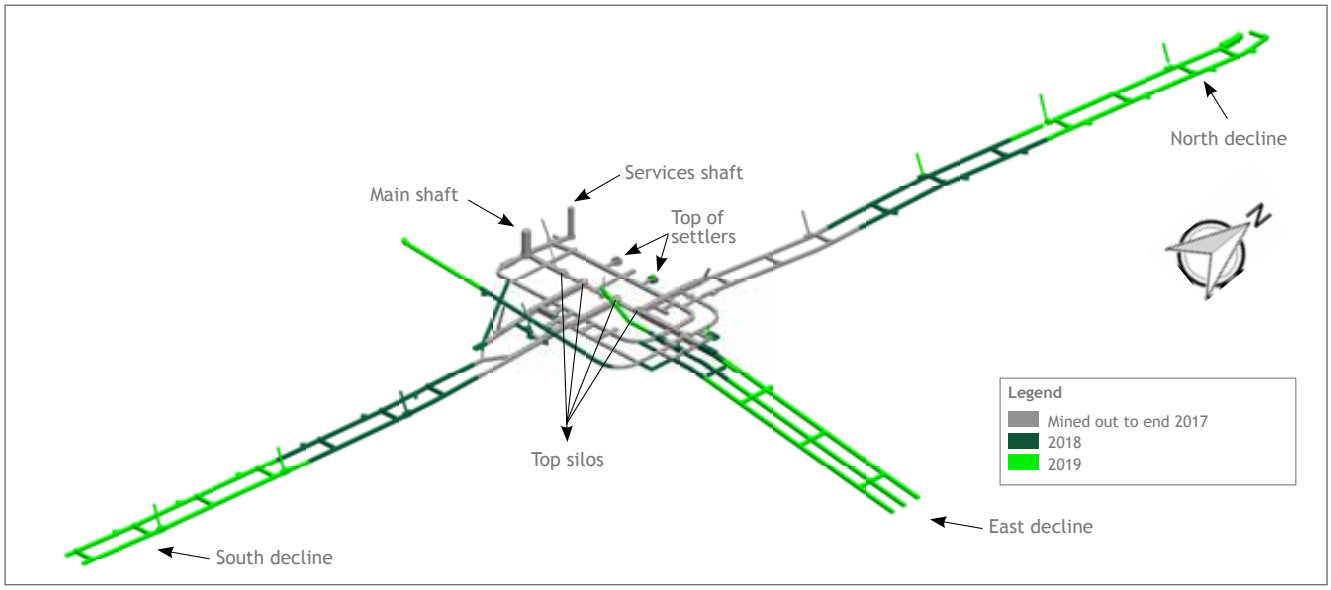
Total project expansion capital expenditure for the reporting period was R3 213 million, bringing the total capital expenditure for the project to date to R11.8 billion.

The stoping and development footprints that have been mined to date are illustrated the figures that follow.

MANUFACTURED CAPITAL CONTINUED



600 level — development and stoping areas



642 level development progress

642 level North decline conveyor

600 level reef tip and rock breaker

OUTLOOK

Our focus for 2019 will be on achieving our strategic objectives through maintaining competitive earnings and growth and creating value for all our stakeholders in the short, medium and long term. In addition to normal ongoing operational challenges, our 2019 operating environment will include the complexities inherent to wage negotiations, as our current five-year wage agreement, which we signed with the National Union of Mineworkers (NUM) on 2 July 2014 comes to an end in June 2019. There will also be elections for the NUM leadership positions at RBPlat, NUM regional elections and the country's general elections.

In this environment, which has the potential to impact labour stability, maintaining labour stability and positive stakeholder relations will be a key success factor in achieving operational stability and meeting our safety, project delivery, production and cost targets.

Establishing a resilient safety culture remains key to achieving meaningful and sustainable improvements in our key safety metrics and our pursuit of zero harm. In order to embed and secure the changes required to progress from our current compliant culture we will continue focusing on:

- behavioural and leadership training
- strengthening our safety management system with regards to its monitoring, control and design environments.

Following the successful recommissioning of the Maseve concentrator and the decision to proceed with the Phase II ramp-up to 230ktpm at Styldrift, completing the required infrastructure to support the increased production will be a key focus for both the operational and project teams during 2019. These include:

Infrastructure	Timing
230ktpm mining infrastructure and footprint	Q4 2020
160ktpm Maseve concentrator upgrade	Q4 2020
Maseve tailings storage facility (TSF) upgrade	Q3 2020
BRPM TSF upgrade	Q3 2020

The increase in the dollar pricing of palladium, rhodium, ruthenium and iridium, combined with the continued rand weakness during 2018, presents us with a unique opportunity to reintroduce UG2 at our South shaft operations that were suspended in 2017. We are in the process of reviewing our options in this regard.

As part of the Maseve MF2 160ktpm upgrade, various chrome recovery circuit options are also being investigated to complement the concentrator's coprocessing capability. The inclusion of these circuit options in the Maseve MF2 upgrade would not only increase milling capacity, but would also further enhance RBPlat's optionality with regard to exploiting both Merensky and UG2 reserves by providing us with opportunities to:

- supplement and potentially expand production from our current UG2 mining platform
- access the Frischgewaagd ore body earlier than planned
- potentially expand Styldrift beyond 230ktpm.

Group production guidance for 2019, subject to any unforeseen operational disruptions, is forecast to increase to between 4.0Mt and 4.4Mt at a 4E built-up head grade of 3.91g/t to 4.02g/t, yielding 450koz to 480koz 4E metals in concentrate.

Group capital expenditure for 2019, including escalation contingencies, is forecast to be approximately R1.7 billion with the Styldrift mining and infrastructure for the 230ktpm ramp-up footprint (R0.9 billion), the Maseve plant upgrade (R0.2 billion) and tailings storage facility upgrades (R0.3 billion) being the main drivers. SIB expenditure is expected to be between 5% and 6% of operating expenditure.

Key focus for 2019 to 2020

- Completing the mining infrastructure and footprint required to ramp-up Styldrift Mine to 230ktpm by the third-quarter of 2020
- Investigating chrome recovery circuit options at Maseve to enhance optionality and capacity
- Upgrading Maseve concentrator to 160ktpm — 200ktpm
- Extending capacity of BRPM and Maseve tailings dams by the third quarter of 2020

Human capital

Our materiality determination process identified the following issues as material to our human capital:

Material issues	Our response to the risks and opportunities associated with these material issues can be found on pages 49 and 50	Pages on which these issues are addressed in this report
Safety performance and the health and wellness of our employees		page 86 to 91
Labour stability		page 97
Availability of adequate and appropriate skills		page 97 and 98

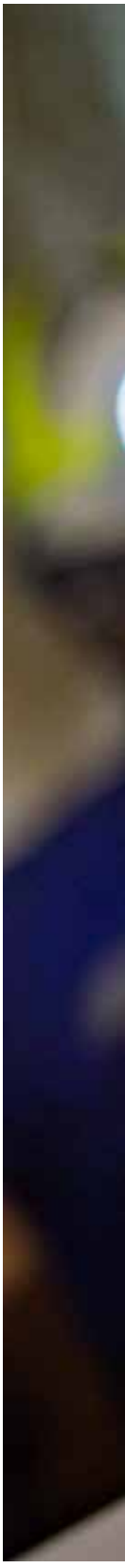
Our human capital performance

KPIs	2018	2017	Performance details
Achieve zero harm	🔴	🟠	page 87
Labour stability	🟢	🟢	page 97
Transformation	🟢	🟢	page 96
Employee health	🟢	🟢	page 90

Legend:
- 🟢 In line with risk tolerance
- 🟠 Within risk tolerance range
- 🔴 Risk tolerance exceeded

The data provided in human capital that represents our performance in terms of a key risk indicator (KRI) is represented by this icon (KRI), which will be coloured KRI if we are in line with our risk tolerance, KRI if our performance is within the risk tolerance range and KRI should we have exceeded our risk appetite.

Our human capital, which is made up of the individual skills, competence and experience of our people, their safety knowledge, health and well-being, makes it possible for us to deliver against our strategic objectives.



In terms of human capital our efforts towards achieving sustainability and our aspiration to deliver *More than mining* include our support of the achievement of UNGC principles 1, 2, 3, 4, 5 and 6 and SDGs 3 *(Ensure healthy lives and promote well-being for all at all ages)* and 8 *(Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)* which are the main focus of our efforts to support the achievement of the SDGs.

We incorporate the UNGC's principles into our policies and procedures and in terms of human capital our aspiration to deliver *More than mining* includes:

- our support of internationally proclaimed human rights
- ensuring we are not complicit in human rights abuses (UNGC principles 1 and 2)
- eliminating all forms of forced and compulsory labour and the abolition of child labour (UNGC principle 4 and 5)
- eliminating discrimination in respect of employment and occupation (UNGC principles 6)

OUR WORKFORCE

At 31 December 2018 there were 9 508 enrolled employees and contractors working in RBPlat (2017: 8 372), a 13.6% increase year-on-year mainly as a result of the achievement of the 150ktpm milestone at Styldrift Mine.

Description	% change year-on-year	2018	2017	2016	2015
BRPM	(2.2)	**5 206**	5 324	5 833	6 177
Contractors[1]	0.1	**3 131**	3 128	3 164	3 497
Enrolled employees	(5.5)	**2 075**	2 196	2 669	2 680
Concentrators	57.7	**418**	265	294	336
Contractors	210.9	**199**	64	96	120
Enrolled employees	9.0	**219**	201	198	216
Styldrift Mine	38.2	**3 557**	2 574	1 045	562
Contractors	45.0	**1 399**	965	108	314
Enrolled employees	34.1	**2 158**	1 609	937	248
Maseve Mine[2]	100.0	**31**			
Contractors	100.0	**5**	–	–	–
Enrolled employees	100.0	**26**	–	–	–
Shared services[3]	42.8	**267**	187	202	180
Contractors	100.0	**26**	13	9	19
Enrolled employees	38.5	**241**	174	193	161
Corporate office[4]	31.8	**29**	22	26	26
Total number of employees[5]	13.6	**9 508**	8 372	7 400	7 281

[1] *Includes fixed term contractors, labour hire and volume contractors*
[2] *Maseve Mine and its concentrator employees were included in our employee statistics for the first time. The Maseve concentrator employees and contractors have been included with the BRPM concentrator employees and contractors in this table*
[3] *This number has increased as a result of the reallocation of employees and the need for increased resources to support the Styldrift ramp-up*
[4] *These numbers include our two executive directors who are members of the RBPlat Board*
[5] *These numbers exclude trainees who were part of our social and labour plan commitments*

- **89%** of the employees in our operations as at 31 December 2018 were union members
- **34.1%** increase in the Styldrift Mine enrolled employees year-on-year
- **13.6%** increase in total number of employees

HUMAN CAPITAL CONTINUED

Key statistics for 2018:

- 1.7% rate of voluntary employee turnover in 2018
- Our absenteeism rate was 5.5% in 2018
- 9.8% reduction in absenteeism year-on-year

3 GOOD HEALTH AND WELL-BEING

We have identified SDG 3: *Ensure healthy lives and promote well-being for all at all ages* as an area of major focus for RBPlat, which addresses two of our key human capital performance areas. These are: achieve zero harm and employee health.

An employee being treated at the BRPM clinic

KRI Employee turnover

	% change year-on-year	2018 %	2017 %	2016 %
Voluntary employee turnover (including fixed term contractors and labour hire employees and excluding volume contractors)	(72.1)	1.7	6.1	2.7
Management turnover	(75.3)	4.9	19.8*	5.9

** The increase in management turnover during 2017 was mainly a result of a restructuring process*

Absenteeism rate

	% change year-on-year	2018 %	2017 %	2016 %
Total absenteeism rate for full-time employees*	(9.8)	5.5	6.1	5.6

** Absenteeism rate includes absent without permission (AWOP) and sick leave*

Our approach to managing the safety, health and wellness of our employees

RBPlat actively supports the Tripartite Action Plan on Health and Safety (2008) through which the South African mining industry committed to the principle of zero harm with the goal that every mineworker should return home unharmed every day. Through the Mining Industry Occupational Safety and Health (MOSH) learning hub established in 2012, mining companies share leading practice and the CEO Zero Harm Forum of which our CEO is a member, drives health and safety initiatives and share experiences to help address key challenges and to accelerate the mining industry's journey to zero harm.

ACCOUNTABILITY FOR SAFETY

Our health and safety management systems and structures are designed to help us achieve our aspirational goal of zero harm in our operations.

Ultimate responsibility for safety rests with our Board, its subcommittees and every enrolled employee and contractor working at our operations.

The Board's Social and Ethics Committee is mandated to oversee and monitor our safety performance against agreed targets every quarter and reports to the Board on its findings. Operational accountability lies with the Executive Head: Operations and the Head of Operations. (K) 1, 3, 8

Each operational area has a Health and Safety Committee, which meets at least monthly. The membership of these committees consists of at least four employee representatives and management representatives, who in terms of the Mine Health and Safety Act 29 of 1996 (MHSA) can be equal to or less than the number of employee representatives. Operational Health and Safety Committee members elect fellow members to represent them on the Central Health and Safety Committee.

MANAGING SAFETY IN OUR OPERATIONS

We have a safety strategy in place that is based on the principle of achieving zero harm by developing a resilient safety culture. The main pillars of our strategy, which stand on a foundation of teamwork, discipline and our safety code of conduct are: leadership, design, systems and behaviour.

Risk assessments form the basis for the development of all our operational safety codes of practice, standards and procedures. These are then incorporated into our training manuals. Their implementation is the direct responsibility of senior management.

For the past five years an internal safety culture survey has been conducted every year during the month of November, with the aim of assessing our progress towards achieving a resilient safety culture. A new, updated assessment tool will be used from 2019. The first survey using the new assessment tool will take place in the second quarter of 2019.

Both BRPM and Styldrift are OHSAS 18001 certified and have maintained their certifications following the annual external audit this year.

BUILDING SAFER LEADERS

Having identified the need to strengthen our safety leadership to support our progress towards a resilient safety culture we continued with emotional fitness training that is aimed at developing exceptional safety leaders. Through the back to basics and risk training we continue to provide our supervisors with an increased understanding of risk. Supervisors and their teams are being exposed to how best to respond appropriately to risk.

During 2018 we also introduced the Care and Growth model training for management, which focuses on the legitimate leadership relationship. Means, ability and accountability form the basis of the caring leadership style this training aims to achieve.

IDENTIFYING THE CAUSE OF ACCIDENTS IN OUR OPERATIONS

Our SILO SHE electronic database for incident reporting and events capturing automatically, analyses the data recorded in the system. This analysis allows us to identify and address incident trends, understand the basic cause of unwanted events and take action to prevent accidents, especially repeat accidents.

During 2018 we identified that in certain cases employees may have learnt safety instructions/rules and are able to quote them word for word but they do not fully comprehend the 'why' of the instruction/rule. This lack of understanding can be the cause of safety breaches. We are addressing this identified safety risk through additional training.

At BRPM we also revised our Safety Officer inspection methodology from a manual written report to an electronic checklist, which provides an electronic status report for each working place in the mine. This allows us to determine not only the non-conformances but also focus areas where leadership and behaviour need to be addressed. This methodology also captures positive results, which provides a balanced report. Styldrift Mine will be applying this methodology from the second half of 2019.

We also introduced the integrated risk management assessment (IRMA) electronic database to capture the hazards, the risks they present, and the associated controls or job functions that need to be in place to keep people safe in a particular area. We address higher risk areas first and continue until the full risk assessment system is converted to the IRMA way.

- There were no strikes in our operations during 2018
- There were two fatalities in our BRPM operations during 2018
- Three million fatality-free shifts achieved at RBPlat on 4 February 2018
- One million fatality-free shifts were achieved at Styldrift Mine on 8 September 2018
- No fatalities at Styldrift Mine in the past three years

Safety briefing at BRPM

HUMAN CAPITAL CONTINUED

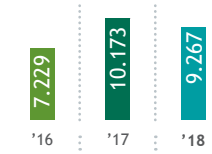
11.9% improvement in LTIFR year-on-year

RBPlat safety performance

While RBPlat's overall safety performance in 2018 was disappointing, with two fatal accidents taking place at BRPM, one in the month of July and one in September. There were, however, areas of excellence including RBPlat achieving 3 000 000 fatality-free shifts on 4 February 2018 and Styldrift Mine achieving 1 000 000 fatality-free shifts on 8 September 2018.

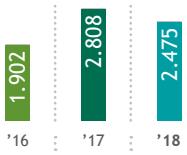
Total recordable injury frequency rate

1 000 000 hours



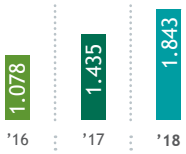
Lost time injury frequency rate (LTIFR) KRI

1 000 000 hours



Serious injury frequency rate (SIFR) KRI

1 000 000 hours

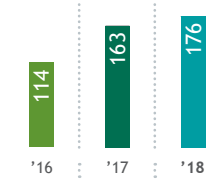


Fatal injury frequency rate (FIFR) KRI

1 000 000 hours

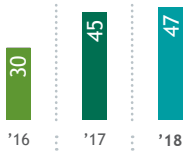
Total recordable injuries

number



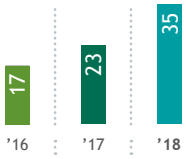
Total lost time injuries

number



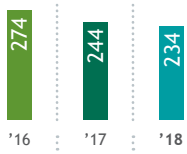
Total serious injuries

number



Injury-free days

number

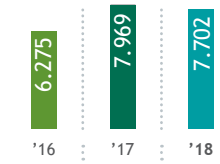


Safety briefing at BRPM

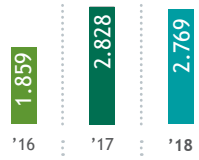
Safety performance at BRPM

We identified that since 2016 serious injuries at BRPM were increasing, which is an indication that there is a risk of a fatal accident occurring. Recognising the risk of a fatal accident occurring, we put every effort into addressing the serious injury frequency rate, but sadly we still had the two fatal accidents at BRPM.

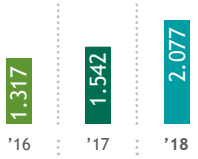
Total recordable injury frequency rate
1 000 000 hours



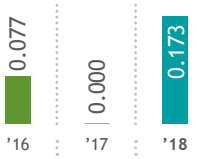
Lost time injury frequency rate (LTIFR)
1 000 000 hours



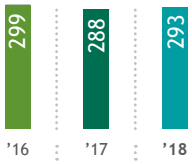
Serious injury frequency rate (SIFR)
1 000 000 hours



Fatal injury frequency rate (FIFR)
1 000 000 hours



Injury-free days
Number

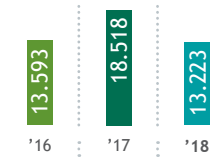


Safety performance at Styldrift Mine

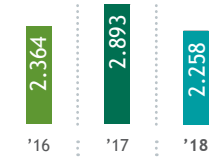
1 000 000 fatality-free shifts at Styldrift Mine

As Styldrift Mine was still under construction and ramping up to production of 150kptm by the end of 2018 there was a large influx of new employees requiring orientation and an introduction to the RBPlat way of working. Due to the nature of the considerable amount of construction work taking place at Styldrift Mine during 2018, slip and fall and hand injuries were the most frequent injuries at the mine.

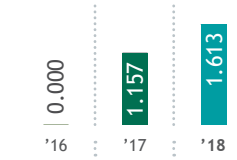
Total recordable injury frequency rate
1 000 000 hours



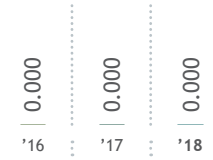
Lost time injury frequency rate (LTIFR)
1 000 000 hours



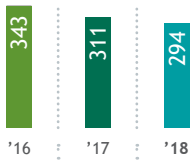
Serious injury frequency rate (SIFR)
1 000 000 hours



Fatal injury frequency rate (FIFR)
1 000 000 hours



Injury-free days
Number



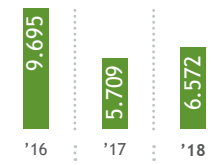
Safety performance at our concentrators

During 2018 the acquisition of the Maseve concentrator required the onboarding of a new workforce for the start up of the plant and its ramp-up to 110ktpm. To achieve this safely, we identified all the hazards and determined the associated risks. Employees were made aware of the risks and how to address them appropriately.

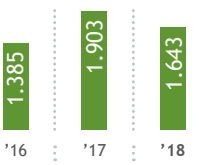
Maseve was injury-free during the five months for which it was an RBPlat operation.

BRPM AND MASEVE CONCENTRATORS

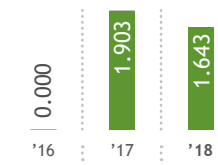
Total recordable injury frequency rate
1 000 000 hours



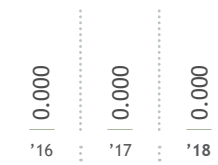
Lost time injury frequency rate (LTIFR)
1 000 000 hours



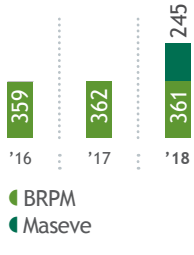
Serious injury frequency rate (SIFR)
1 000 000 hours



Fatal injury frequency rate (FIFR)
1 000 000 hours



Injury-free days
Number



HUMAN CAPITAL CONTINUED

THE HEALTH AND WELLNESS OF OUR PEOPLE

3 GOOD HEALTH AND WELL-BEING

We identify the main health issues that can affect our workforce and the communities in which we operate. We address them through constant monitoring and regular testing for the issues we have identified. When there is an issue we take remedial action to minimise the impact on our workforce and the communities in which we operate. It is through these efforts that we contribute to the achievement of SDG 3: *Ensure healthy lives and promote well-being for all at all ages.*

MENTAL HEALTH

1 466 mental health consultations were conducted during the year

The mental health assessments conducted during these consultations assessed patients for a wide range of mental illnesses

OUR MAIN WORK-RELATED HEALTH ISSUES

These are:

- noise-induced hearing loss (NIHL), which is the most prevalent occupational health issue in our operations. It is also one of the four non-fatal conditions listed among the leading causes of the global burden of disease
- the non-work-related health issues of HIV/Aids and TB

Accountability for health and wellness

Our Social and Ethics Committee, which is accountable to the RBPlat Board, receives quarterly reports on the occupational health and wellness of our workforce against agreed targets, which it reviews and reports on to the Board. It also monitors our compliance with the requirements of the Mine Health and Safety Act 29 of 1996 (MHSA) in terms of medical surveillance reporting, injuries and occupational diseases. (K) 1, 3, 8

Our Occupational Hygienist is responsible for our occupational health and hygiene policies, standards, monitoring and auditing, while line management is responsible for implementing occupational health and hygiene standards in the workplace.

Occupational health

We make every effort to protect our employees from NIHL. As a South African mining company we are committed to ensuring that no employee's standard threshold shift should exceed 25dBa from the baseline at 2 000, 3 000 and 4 000HZ in one or both ears. We have a hearing conservation programme in place which makes it compulsory for all employees working in areas where the noise level exceeds 85dBa to wear hearing protection. We are also changing from disposable hearing protection to personalised hearing protection. In 2018 we completed the roll out of personalised hearing protection in BRPM's North shaft. By the end of 2018 we had equipped 85% of the identified employees at BRPM's South shaft with personalised hearing protection. We will have completed the issuing of personalised hearing protection to all RBPlat's identified employees by the end of 2019.

The hearing capability baseline we established for our employees in 2016 measures a specific frequency of noise that people are exposed to at work. This is in accordance with the industry's 2014 to 2024 milestones requirement for noise. We now measure any shift in employees' hearing against this baseline.

KRI Our NIHL performance

	% change year-on-year	2018	2017	2016
Employees diagnosed with NIHL exceeding 10%	(30.0)	13	10	9
The number of employees submitted to Rand Mutual for compensation for hearing loss	(18.8)	13	16	19
The number of employees compensated for hearing loss	(50.0)	3	6	10

In 2018, there was a disappointing 30.0% increase of employees diagnosed with NIHL exceeding 10%. There was an 18.8% reduction in the number of employees submitted for compensation for hearing loss.

During 2018, Rand Mutual compensated three of the cases submitted for compensation for hearing loss.

Reducing the impact of fossil fuels on health

We use low sulphur diesel in the trackless machines used underground. It burns cleaner and reduces emissions. At Styldrift Mine, which is a mechanised mine employing a fleet of diesel-fuelled vehicles underground, we are trialling battery-driven loaders with a view to reduce noise, heat and exhaust gas emissions.

Providing health, wellness and emergency care services for our workforce

We provide occupation-related medical surveillance and emergency care for our workforce.

During 2018 our priority wellness issues were:

- non-communicable diseases
- mental health
- improved viral load suppression
- fewer antiretroviral treatment (ART) defaulters
- prophylaxis treatment with the antibiotic Isoniazid (INH) as a first line agent in the prevention and treatment of TB

These wellness issues will continue to be our priority wellness issues in 2019.

At RBPlat we recognise that good health and wellness contributes to good performance at work. Most of our employees and volume contractors are members of the Platinum Health Medical Aid, which attends to the wellness and non-work-related medical conditions of its members. Platinum Health also works with our Wellness Coordinator to provide our workplace with a wellness programme. This programme includes disease prevention, diagnosis, treatment management, rehabilitation, and Tuberculosis (TB) and HIV/Aids management. It is supported by our wellness peer educators, members of our workforce who have volunteered for this role, who play an important role in wellness communication.

RBPlat took part in the Minerals Council of South Africa's (MINCOSA) initiative to reinforce the industry's safety performance through a day dedicated to safety. RBPlat added voluntary health risk assessments in all our operational areas as part of the MINCOSA safety initiative in September 2018. Before year-end we also held voluntary health tests at all operational areas of RBPlat.

Mental health

During 2018 Platinum Health reported an increase in the number of patients suffering from mental health problems including depression and anxiety, which may possibly be brought on by the challenging socio-economic environment.

The mental health of our employees, who are faced with an increasingly stressful environment, is increasingly becoming a challenge. To assist, Platinum Health provides an employee assistance programme, which has a department specialising in assisting people with mental health challenges.

Non-communicable diseases

Non-communicable diseases such as obesity, hypertension, diabetes and high cholesterol levels are also on the increase among our employees. A major concern is the obesity rate, with approximately 66% of our workforce being classified as obese based on the BMI. During 2018 our wellness programme's health education covered the impact of alcohol and drug abuse, mental health, lifestyle diseases, such as obesity, and prostate cancer.

Family support

To support the families of the two employees who were fatally injured at BRPM in 2018 our wellness team visited the families regularly and assisted them to ensure their immediate needs were also addressed and all the necessary documentation was completed, so that they could receive the compensation due to them.

NON-COMMUNICABLE DISEASE STATISTICS OF EMPLOYEES WHO CHOSE TO BE TESTED:

- **12.8%** of our employees suffered from hypertension in 2018 (2017: 10.36%)
- **1.0%** of our employees were diagnosed with diabetes (2017: 0.2%)
- Our workplace wellness education programmes provide our workforce with information on the management and prevention of communicable and non-communicable diseases

HUMAN CAPITAL CONTINUED

- Women made up 17.1% of our enrolled employees and fixed term contractors in 2018 (2017: 15.9%). We actively recruit and develop women to work at mining in our workplace through our focused development programme for women
- Our TB incidence rate reduced by 17.5% year-on-year
- There was a 19.3% year-on-year reduction in the number of new cases of enrolled employees and contractors who tested positive for HIV (12 379 people agreed to be tested)

Contributing to achieving sustainability and our aspiration to deliver *More than mining*

through our commitment to the safety, health and wellness of our workforce; the protection of their human rights; eliminating discrimination from our workplace; providing equal opportunities and investing in their training and development.

In the lamp room at Styldrift Mine employees hang photographs of their loved ones on the wall they walk past on their way down the mine. The aim of the wall is to remind them to work safely for the sake of their loved ones.

An employee's hearing is tested as part of the annual medical examination.

Noise-induced hearing loss (NIHL) is the most prevalent occupational health issue in our operations.

RBPlat began providing our employees with custom-made hearing protection devices since 2017 and continued to do so in 2018.

230
enrolled employees attended AET training during 2018

193
community members attended AET training during 2018

HUMAN CAPITAL CONTINUED

Assisting with community healthcare

The Department of Health (DoH) is responsible for the public healthcare delivery system, however, we assist the DoH whenever they request our assistance. The Rustenburg Health Forum facilitates health projects in our neighbouring communities and the larger Rustenburg sub-district. The TB incidence rate in the community is a concern as it has not as yet been tracked. We hope to assist the DoH with a project to track TB in our neighbouring communities. The project would help the DoH address the disease more effectively by identifying TB hotspots.

See Social and Ethics Committee report on page 159

The right to health is a human right

57 employees and contractors were on TB treatment at year-end

RBPlat met and exceeded the December 2024 milestones to screen all our employees for TB between 2016 and 2018

Our efforts to reduce HIV/Aids and TB in our workforce

Globally, South Africa is among the top 30 countries with the highest TB and drug-resistant TB (DR-TB) burdens. Sub-Saharan Africa accounts for almost 80% of the disease burden of TB.

The MINCOSA Masoyise iTB initiative was conceived as a major TB screening campaign for the South African mining industry. We are on track to meet its December 2024 milestones, which is that the TB incidence rate should be at or below the national TB incidence rate and that 100% of our employees should be offered HIV/Aids counselling and treatment (HCT) annually, with all eligible employees linked to an ART programme. This is also in accordance with the National Strategic Plan (NSP) which is designed to reduce the illness and death associated with HIV, TB and sexually transmitted infections.

To reduce and prevent TB, RBPlat as a member of the mining industry committed to the achievement of the December 2024 milestones, which was to screen all our employees (enrolled and contractors) between 2016 and 2018. According to the World Health Organisation's (WHO's) Global Tuberculosis Report 2018 the estimated TB incidence rate in South Africa in 2017 was 567 per 100 000 (in 2016 their estimate was 438/100 000). The WHO's estimate will be reviewed after the results from South Africa's national TB prevalence survey become available in 2019. Our current incidence rate is 631/100 000, which is an encouraging reduction as our average labour increased and the number of cases decreased. Also encouraging is the decrease of 6.6% year-on-year of employee and contractors testing positive for TB (2018: 57 positive TB cases, 2017: 61 positive TB cases). The table that follows indicates we have already more than achieved our goal of screening all our employees.

We placed 657 people on INH prophylaxis in 2018 (2017: 455) with the aim of reducing the development of active TB in patients with latent TB.

TB statistics

	% change year-on-year	2018	2017	2016
Number of screenings conducted of enrolled employees and contractors	11.6	**55 083**	49 360	43 344
Employees and contractors who tested positive for TB	(6.6)	**57**	61	56
Employees and contractors on INH	44.4	**657**	455	–
TB incidence rate*	(17.5)	**631/ 100 000**	765/ 100 000	767/ 100 000
Number of employees and contractors who completed the TB treatment programme at the BRPM clinic	1.7	**60**	59	24

** Our TB incidence rate is calculated using the average monthly labour figure. In 2018 average labour increased and the number of cases decreased*

HIV/Aids statistics

We have aligned ourselves with the Department of Health's test and treat programme

	% change year-on-year	2018	2017	2016
Number of counselling sessions	10.5	12 753	11 545	10 072
Number of employees and contractors who agreed to be tested for HIV/Aids	13.3	12 379	10 924	9 319
New cases that tested positive for HIV	(19.3)	146	181	187
Employees who started ART this year*	(16.2)	202	241	147
Number of employees who stayed on ART	(0.8)	627	622	658
Number of ART defaulters this year*	83.3	66	36	38
Employees and contractors known to be HIV positive**	17.1	2 749	2 347	2 162
HIV prevalence rate	(0.4)	23.0	23.1	24.5

** These numbers include our workforce who are members of the Platinum Health Wellness Programme*
***Adding the new HIV-positive cases and adding them to those known to be HIV-positive at the end of the previous year will not necessarily equate to the same number of known HIV-positive at the end of the current year as there will always be labour movement during the year*

UPHOLDING AND PROTECTING THE RIGHTS OF OUR EMPLOYEES

We have identified SDG 8:

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all as an area of major focus for RBPlat, which addresses two of our key human capital performance areas. These are: availability of adequate and appropriate skills and labour stability.

The rights of our employees

We uphold the UN Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, which form part of our commitment to the UNGC.

The Social and Ethics Committee meets its responsibilities for ensuring RBPlat is a responsible corporate citizen by reviewing and reporting to the Board every quarter on RBPlat's application of our Board-approved employment policies that are designed to ensure that we provide a workplace based on:

- mutual respect
- fairness
- integrity
- non-discrimination
- equal opportunity at all levels
- open and two-way engagement with our employees and their families.

The committee also monitors our performance in terms of our employment equity commitments.

Implementation of our human resource strategy and policies is the responsibility of the human resource teams at our operations.

Workforce planning, which is the responsibility of our workforce planning team, plays a very important role in the achievement of our strategies. It ensures we have the skills we need in our workforce and that we maintain our workforce at a level that will allow us to achieve our production and operating cost targets.

Our policy and stakeholder engagement framework both commit RBPlat to consulting extensively with all parties including management, employees and the trade union.

See the relationship capital section on pages 122 to 127

Our progress with creating equal opportunities

We previously reported in accordance with the targets set in the Mining Charter II, which still included white women in the historically disadvantaged South African (HDSA) category. This year we are including both our performance in terms of Mining Charter II and our performance in terms of Mining Charter III, which no longer uses the HDSA breakdown.

HUMAN CAPITAL CONTINUED

Our performance in terms of Mining Charter III

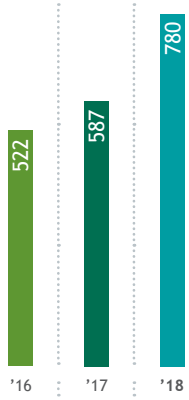
Skill level	2018 Black %	2018 White %	2018 Black women %	2017 Black %	2017 White %	2017 Black women %	2016 Black %	2016 White %	2016 Black women %	Mining Charter target Black %	Mining Charter target Black women %
Board level	54.6	45.5	36.4	40.0	60.0	30.0	45.5	54.5	27.3	50	20
Senior management	54.6	45.5	9.1	53.8	46.2	15.4	55.6	44.4	22.2	60	25
Middle management	50.2	49.8	14.2	46.7	53.3	10.7	48.7	51.3	10.1	60	25
Junior management	79.2	20.8	14.0	78.0	22.0	14.0	76.9	23.1	14.3	70	30
Core skills	98.6	1.4	15.1	98.6	1.4	13.5	99.0	1.0	11.3	60	–
Total	**92.3**	**7.7**	**14.8**	92.2	7.8	13.6	92.4	7.6	12.0		

Women in mining made up

17.1%

of our enrolled employees and fixed term contractors in 2018 (2017: 15.9%)

Women in mining (number)



Our performance in terms of Mining Charter II

Skill level	% change	Number of HDSAs 2018	2018 %	Number of HDSAs 2017	2017 %	Number of HDSAs 2016	2016 %	Final target of 2010 to 2014 Mining Charter %
Board level	20.0	6	54.6	5	50.0	6	54.5	40.0
Senior management	(25.0)	6	54.6	8	61.5	5	55.6	40.0
Middle management	29.3	119	56.4	92	54.4	108	57.1	40.0
Junior management	22.0	1 250	81.9	1 025	81.3	958	80.6	40.0
Core skills	12.9	4 619	98.7	4 091	98.7	4 105	99.1	40.0
Total	14.9	6 000	93.2	5 221	93.3	5 182	93.5	40.0

Recruiting and developing women

Mining can be a challenging environment for women. As a result, while we actively recruit and develop women to work in mining at our operations through our focused development programme, we recognise that it is going to be challenging to meet the targets set for women in mining in the new Mining Charter. We also work to eliminate inequalities and ensure our workforce is suitably rewarded.

Women working at Styldrift Mine

EMPLOYEE RELATIONS

WE UPHOLD THE RIGHTS OF OUR EMPLOYEES TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING.

In 2018, 89% of our enrolled employees were members of NUM (2017: 90%)

There were no strikes in our operations during 2018, nor have we had any strikes for the past six years.

In 2019 we need to negotiate a new wage agreement. Our current five-year wage agreement, was signed with the National Union of Mineworkers (NUM) on 1 July 2014, in accordance with our employee relations recognition agreement (ERRA).

During 2019 the closed shop agreement currently in place in our operation will need to be reviewed. Elections for the NUM leadership positions at RBPlat will also be held in 2019 and NUM will also be holding its regional elections.

The closed shop agreement has been in place in our operations since two-thirds of our employees voted in favour of it in 2016.

Employee benefits and remuneration

The benefits and remuneration we offer our employees are set out in the remuneration review on pages 150 and 151.

Information on our Employee Home Ownership Scheme in the Waterkloof Hills Estate, which we are developing as part of our SLP commitments is provided on page 117 of social and relationship capital section of this report.

Developing and retaining talent

The enhancement of our human capital through our holistic approach to the training and development of our workforce and the communities in which we operate allows us to deliver against our strategies.

The purpose of our Board-approved education and development strategy is twofold:

- equipping our employees with appropriate skills and providing them with opportunities to acquire competencies that will allow them to develop and progress
- providing young people from our communities with the opportunity to be the best they can be through our education support programme

See pages 115 to 117 of the social and relationship capital section of this report for information on this programme and what it has achieved

Our investment in training and development

Our training spend is made up of the money we spend on legal, mandatory and other training and our SLP human resources development. In 2018 it represented 7.3% of our payroll of which 36.2% was SLP training spend. During 2018 the BRPM training centre which maintained ISO 9001 certification in 2018, also retained its accreditation as a training provider from the National Mining Qualifications Authority (MQA). This ensures that anyone completing a training course in the training centre receives a nationally recognised certificate.

Legal and mandatory training

The development of the core mining skills of our employees is ongoing. We provided legal, mandatory and other training across all disciplines and functions during 2018.

WE PROVIDED:

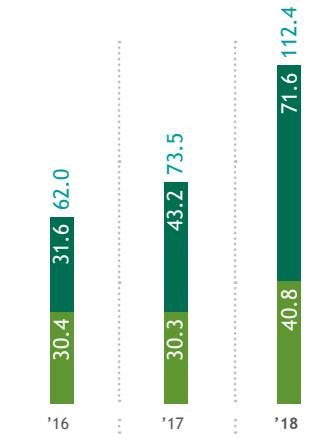
- 4 510 enrolled employees and 5 885 contractors with legal and mandatory training
- 405 employees and contractors with external training
- 108 enrolled employees with educational assistance for part time studies
- 71 community members with mining, engineering and processing skills training
- 11 students with internships
- 25 students from our communities with bursaries for their tertiary education
- 18 people participated in our graduate development programme
- 298 community members with the opportunity to participate in a portable skills programme

HUMAN CAPITAL CONTINUED

Key statistics for 2018

230 employees and 193 community members participated in AET training during 2018 (2017: 149 employees and 181 community members)

Total training spend, SLP human resource development and legal, mandatory and other training (R million)



RBPlat's training expenditure in 2018 was 7.3% of our payroll (2017: 6%)

The development of safety leadership skills remains a key focus of our training. Our aim is to improve our people's skills in the areas that we have identified as being barriers to keeping our people safe, which are leadership, design, systems and behaviour.

The back to basics interactive training we introduced in 2017 is improving the observation skills and inspection techniques of mine overseers, shift supervisors and miners. During 2017 we achieved a 50% improvement in observation skills during training and in 2018 there was a 53.2% improvement in observation skills during training.

The aim of our education support programme is to give young people from our doorstep communities the opportunity to acquire the maths and science skills they need to follow a tertiary education requiring these skills or to find employment in our operations in positions requiring a matric qualification with maths and possibly science. During the Styldrift Mine project, a number of community members who had matric maths were trained as load haul dump (LHD) operators. It was during our search for community members with matric maths to join this training programme that we realised there was a very concerning shortage of these skills. This prompted RBPlat to invest in developing the maths and science skills of the children attending Charora Secondary School, the secondary school serving the four doorstep communities of BRPM and Styldrift Mine.

See page 115 of the social and relationship section of this report for information on this programme

In 2018 we employed 64 community members as mining, engineering and trackless mobile machine (TMM) cadets and two employees were employed in engineering learnerships at our Styldrift Mine. The one learner is training as a diesel mechanic and the other is doing electrical training.

Through our investment in our SLP human resource development programme we provide community members with mining and processing skills training, offer students internships and bursaries for tertiary education, provide adult education and training and portable skills training. The aim of this investment is to increase the opportunity for community members to find employment.

Adult education and training (AET)

We offer part-time AET to our employees and doorstep community members.

- 230 employees participated in AET training during 2018 (2017: 149) and 30 completed their training during the year, 134 are still in training and 66 dropped out
- 193 community members participated in AET in 2018 (2017: 181) of which 50 completed their training during the year, 103 are still in training and 40 dropped out.

Performance management

Performance management plays a key role in the development of talent in RBPlat. The performance of our senior and middle managers and our mining teams at our operations is reviewed twice a year. These performance reviews include career development discussions. RBPlat's managers are measured against KPIs.

See page 156 of the remuneration review for details

Team performance in our operations is reviewed monthly. The main focus of these reviews is safety performance, productivity and costs and the findings of these reviews directly impact the team's monthly incentives.

Intellectual capital

Our materiality determination process identified that the following issues were material to our intellectual capital:

Material issues	Our response to the risks and opportunities associated with these material issues can be found on pages 49 and 50	Pages on which these issues are addressed in this report
Effective corporate governance		page 23
Ethical conduct		page 109
Impact of regulatory and legislative environment		page 26
Alignment of information management strategy with business requirements		page 109

Our intellectual capital performance

KPIs	2018	2017	Performance reference
Manage BRPM unit costs	●	●	page 79
Styldrift capital spend in terms of the CPI	●	●	page 81

Legend:
- ● In line with risk tolerance
- ● Within risk tolerance range
- ● Risk tolerance exceeded

The data provided in intellectual capital that represents our performance in terms of a key risk indicator (KRI) is represented by this icon (KRI), which will be coloured (KRI) if we are in line with our risk tolerance, (KRI) if our performance is within the risk tolerance range and (KRI) should we have exceeded our risk appetite.

INTELLECTUAL CAPITAL CONTINUED

Digital technology integrated into key processes at Styldrift Mine to enhance productivity and operational efficiencies

Our intellectual capital is a key driver of our sustainable growth. It includes our organisational knowledge, culture, governance and leadership structures and our all-important relationships. It also includes our policies and processes, approach to remuneration, risk and sustainability management. Our systems and technology support and facilitate integrated thinking in RBPlat, our ability to deliver on our business strategy and our stakeholder relationships.

Digitisation and automation are key enablers of improved productivity and enhanced decision-making and competitiveness in the mining sector, however, achieving digital effectiveness is also considered to be one of the key challenges facing the mining and metals sector.

During 2018 we updated our information and communications technology (ICT) strategy to ensure it is aligned with business requirements and is designed to enhance decision-making, increase our competitiveness and ensure we can provide both physical security for RBPlat's investment in IT and cyber security for its data.

The digitisation of our safety, health, environment and risk electronic management system is playing an important part in our ability to, for example:

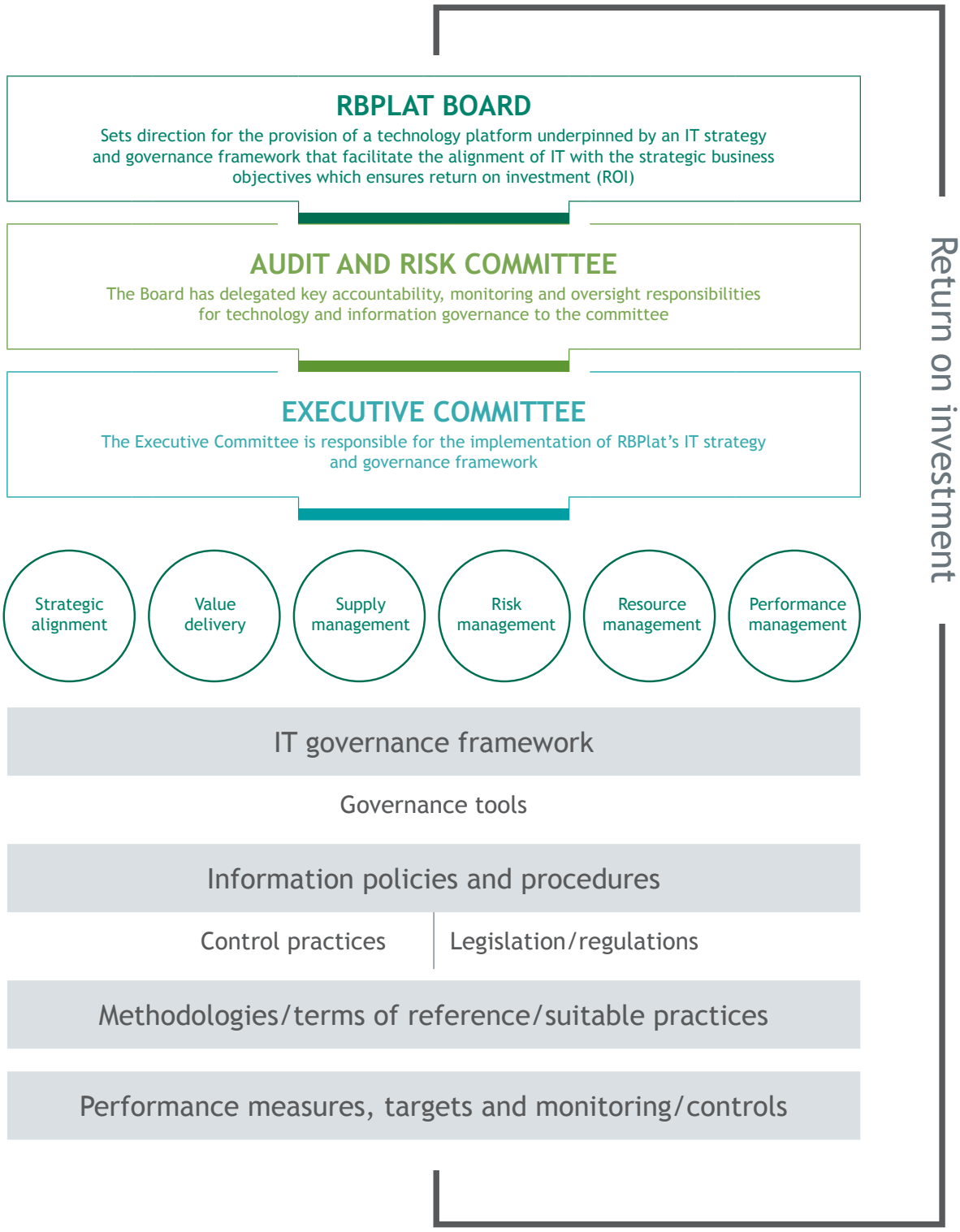
- collect and analyse safety incident data, use this data to take action to prevent accidents and monitor compliance with actions required
- provide dashboards and reports in the workplace (both on surface and underground) that facilitate compliance with government and internal standards and procedures
- report and manage workplace inspections on both desktop and mobile devices
- screen, record and manage medical data related to TB management on both desktop and mobile devices

While our ability to implement certain elements of our strategy and reduce our IT costs has been constrained by the availability of external fibre optic communication we expect this constraint to fall away during 2019 when our operations gain access to fibre. We discuss in the section that follows what the use of fibre throughout the Styldrift Mine has allowed us to achieve so far and our future plans to achieve a continual improvement in efficiencies, productivity and costs.

During 2018 we:

- strengthened our IT management capabilities by realigning our management structures and succession planning to support our business strategy
- strengthened our IT governance and compliance with new Board-approved business continuity, IT security and IT change management policies and procedures
- achieved our business process digitisation targets for 2018 (see the graphic that follows).

Cameras used together with collision avoidance technology


RBPLAT BOARD
Sets direction for the provision of a technology platform underpinned by an IT strategy and governance framework that facilitate the alignment of IT with the strategic business objectives which ensures return on investment (ROI)
AUDIT AND RISK COMMITTEE
The Board has delegated key accountability, monitoring and oversight responsibilities for technology and information governance to the committee
EXECUTIVE COMMITTEE
The Executive Committee is responsible for the implementation of RBPlat's IT strategy and governance framework
Strategic alignment
Value delivery
Supply management
Risk management
Resource management
Performance management
IT governance framework
Governance tools
Information policies and procedures
Control practices
Legislation/regulations
Methodologies/terms of reference/suitable practices
Performance measures, targets and monitoring/controls
Return on investment

INTELLECTUAL CAPITAL CONTINUED

USING TECHNOLOGY TO DRIVE PRODUCTIVITY, EFFICIENCIES AND REDUCE COSTS IN OUR OPERATIONS

The construction of our new mechanised mine at Styldrift has provided us with the opportunity to integrate automation, digital technology and smart data solutions into our key operational processes. A crucial step in the overall integration process will be the introduction and embedding of data analytics into our various enterprise planning, human capital, finance, engineering and supply chain functions, in order to optimise the decision-making and actions of all our employees.

This integrated approach will allow us to improve management efficiency through responsive and agile data-driven decisions and realise sustainable improvements in safety, productivity, overall operating efficiencies and ultimately achieve operational excellence.

We have adopted a phased roll-out approach to this process. A key component is the phased roll out of a dedicated fibre backbone throughout the mine, which when completed, will provide the platform for the acquisition, transfer and analysis of data.

The table below sets out the technology already in use in the mine and what we plan to roll out in the future.

Current technologies

Underground and surface vehicle/personnel detection systems	• Collision avoidance system (CAS) • Personnel detection system (PDS) • Infra-red cameras for low-light environments
Fire detection and suppression	• Conveyors • Trackless fleet • Shaft intake and return airways
Personalised intelligent key management for control of vehicle access and operation (TRAKA)	
Personalised lamproom asset tracking (cap-lamps, rescue packs and gas monitoring devices)	
Fixed plant management — supervisory, control and data acquisition system (SCADA)	• Surface ventilation fans • Surface and underground water management • Shaft ore handling (conveyors, silos, loading bins) • Fire detection and suppression • Local and remote view of strategic surface and underground assets — real time
Trackless fleet management	• On-board recording of operating telemetry — retrieved weekly • Mobile fleet on-board cameras
Operator skills screening and training	• Dover operator testing and screening
Planning, scheduling — construction and production management	• CADS mine design and scheduling software • In-house developed production planning tool • DayCall production booking and reporting system • Microstation 3D modelling • Project scheduling and earned value (EV) management software
Communications	• Various mobile messaging services • Internet protocol telephone communications • Two-way radio communications (surface and underground)

The merging of these technologies will continue to produce new opportunities that we, with our evolving digital backbone, are well placed to leverage.

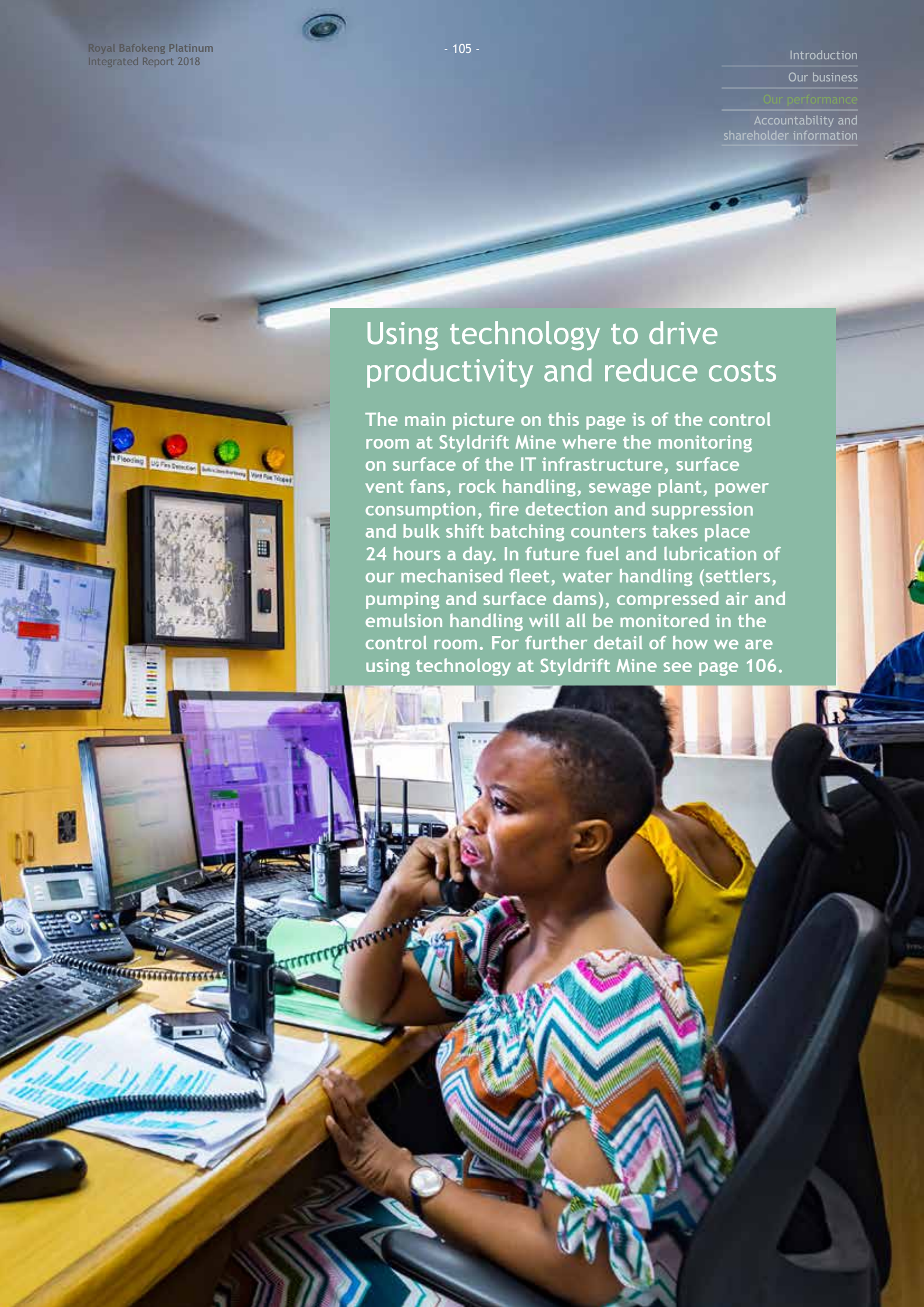
Future technologies

Expanded underground fibre backbone and Wi-Fi network to enable:	• expanding SCADA network into production sections • live asset tracking (personnel and machines) • live fleet operating telemetry and traffic management • live ventilation monitoring per production section
Introduction of a more advanced planning and scheduling platform which will allow:	• integration with the existing enterprise systems (SAP) • performance-based scenario planning
Reduce impact of fossil fuel on health	• battery and fuel cell technology — loaders and dump trucks
Automation and remote monitoring of additional processes once underground internet access available including:	• winders • dispatch control
Introduction of simulators for trackless operator training and skill improvement	
Installation of gas monitoring devices on all drill rigs for “at the hole” monitoring	
Vehicle 3D ground condition monitoring system	

INTELLECTUAL CAPITAL CONTINUED

Our high-speed underground fibre network allows mine management to observe operations in real time from their offices and take immediate rectifying action when required by communicating digitally with the underground team, saving time and costs.

Our digitally-operated access control system also monitors that employees have the right equipment which is functional when they start work, issues vehicle operators with the key for their vehicle and checks that all equipment is returned at the end of a shift.



Using technology to drive productivity and reduce costs

The main picture on this page is of the control room at Styldrift Mine where the monitoring on surface of the IT infrastructure, surface vent fans, rock handling, sewage plant, power consumption, fire detection and suppression and bulk shift batching counters takes place 24 hours a day. In future fuel and lubrication of our mechanised fleet, water handling (settlers, pumping and surface dams), compressed air and emulsion handling will all be monitored in the control room. For further detail of how we are using technology at Styldrift Mine see page 106.

INTELLECTUAL CAPITAL CONTINUED

USING OUR MINING KNOW-HOW TO PROBLEM SOLVE

How we addressed the challenge of Silo 4 at Styldrift Mine

The completion of Silo 4 at Styldrift Mine was key to ramping up the mine to 150ktpm by the end of 2018 and to achieving steady state of 230ktpm by the third quarter of 2020.

Our initial efforts to establish the silo were hampered by ground conditions that were so bad that it became unsafe to work within 20 metres of the excavation, halting work on this essential piece of infrastructure. We needed to find a way of rehabilitating the site without allowing people anywhere near the unsafe area. We researched our options, contacting other mines to find out how they had handled similar situations. It was disheartening to learn how many efforts had failed and the successful solutions had been very lengthy to implement and therefore expensive. Time was not on our side. We required a cost-effective, time-efficient and safe solution.

Two main challenges had to be overcome, rehabilitate the excavation below the silo and then the silo itself. To secure the bottom of the silo we constructed a steel structure (arch set) in a safe, remote area, which was then lifted in place using a remotely operated overhead crane. Once the steel structure was in place, concrete could be poured around the structure to secure the unsafe sidewall and create a three metre protective cover to ensure our people would be safe working under the structure.

Now we needed to also start rehabilitating the silo from the top, but we had to find a way of doing so without introducing people to the site. The plan was to one-by-one remotely release steel rings, 5.8m in diameter and one metre deep, into the 64m deep silo around which we could then pour concrete to stabilise the structure. This approach did not go well; we struggled to seal the rings and it took us two months to complete the first 10m of 64m. We changed our approach and created 5.8m x 5m deep drums sealed top and bottom and lowered them down the hole drum by drum, pouring concrete around each drum. Using this method, and still working remotely, we completed the remaining 54m in six weeks.

We had gone as far as we could go working remotely. Having poured all the concrete, the silo and bottom excavation was now stable and safe to work in. The remaining task was to remove the steel rings used to seal the drums. We called on the RBPlat members of Mine Rescue Services to complete this task. They had to work their way down the 64 metres to remove all the previously installed steel, hanging from ropes. Once they had done their work we could complete and commission Silo 4.

The first notable engineering achievement was that the rehabilitation could be done fully remotely and without exposing any employee to the unsafe ground conditions.

The other main benefit of the procedure was the ability to work simultaneously inside the silo and at the bottom, which saved months of construction time.

The team at Styldrift Mine was pleased to be able to report that the entire exercise was injury free.

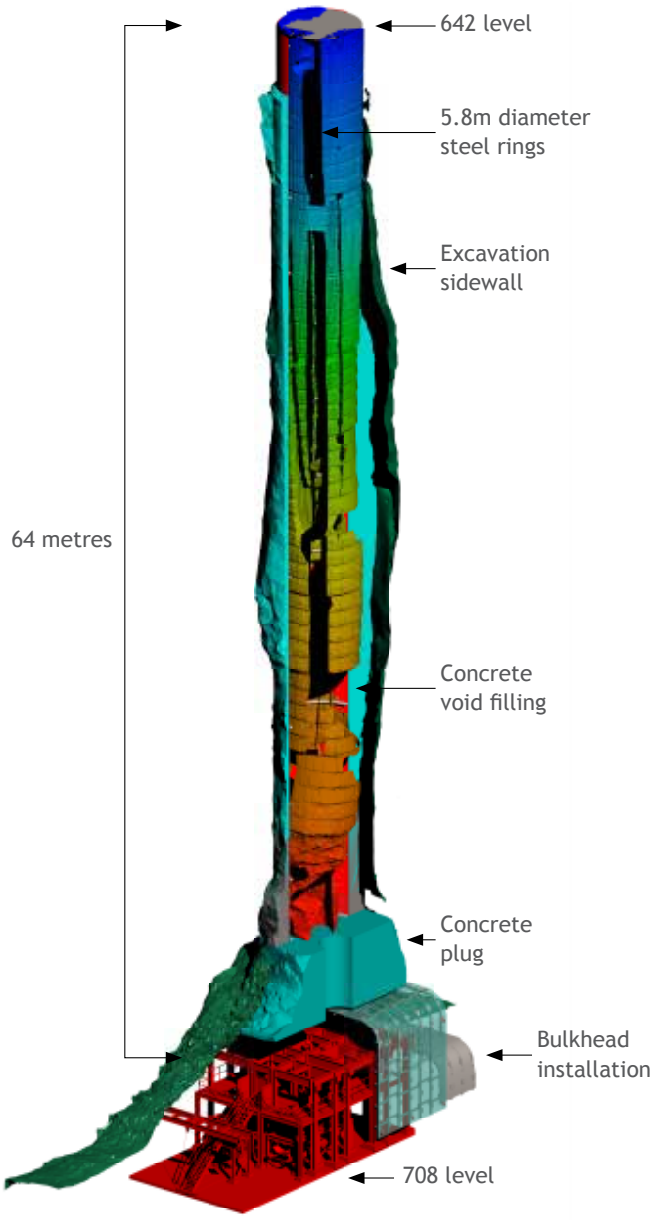
SILO 4 REHABILITATION FACTS AND FIGURES

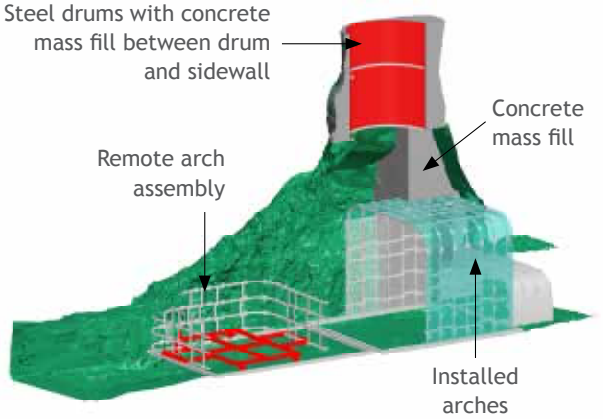
- All the rehabilitation work on Silo 4 was undertaken remotely without introducing any people to the site
- The procedure we used allowed us to work simultaneously inside the silo and at its base, which saved months of construction time
- Time taken to complete the rehabilitation: 10 months
- No one was injured during the rehabilitation of Silo 4

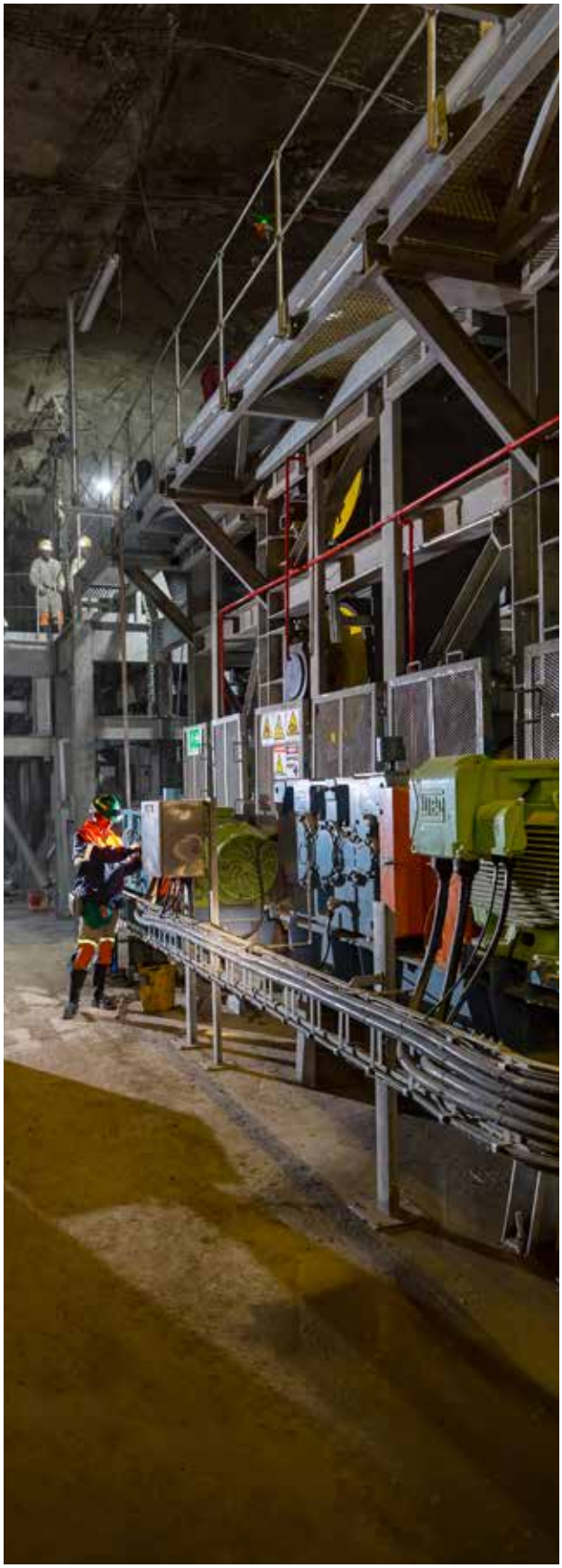
Materials used:

- 105 tonnes of steel to construct the arch set used to protect the team working under the structure
- a further 32 tonnes of steel in the 28 steel rings 5.8m in diameter and 5 metres deep remotely released into the 64m deep silo around which concrete was poured to stabilise the structure
- 310m^3 of concrete poured around the arch set to secure the unsafe sidewall and create a three-metre protective cover
- 1 560m^3 tonnes of concrete used to stabilise the silo structure

Silo 4 rehabilitation methodology







642 level north dip conveyor at top of Silo 4 infrastructure

INTELLECTUAL CAPITAL CONTINUED

RETOOLING OUR SUPPLY CHAIN TO DRIVE OPERATIONAL EFFECTIVENESS AND EFFICIENCY

At RBPlat we recognise that our ability to effectively manage our supply chain is integral to reducing unit costs and creating value for our stakeholders. As part of our ongoing drive to reduce costs and increase efficiencies we initiated a process to realign our supply chain with the changes in our business, following the ramp-up of Styldrift to an operating mine, and ensure it is fit for purpose. Key drivers of this process were:

- the enhancing of supply chain governance and ethics
- ensuring that our supply chain is equipped to provide excellent customer service to our operations while achieving cost saving targets
- responsible use of our supply chain to meet our SLP discretionary procurement targets
- supporting the development of businesses in our doorstep communities.

Service delivery on time, in the right quantities, in the right place and at the right time

Moving from a focus on supporting project delivery to a fit-for-purpose cost effective and efficient supply chain meeting the requirements of two mines and two concentrators

Underpinned by

Governance of our supply chain

Provided through Board-approved procurement policies and procedures and our code of ethics, and fraud and corruption prevention policy and procedures (see section on ethics, fraud and corruption on page 109)

Supply chain competence

- Fit-for-purpose technology facilitating effectiveness and efficiency
- Using data analytics to achieve efficiencies and to protect our supply chain from fraud and corruption

Enterprise and supplier development

- Supporting the development of doorstep companies with the aim of building sustainable businesses in sustainable communities
- Responsible use of our supply chain to meet our SLP discretionary procurement targets and achieve *More than mining*

Analyse and map	• Map process and align • Conduct demand analysis for local procurement opportunities • Assess the doorstep SME profile and capacity of local businesses
Design and develop	• Design and develop adequate local procurement strategies • Develop fit-for-purpose enterprise and supplier development interventions for doorstep SMEs • Design a procurement and ESD implementation plan
Deliver	• Implement the procurement and ESD implementation plan – Optimise accessibility and quality of procurement opportunities – Implement supplier capacity and capability of doorstep SMEs
Monitor	• Monitor progress and impact

Corporate governance

APPLYING CORPORATE GOVERNANCE PRINCIPLES TO CREATE SUSTAINABLE VALUE

In the *our leadership review* section of this report (on page 11) we have addressed RBPlat's application of the corporate governance principles that are intended to achieve effective control and legitimacy. In the section that follows, we assess how we have applied our intellectual capital to corporate governance principles in order to:

- address the challenging task of governing ethics in a manner that supports the establishment of an ethical culture
- ensure RBPlat is a responsible corporate citizen and is seen to be one
- create sustainable value for our stakeholders

The legend below is a guide to the progress we have made in achieving these outcomes:

Legend: Achieved Partially achieved Not achieved

Governing ethics in RBPlat in a manner that supports the establishment of an ethical culture

Like the rest of South Africa, RBPlat is exposed to challenges with regard to ethics, fraud and corruption. Addressing this threat to the integrity of our business remains a key focus. Both the Audit and Risk and Social and Ethics committees, which in turn report into the Board, receive quarterly reports on ethics management and fraud prevention in RBPlat.

In 2017 we conducted an ethics survey and committed to plans to improve the ethical culture in RBPlat. These included increasing awareness of our code of ethics and our commitment to an ethical culture. We communicated with our employees throughout 2018 explaining the importance of complying with our code of ethics and our fraud and corruption policy and procedures. This communication included awareness workshops; booklets were provided to senior and junior employees, who were also asked to sign a pledge committing to our code of ethics; and ethics training has been included in our annual induction process.

To reduce the risk of fraud within our recruitment process our application of RBPlat's code of ethics and our fraud and corruption policy starts with pre-employment screening to verify that the information submitted to us by applicants is correct. We also require our employees to:

- complete an annual declaration of interest; should an employee's circumstances change during the year they are required to complete a declaration covering this change
- disclose annually any employment outside RBPlat
- declare any family relationships with RBPlat employees.

Employees are made aware of their responsibilities in regard to an annual declaration of their interests through direct communication and awareness campaigns and access to an online declaration form simplifies the process. We maintain a database of employees' declarations of interests and are currently running a pilot project using data analytics to identify any areas of potential employee/supplier fraud risk by assessing RBPlat's data together with a credit data analyst's big data universe.

Throughout the year we communicate with our employees explaining the importance of complying with our code of ethics and our fraud and corruption policy prevention and procedures.

During the year under review a fraud risk assessment was conducted and a fraud risk register established. Through this process we identified the main fraud and corruption risks in RBPlat, which will be monitored and reported on quarterly.

Protecting our supply chain

The steps we have and are taking to address ethics, fraud and corruption are included in the infographic of our supply chain on page 108.

In 2018 we employed a product that takes us beyond vendor registration to tracking the movement of funds, checking the financial stability of suppliers, their status with SARS, etc.

In 2019 we will introduce additional vetting of all our suppliers and service providers and will maintain a list of all blacklisted trading partners and suppliers found to have acted unethically/fraudulently in their dealings with RBPlat.

INTELLECTUAL CAPITAL CONTINUED

Ensuring RBPlat is a responsible corporate citizen and is seen to be one

Meeting the obligations and responsibilities we have towards society and the natural environment on which society depends can be challenging. As we have indicated in our vision *To seek and deliver the good from mining*, our mission *To leave a lasting legacy of sustainable benefits for our stakeholders*, and our purpose *To create economic value for all our stakeholders*, we are determined that RBPlat is a responsible corporate citizen. A key component of meeting our responsibilities is our approach to **sustainable development**, which is discussed under our application of King IV Principle 4. It also includes meeting our responsibility to **comply with all laws and regulations that apply** to RBPlat and our support and application of non-binding codes, standards and plans we choose to apply. K13

See our application of King IV Principle 13 on page 26

To meet our responsibilities to **our employees** we apply the United Nations Global Compact's (UNGC's) principles and are adopting the UN Voluntary Principles on Security and Human rights in our workplace.

See the human capital section of this report on pages 84 to 98 for details

Contributing to the sustainable development of the communities in which we operate and ensuring that our activities do not impact their health and well-being is a major responsibility for RBPlat as a corporate citizen. How we have addressed our responsibility to these communities is addressed in the social and relationship capital section of this report on pages 113 to 121 and pages 122 to 127.

We are also responsible for creating sustainable long-term value for our shareholders who include the Royal Bafokeng Nation (RBN) community, which is a major shareholder in our business.

See social and relationship capital pages 126 and 127

Addressing our responsibilities in terms of the PoPI Act

The purpose of the Protection of Personal Information (PoPI) Act is to ensure that all South African institutions conduct themselves in a responsible manner when collecting, processing, storing and sharing personal information by holding them accountable should they abuse or compromise personal information in any way. To ensure all our affected employees understand their responsibilities with regard to the Act, RBPlat conducted a readiness audit. An improvement plan was developed to address the gaps identified by the audit and was implemented during the year under review. In addition, a company procedure manual covering what is required of these employees, to ensure that both they and RBPlat comply with the Act, was prepared and circulated to these employees.

Appreciating that our core purpose, our risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of our value creation process

RBPlat's main strategic objective is to achieve *More than mining* by creating sustainable value for all our stakeholders. It is our responsibility to not only deliver a good financial performance, but also to make a positive contribution to society and create lasting benefits for our stakeholders by being responsible, transparent and respectful of the rights of all.

Sustainable development is integrated with, and aligned to, our strategy and is an integral part of the way we do business. Our sustainability strategy is influenced by the same elements that influence our business strategy: stakeholders, governance and ethics, risk management, the Company's financial position and our people. The diagram that follows illustrates the role our sustainability strategy plays in our use and growth of our capitals, as well as the role it plays in protecting our stock of capitals and ensuring the sustainability of our business.

We recognise that our activities and outputs can have both positive and negative impacts on the triple context economy, society and the environment in which we operate and the capitals we employ in our business to create value for our stakeholders by achieving a good performance.

See our business model on pages 28 and 29 for information in this regard

CORPORATE STRATEGY

Towards operational excellence | Build flexibility | Grow organically | Pursue value-enhancing opportunities

OUR VALUES CODE OF ETHICS

OUR SUSTAINABILITY STRATEGY

Stakeholders	Allows for meaningful stakeholder engagement	page 126
Governance and ethics	Strengthen our ability to achieve sustainability through good governance, compliance with legislation, JSE Listings Requirements and the application of King IV	page 22
Risk management	Our ERM framework assists the Board and management with achieving sustainability in our business	page 44
Financial position	Strengthens our financial position through a focus on the issues that will make our business sustainable	page 52
People	Provides our people with the tools to reduce our impact on the environment in which we operate, keep our people safe, build resilience in our communities and manage our business in a sustainable manner	page 84

GOVERNANCE OF SUSTAINABILITY

Board provides strategic leadership and oversight.

Social and Ethics Committee mandated by the Board to provide oversight of:
- sustainability governance
- risk management
- meaningful stakeholder engagement

Our Audit and Risk Committee is also mandated by the Board to provide oversight of:
- sustainability governance and risk management
- obtaining assurance on the financial statements, internal controls and sustainability information included in RBPlat's reporting

Duties of our Exco:
- reports to the Social and Ethics Committee
- reviews current policies and strategies to align with sustainability principles
- establishes and implements stakeholder engagement and sustainability processes
- communicates and advocates sustainability principles
- integrates material issues into Company strategy

Executive: Risk, Assurance and Sustainability is responsible for developing a culture of compliance and driving, prioritising and monitoring sustainability at executive level.

Head: Corporate Sustainability has a sustainability advocacy role both within RBPlat and externally; prioritises and monitors sustainability issues; and ensures the implementation of the sustainability framework.

MANAGEMENT APPROACH

Group sustainability framework and policies — driving a culture of compliance, prioritising and monitoring of sustainability performance	⟷	**Material issues** Internal and external materiality assessment process to identify material issues
Operational policies, standards and procedures Operational management responsible for the integration of sustainability principles into daily operational activities and implementation of sustainability framework	⟷	Operational activities focus on addressing and progressing material issues
Management reporting, risk management and assurance to monitor compliance	⟷	Material issues are the focus of our sustainability strategy and reporting

INTELLECTUAL CAPITAL CONTINUED

The Board governs risks in a way that supports the organisation in setting and achieving its strategic objectives

K11 THE CONTRIBUTION RISK GOVERNANCE MAKES TO OUR ABILITY TO CREATE VALUE

Our Board by:

- setting the direction for how we approach and address risk
- ensuring we have the appropriate ERM framework, people, processes and technology in place to evaluate and manage the uncertainties we face in protecting and creating stakeholder value

has taken responsibility for the governance of risk in RBPlat.

It has ultimate responsibility not only for risk management but also for developing our risk appetite and setting and monitoring our risk tolerances.

See managing our risks and opportunities for sustainable value creation on page 46 of this report for details of how our risk governance structures and processes support our strategy development and the achievement of our strategic objectives.

RISK GOVERNANCE USING THREE LINES OF DEFENCE

First line of defence

Chief Executive Officer, Exco, mine managers and heads of departments – accountable for ensuring RBPlat has and maintains an effective, efficient and transparent risk management process.

Second line of defence

Executive: Risk, Assurance and Sustainability, Head: Risk and Compliance, Head: Sustainability, Company Secretary, Risk and Governance Committee, corporate and mine risk forums, functional area and mine risk champions, are responsible for developing a culture of risk management and facilitating control effectiveness throughout the Company.

Third line of defence

Internal audit over which the Board and Audit and Risk Committee have an oversight role to determine appropriate risk and assurance processes. RBPlat's Board is accountable for effective governance and is accountable for the total risk management process and forming an idea of its effectiveness. The internal audit unit, as well as our external auditors (PwC), complete the last level of defence.

RISK MANAGEMENT REVIEW AND REPORTING STRUCTURE

Internal stakeholders

Board

- Audit and Risk Committee
- Social and Ethics Committee

Responsibility:

- Strategic/corporate risk profile
- Setting of risk appetite and tolerances
- Linkage to business strategy and performance

Executive Committee

- Functional and operational executives
- Executive: Risk, Assurance and Sustainability

Responsibility:

Corporate risk profile

- Setting of risk tolerance and monitoring of performance against risk appetite

Mine business review forum

- Mine managers
- Mine heads of departments

Responsibility:

- Mine and functional-specific risk profiles
- Monitoring of KPI risk tolerance performance and implement interventions

EXTERNAL STAKEHOLDERS

Shareholders
Regulators
Other stakeholders including communities, industry bodies, etc

Social and relationship capital

Our materiality determination process identified that the following issues were material to our social and relationship capital:

Material issues	Our response to the risks and opportunities associated with these material issues can be found on pages 49 and 50	Pages on which these issues are addressed in this report
Expectations and concerns of the communities in which we operate		page 124
Meeting SLP commitments		page 117
Stakeholder engagement		pages 125 to 127

Our social and relationship capital performance

KPIs	2018	2017	Performance reference
Continually improve stakeholder relationships	●	●	pages 122 to 127

Legend:
- ● In line with risk tolerance
- ● Within risk tolerance range
- ● Risk tolerance exceeded

The data provided in social and relationship capital that represents our performance in terms of a key risk indicator (KRI) is represented by this icon (KRI), which will be coloured (KRI) if we are in line with our risk tolerance, (KRI) if our performance is within the risk tolerance range and (KRI) should we have exceeded our risk appetite.

This section of our report looks at our approach to creating value for the communities in which we operate through creating employment delivering on our SLP, enterprise and supplier development, our discretionary procurement from previously disadvantaged South Africans and local previously disadvantaged South Africans. It also includes information on our efforts to engage with and respond to our stakeholders and create employment opportunities for community members.

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

We incorporate the UNGC's principles into our policies and procedures and in terms of social and relationship capital. Our aspiration to deliver *More than mining* includes our support of internationally proclaimed human rights, ensuring we are not complicit in human rights abuses (Principles 1 and 2); eliminating all forms of forced and compulsory labour; and the abolition of child labour (Principles 4 and 5).

MEETING OUR SLP COMMITMENTS

Over 1 000 families have been given the opportunity to become home owners and build wealth through our Employee Home Ownership Scheme

721 x 80m²
homes have been built

435 x 140m²
homes have been built

Approximately **315** children are living in the estate

Children returning to the estate from school

To achieve real change for our communities we need to build sustainable value, which is the most challenging part of local economic development.

We have four doorstep communities: the four villages that are doorstep communities to BRPM and Styldrift Mine, which are the Mafenya, Chaneng, Robega and Rasimone villages.

In recent years both the South African mining industry and the communities in which it operates have experienced challenging times. Platinum mines and their communities have been particularly hard hit. Falling metal prices (the platinum price has fallen from around US$1 600 an ounce in 2010 to US$791 in 2018); strike action; rising costs, particularly in the older deeper mines leading to mine closures and consequent job losses, have all taken their toll. The amount mines have been able to invest in their SLPs have been reduced as revenue and profits declined.

Mining Charter II and the SLPs associated with this Charter came to an end in 2014. Between 2010 and 2014 the BRPM Joint Venture had invested over R400 million in the SLPs for BRPM and Styldrift Mine. In 2015 unfavourable PGM market conditions made it necessary for us to take some tough decisions to protect the sustainability of the business and we had to reduce our SLP investment, which we did in consultation with our communities. Since then, despite there being no Mining Charter or SLP in place, in line with our aspiration to achieve *More than mining* we have continued to invest in SLP training and development, education support, basic infrastructure and health support.

The communities in which we operate raised a number of grievances with our operations, which included frustrations regarding being unable to find employment and feeling that they were not benefiting sufficiently from procurement opportunities at our operations. We have taken up their concerns and our CEO and his executive team have engaged with communities and continue to do so. These engagements and their outcomes are discussed on pages 122 to 127 of the relationship capital section of this report.

11 SUSTAINABLE CITIES AND COMMUNITIES

We have identified SDG 11: *Make cities and human settlement inclusive, safe, resilient and sustainable* as an area to which RBPlat indirectly contributes. Through our SLP community economic development, we address some of the expectations and concerns of the communities in which we operate and meet our SLP commitments.

KRI DELIVERING ON OUR SLP COMMITMENTS: OUR EMPLOYEE HOME OWNERSHIP SCHEME

The first phase of our Employee Home Ownership Scheme in Waterkloof Hills Estate, a suburb of Rustenburg, which consisted of 422 homes of 80m² each was completed in late 2014. The second phase, consisting of 734 homes, is now also complete, bringing the number of homes in the estate to 1 156. The houses in the second phase include 140m² and 80m² homes.

Over 1 000 families are now living in the estate. This means there are enough children (315) to fill a school and we are currently investigating various options.

SOCIAL CAPITAL

Some first-time home owners have struggled to meet their bond payments, which is a very distressing situation. Upon investigation we discovered that employees have additional financial commitments in the informal lending sector, as well as with extended families. Also, the affordability test included overtime income, which negatively affects employees in months when little or no overtime is worked. Also, by providing the Credit Bureau with information on our employees' indebtedness in terms of their home loan we help to ensure they are protected from becoming over-indebted.

COMMUNITY ECONOMIC DEVELOPMENT

During 2018 we upgraded a community road, built a further 25 houses for the community using construction companies from our doorstep communities. We have also piloted small-scale crop production to assist our doorstep communities.

4 QUALITY EDUCATION

We have identified SDG 4: *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all* as an area to which RBPlat can directly contribute. Through our SLP community economic development, we address some of the expectations and concerns of the communities in which we operate and meet our SLP commitments.

KRI

SLP EXPENDITURE

EDUCATION SUPPORT

Our education support programme, implemented in partnership with the Royal Bafokeng Institute (RBI) in our doorstep communities addresses:

- maths and science learning, which is its main focus
- school governance
- school management skills at all levels including school governing bodies
- infrastructure
- safety and security.

The programme engages with learners, teachers, school management teams and school governing bodies, with the aim of increasing the number of secondary school learners studying maths and science and improving their results. Our programme is part of a much wider education effort, which is one of the targets of the human welfare pillar of the RBN's Plan 35 national development goals.

This year we supported the Thuto Thebe Education Trust, which focuses on the development of educators and provided a Grade R classroom at Mafenya Primary School.

Maths and science progress at Charora Secondary School where we have invested in maths and science teaching

The aim of our education support programme is to give the children of our doorstep communities the opportunity to enjoy full and productive employment that maths and science skills will give them.

EDUCATION SUPPORT

In 2012 before our education support project at Charora Secondary School started:

Maths

- **22** learners wrote maths for matric
- **Two** achieved a 50% and above pass
- No distinctions were achieved

Science

- **20** learners wrote science for matric
- **12** achieved a 50% and above pass

Five years later in 2017:

- **28%** of the matric maths learners achieved a 50% and above pass
- **17%** of the matric science learners achieved a 50% and above pass
- **Three** maths distinctions

Six years later in 2018:

- **46%** of the matric maths learners achieved a 50% and above pass
- **26%** of the matric science learners achieved a 50% and above pass

Maths performance at Charora Secondary School since the start of our investment in a skilled and experienced maths teacher

	2012 baseline before project started	2013	2014	2015	2016	2017	2018
Number of learners writing maths for matric	22	22	25	46	51	75	41
Number of learners passing maths at 50% and above	2	6	3	12	18	21	19

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

Students now studying at university

- Seven Charora learners went to university in 2015
- 10 Charora learners went to university in 2016
- Eight Charora learners went to university in 2017
- We awarded seven learners from our doorstep community scholarships to Kitsong an independent high school
- 38.9% increase in education support

Science performance at Charora Secondary School since the start of our investment in a skilled and experienced science teacher

	2012 baseline before project started	2013	2014	2015	2016	2017	2018
Number of learners writing science for matric	20	22	22	34	44	69	38
Number of learners passing science at 50% and above	12	8	2	6	16	12	10

Challenges that have prevented a greater improvement in matric maths results

While the introduction of two skilled and experienced maths teachers at Charora Secondary School has certainly resulted in an improvement in the matric maths pass rate, a poor maths foundation in primary school together with the limited maths curriculum in lower grades and the lack of competent maths and science teachers in the lower grades of the secondary school, are hindering further improvement. There is a high teacher attrition rate at the school and as a result we are losing teachers who have benefited from our skills transfer programme. Also, the Department of Education's Progression Policy that results in learners who have failed maths, but achieved an overall average pass percentage, moving to the next grade, frequently result in these learners continuing to fail.

Because our main focus was on improving maths results, our programme provided for two maths teachers and one science teacher. As a result, we have not been able to achieve the same level of improvement in the science results at the school.

Supporting an overall improvement in performance

We are of the view that the project is indirectly contributing to learners' improvement in other subjects. In 2017 eight learners obtained 11 distinctions in matric, with one learner, Kgothe Kamogelo, who is now studying engineering, obtaining a distinction in both maths and science. Four of these learners are studying for degrees in education, one is studying geology and another is studying accounting.

Encouraging maths learning in primary school

To encourage primary school learners to learn maths, we sponsor a maths Olympiad for primary school learners. Four primary schools participated. In 2016 to 2017 there were 160 participants and 180 learners took part in 2018.

To extend RBPlat's commitment to supporting maths and science education by recognising excellent performance at primary school level in 2018 we awarded seven learners from our doorstep communities with scholarships to Kitsong, an independent school established by the Royal Bafokeng Institute (RBI) in 2019.

In order to qualify to be considered for these scholarships, learners needed to be residents of the Mafenya, Chaneng, Robega or Rasimone villages and have obtained an average of at least 75% in maths, natural science and English at the end of 2018. The learners also needed to have a record of consistently excellent performance.

The scholarship includes registration, a tablet, tuition, uniforms, equipment, textbooks, stationery and transport.

The committee that selected the seven learners included four teachers from each school and two school governing body members.

Kitsong is an independent school established as part of the RBI's affordable school programme, which is intended to provide learners with quality high school tuition specialising in science and technology subjects.

Education infrastructure

During 2018 RBPlat also built a Grade R classroom at Mafenya Primary School.

Teacher and school governing body development

Over the past four years 42 teacher development sessions have been held in the primary schools in our doorstep communities of Rasimone, Chaneng, Mafenya and Robega. Eighteen teacher development sessions were held at Charora Secondary School during the same period.

Over the same period, 51 governing body training sessions have been held at the primary schools, while 21 similar sessions were held at Charora Secondary School.

KRI COMMUNITY SKILLS DEVELOPMENT

In total, 298 community members (195 females and 103 males) benefited from the nine-month portable skills programme funded by the Mining Qualifications Authority (MQA), which provided both classroom training and workplace practical exposure. Those who completed the programme were trained and certificated in bricklaying, electrical, plumbing, welding, carpentry and tiling.

3 GOOD HEALTH AND WELL-BEING We have identified SDG 3: *Ensure healthy lives and promote well-being for all at all ages* as an area of major focus for RBPlat. Our efforts to assist with community healthcare include assisting the DoH when requested to do so.

HEALTH SUPPORT

Our assistance included constructing a forensic pathology facility in Phokeng in 2014 and paying the salaries of additional nurses in the Chaneng Clinic. RBPlat invested R22.8 million in health support as part of its 2010 to 2014 SLP. RBPlat has taken over the maintenance of the forensic pathology facility in Phokeng. We also upgraded the facilities at the Chaneng Clinic to alleviate overcrowding.

KRI SLP expenditure for both BRPM and Styldrift Mine

Category	% change year-on-year	2018 R (million)	2017 R (million)	2016 R (million)
Health support	550.0	1.3	0.2	0.4
Poverty alleviation and job creation	(37.5)	0.5	0.8	1.7
Education support	38.9	5.0	3.6	2.7
Community skills development	(12.5)	2.1	2.4	0.1
Housing and living conditions	33.3	0.4	0.3	251.1*
Enterprise development	35.3	2.3	1.7	–
Community infrastructure	100	9.5	–	0.1
Discretionary funds	40.0	1.4	1.0	0.7
Subtotal	121.8	22.4	10.1	256.7
SLP training and development	34.7	40.8	30.3	30.4
Total	56.0	63.2	40.5	287.1*

** This figure includes a once-off payment connected with our Employee Home Ownership Scheme, which formed part of our commitments in terms of Mining Charter II*

8 DECENT WORK AND ECONOMIC GROWTH This investment contributes to the achievement of SDG 8: *Decent work and economic growth*, which RBPlat has prioritised as one of the four SDGs that are our main focus.

298 community members completed portable skills training

56.0% increase in SLP expenditure year-on-year

We employed **651** members of our local and doorstep communities in 2018:

- **454** members from doorstep communities
- **197** from local communities less than 20km from our operations

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

SOCIAL CAPITAL CONTINUED

Portable skills training

In 2018 we spent:

86.7% of our discretionary procurement with HDSA companies (2017: 87.0%)

48.0% of our HDSA discretionary procurement was with local HDSA companies (2017: 39.5%)

63.3% increase year-on-year in our total discretionary procurement from local HDSA companies

CONTRIBUTING TO COMMUNITY SUSTAINABILITY THROUGH OUR SUPPORT OF LOCAL BUSINESS

ENTERPRISE AND SUPPLIER DEVELOPMENT

During our CEO's engagement with doorstep companies we identified that in order to grow and become sustainable they need support in the form of access to business development skills and funding assistance. RBPlat has engaged two consulting companies who specialise in business development and funding assistance to provide this support and help our doorstep companies access business opportunities at our operations. These consultants will be based at RBPlat's business hub, which is conveniently located at the entrance to BRPM, together with representatives from Royal Bafokeng Enterprise Development (RBED) and Innoven Consulting, the company that facilitates our vendor registration process.

We have also established business forums with agreed terms of reference with the aim of supporting our doorstep companies and ensuring they have preferential access to procurement opportunities at our operations. These forums meet every fortnight. To support the acceleration of the development of our doorstep companies, we have also adopted and are implementing a strategy of setting aside certain procurement opportunities for businesses from these communities.

PREFERENTIAL PROCUREMENT

During 2018 we not only substantially exceeded the Mining Charter II targets for HDSA discretionary procurement, we also exceeded the targets we had set ourselves. In 2018 we were able to increase our procurement of capital goods from local HDSA companies by 65.2% to R99.8 million and our procurement of consumables and services by 95.8% and 60.5% respectively. In 2019 we will be reviewing our procurement processes and making every effort to meet the preferential procurement targets included in Mining Charter III.

Local HDSA companies worked on our Employee Home Ownership Scheme, completed belt extensions and a variety of civil works.

Increase year-on-year in our discretionary procurement from local and doorstep communities

	% change year-on-year	2018 discretionary procurement from local HDSA companies R (million)	2017 discretionary procurement from local HDSA companies R (million)
Capital	65.2	**99.8**	60.4
Consumables	95.8	**126.7**	64.7
Services	60.5	**1 283.3**	799.5
Total spend	63.3	**1 509.8**	924.6

Total HDSA discretionary procurement against targets*

Categories	DMR targets % (Mining Charter II)	RBPlat targets %	2018 total discretionary procurement spend R (million)	2018 HDSA procurement spend R (million)	2018 % of discretionary procurement spend with HDSA companies	2017 % of discretionary procurement spend with HDSA companies
Capital	40	60	1 035.7	**857.5**	**82.8**	78.5
Consumables	50	70	856.8	**717.3**	**83.7**	84.8
Services	70	80	1 738.8	**1 571.8**	**90.4**	92.0
Total spend			**3 631.3**	**3 146.6**	**86.7**	87.0

** We continued to apply the requirements of Mining Charter II in 2018, which is to report in terms of HDSA procurement, as Mining Charter III was only released in the last quarter of the year*

Local and doorstep HDSA procurement against targets*

Categories	RBPlat targets %	2018 discretionary procurement from local HDSA companies R (million)	2018 % of total HDSA discretionary procurement spend with local HDSA companies	2018 doorstep HDSA procurement spend R (million)	2018 % of local discretionary procurement spend with doorstep HDSA companies	2017 % of total HDSA discretionary procurement spend with local HDSA companies
Capital		99.8		**15.1**		
Consumables	40**	126.7		**3.3**		
Services		1 283.3		**79.7**		
Total spend		1 509.8	**48.0**	**98.1**	**6.5**	39.5

** We have defined local as being within a 50km radius of our operations. The local procurement recorded in these tables is from the BRPM and Styldrift Mine doorstep villages of Mafenya, Chaneng, Robega and Rasimone*
*** These targets apply to all three categories*

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

USING OUR EDUCATION SUPPORT PROGRAMME AND JOB CREATION TO BUILD COMMUNITY SUSTAINABILITY

Education support, portable skills and job creation contribute to the ability of community members to obtain value-creating employment

EDUCATION SUPPORT

- Our education support programme has helped about 290 learners achieve 50% and above matric passes in maths and science that has given them access to a tertiary education

PORTABLE SKILLS PROGRAMME

- 315 young people from our doorstep communities were offered training and 298 completed electrical, welding, plumbing and carpentry training

JOB CREATION

- 58% of the enrolled employees we engaged this year are from local and doorstep communities

Contributing to community sustainability through our investment in our social and labour plan (SLP)

ENTERPRISE AND SUPPLIER DEVELOPMENT

The picture in the background is of the business hub at BRPM. To support businesses from our doorstep communities and help them access business opportunities at our operations we will be providing doorstep businesses with access to consulting companies specialising in business and funding assistance at the business hub.

EMPLOYEE HOME OWNERSHIP

Over 1 000 families are living in the homes they have purchased in our Employee Home Ownership Scheme, which we committed to developing as part of our SLP.

COMMUNITY HOMES

As part of our SLP community economic development programme we build homes for community members whose existing homes have fallen into disrepair and become unsafe. In 2018 we built 25 of these homes for community members.

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

RELATIONSHIP CAPITAL

The nature of our relationships

We identified internal and external stakeholders as

Those with which we consult:
- The investment community
- Our doorstep communities
- Our employees and contractors
- Union
- Our suppliers and specialist service providers

Those that are involved in our business:
- Government and regulators

Those with which we collaborate:
- Industry bodies
- Media

Delivering on our values

Promises delivered *We do what we say we will do* is an important element of our engagement and response to our stakeholders

Our materiality determination process identified the following issues as material to our social and relationship capital:

Material issues	Our response to the risks and opportunities associated with these material issues can be found on pages 49 and 50	Pages on which these issues are addressed in this report
Expectations and concerns of the communities in which we operate		page 123
Stakeholder engagement		page 126

Our relationship capital performance

KPIs	2018	2017	Performance reference
Continually improve stakeholder relationships	●	●	pages 122 to 127

Legend: ● Meets risk appetite ● Within tolerance levels ● Risk appetite breached

Our CEO Steve Phiri engages with Board members during a visit to Styldrift Mine

OUR ENGAGEMENT WITH THOSE WITH WHOM WE ARE INVOLVED AND WITH WHOM WE COLLABORATE

(K)16 We have identified stakeholder engagement as a material issue for RBPlat since the inception of the business in 2010. The Board's approach to integrated reporting is aimed at providing balanced reporting that addresses the needs, interests and expectations of our material stakeholders.

The Board also identified stakeholder relations in terms of its role regarding investors as being a material corporate governance issue. RBPlat addressed this issue by engaging with the **investment community**, both locally and internationally, during 2018 to keep them informed regarding RBPlat and the platinum industry and to obtain feedback from the community. The importance with which RBPlat views its relations with the investment community is reflected in its appointment of an Executive: Investor Relations to its Executive Committee.

During 2018 our CEO and the members of our executive team engaged with **the communities in which we operate** on matters of concern that the communities had raised.

Our involvement with **national government departments** frequently involves providing reports or documents in compliance with legislation and regulations; our application for water use licences and compliance with our environmental management programmes. The department we communicate with most frequently is the Department of Mineral Resources (DMR). Its inspectors regularly visit our operations to check that we are complying with the Mine Health and Safety Act. They have the power to close down our operations if they believe they are unsafe by imposing a section 54 stoppage. Our communication and reporting regarding the Mining Charter and SLPs is also with the DMR.

See page 77 of manufactured capital for the impact of section 54 stoppages on our production in 2018

We engage with **provincial government** whenever we need them to assess and approve our environmental impact assessments. We engage more regularly with the Rustenburg municipality on their provision of utilities and infrastructure for our Employee Home Ownership Scheme, which is in the Rustenburg municipality and we also work with the municipality to support its IDP.

Our involvement with our **industry bodies** is through attending and participating in meetings and events, and receiving information from them.

ENGAGING WITH THOSE WITH WHOM WE CONSULT

Our engagement with the stakeholders with whom we consult is usually more frequent and it often takes place within formal structures, as well as on an ad hoc informal basis.

(K)5 The investment community

We engage with the investment community at set times during the year when we release our results quarterly, half-yearly, year-end, at our Annual General Meeting and special shareholder meetings that may be called during the year. We also regularly make presentations to them at conferences. We also engage one-on-one, face-to-face, or electronically with them at results time or at any other time they wish to engage with us or when we believe we need to engage with them and keep them informed of activities at RBPlat. We also conducted research with the investment community in 2018 to get honest feedback on how they viewed RBPlat. The respondents rated RBPlat highly in terms of quality of management, its assets, its prudent approach and transparency. They also said our responsiveness is to be commended. They did, however, say that they would like us to provide more distribution between our BRPM and Styldrift operations, which we are doing in this report.

We engage with the investment community to keep them informed regarding RBPlat and our industry

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

RELATIONSHIP CAPITAL CONTINUED

Two of our material issues involve our communities: Stakeholder engagement and their expectations and concerns

Our CEO met with community business people to gain an understanding of their challenges and how RBPlat can assist them

58% of the enrolled employees we engaged in 2018 were members of our local and doorstep communities

OUR DOORSTEP COMMUNITIES

Two of our material issues apply to our doorstep communities: stakeholder engagement and the expectations and concerns of the communities in which we operate. We have been blessed with stable relationships with our communities in recent years, however, for a range of reasons including the desperate situation facing many members of the community who are without employment, unhappy community members who had lost their jobs at RBPlat as a result of bad behaviour and various political agendas/ influences at play in the community; distrust had arisen between RBPlat and some members of the communities. Community members who want to become entrepreneurs also felt RBPlat was not supporting their efforts by procuring from them and others who sought employment in our operations believed they were not being treated fairly.

In January 2018 some community members, acting in solidarity with 38 dismissed employees, were protesting their dismissal at BRPM's North shaft. The mine's protection services acted to protect RBPlat's employees and mine property. The confrontation between the protesting group and mine security resulted in the unfortunate death of a community member.

Following this incident, we reviewed our security policy, procedures and standards and drafted a new security strategy with the aim of enhancing the management of our protection services. In addition, RBPlat decided to apply the UN Voluntary Principles on Security and Human Rights.

Our executive management team, led by our Chief Executive Officer, engaged with our doorstep communities in a series of meetings to discuss SLP and other community-related issues. These discussions led to a review of our socio-economic development and enterprise development initiatives and the inclusion of additional initiatives, some of which have already been implemented.

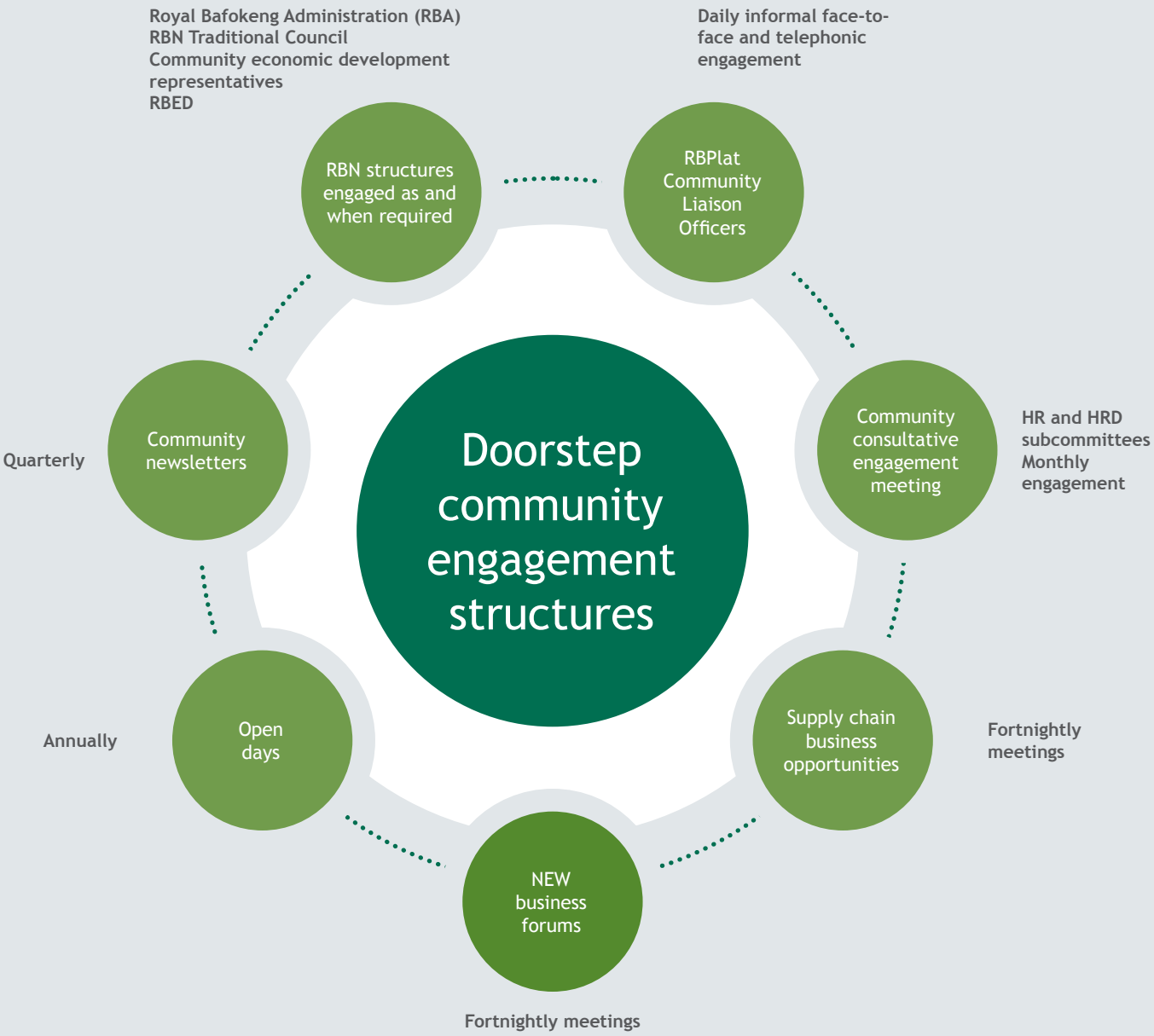
We have also added business forums to the structures, events and media through which we have previously engaged with our doorstep communities.

The community consultative engagement meetings provide the communities with an opportunity to raise any areas of concern, including environmental, employment, skills development and preferential procurement and get answers.

During 2019 we will be conducting research in the communities to get feedback on the health of our relationships with the community, the effectiveness of our engagement and whether there are other steps we need to take to ensure the health of our relationship with our communities.

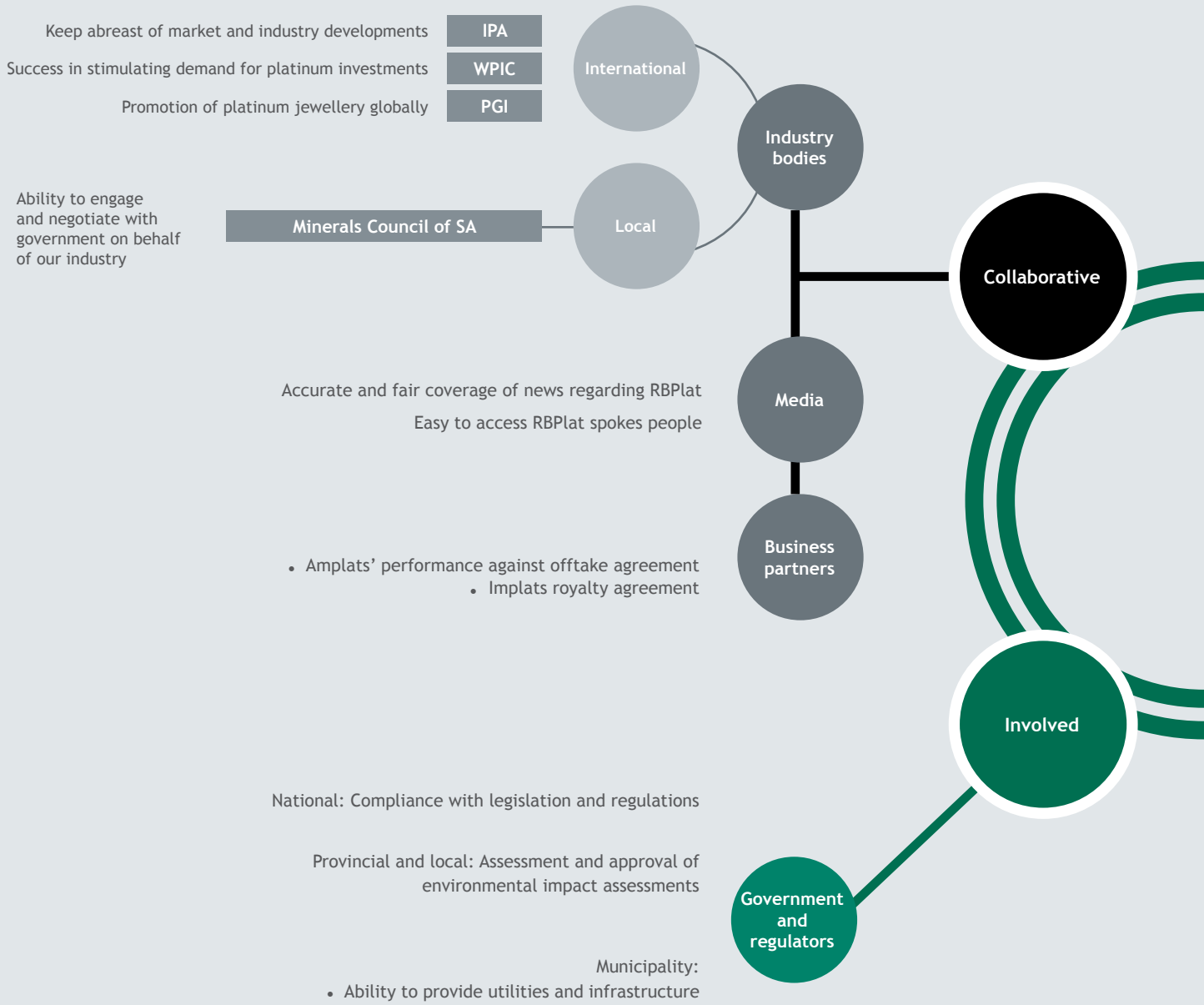
OUR EMPLOYEES AND THE UNION

Our engagement with our employees takes many forms, including engaging with the union which engages with us on behalf of our employees with regard to wage agreements, workplace conditions, safety, etc. Employees have daily team briefings during which safety is a key topic, our CEO regularly addresses employees both face-to-face and through electronic communication as does the Head of Operations. We also have an intranet, a radio programme and a regular newsletter that is distributed to our employees.

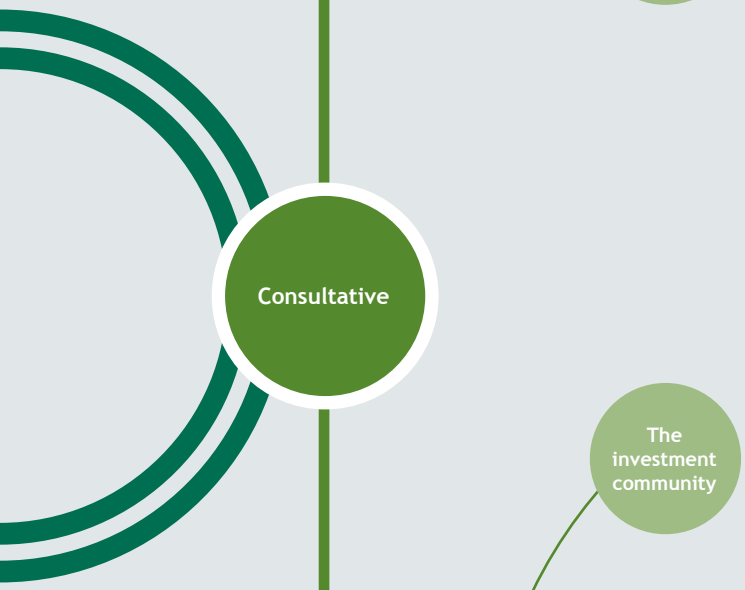

Doorstep community engagement structures
RBN structures engaged as and when required
Royal Bafokeng Administration (RBA)
RBN Traditional Council
Community economic development representatives
RBED
RBPlat Community Liaison Officers
Daily informal face-to-face and telephonic engagement
Community consultative engagement meeting
HR and HRD subcommittees
Monthly engagement
Supply chain business opportunities
Fortnightly meetings
NEW business forums
Fortnightly meetings
Open days
Annually
Community newsletters
Quarterly

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

RELATIONSHIP CAPITAL CONTINUED



The nature of our relationships



Internal

The union

- Implementation of existing wage agreement and negotiation of new wage agreement
- Employee health and wellness
- Company performance
- Closed shop agreement and its review in 2019
- NUM elections both local and regional

Employees and contractors

- Safe workplace
- Remuneration
- Team and Company performance
- Job security
- Adherence to code of ethics and fraud and corruption policy
- Affordability of homes in the RBPlat Employee Home Ownership Scheme

External

The investment community

- Lower for longer platinum pricing environment
- Ability to meet production targets
- Concern around declining production profile at BRPM South shaft
- Concern around RBPlat's ability to ramp-up to full capacity of 230ktpm at Styldrift Mine by 2020
- Funding requirements and ability to raise capital
- Impact of costs on profitability, and ability to reduce operating costs at Styldrift mechanised mine
- RBPlat's ESG performance
- Ability to use technology and innovation to improve productivity and cost management

Our doorstep communities

- Expectations around employment opportunities in the mining industry
- Procurement opportunities
- Reduction in funding of community projects
- Business opportunities and perception that they are not awarded fairly
- Breakdown in engagement
- Negative perceptions regarding the ethics of RBPlat's employees
- Need to ensure transparent communication that will reduce misperceptions and improve relationships
- Concerns around RBPlat's impact on the environment
- Misperceptions regarding the requirements for ownership of a home in the RBPlat Employee Home Ownership Scheme
- Some members of the communities have trust issues with the union at BRPM
- Lack of trust resulting in belief that community members are not treated fairly
- RBN permission for use of land under its administration required
- RBED assist community members with procurement opportunities, promote RBN businesses

Our suppliers and specialist service providers

- Contract terms and pricing
- Continuity of work/demand for supplies
- Preferential procurement
- Adherence to RBPlat code of ethics and fraud and corruption policy

Natural capital

Our materiality determination process identified the following issue as material to our natural capital:

Material issue	Our response to the risks and opportunities associated with this material issue can be found on pages 49 and 50	Pages on which these issues are addressed in this report
Environmental and climate change		page 136

Our natural capital performance

KRIs	2018	2017	Performance reference
Water usage – BRPM processing (kl/tonne milled)	●	●	page 144
Energy usage – BRPM processing (kWh/tonne milled)	●	●	page 139
Water usage – BRPM Mine (kl/tonne hoisted)	●	●	page 144
Energy usage – BRPM Mine (kWh/tonne hoisted)	●	●	page 139
GHG emissions carbon intensity (tCO2e/000 tonnes)	●	●	page 138

Legend:
- ● In line with risk tolerance
- ● Within risk tolerance range
- ● Risk tolerance exceeded

The data provided in natural capital that represents our performance in terms of a key risk indicator (KRI) is represented by this icon (KRI), which will be coloured (KRI) if we are in line with our risk tolerance, (KRI) if our performance is within the risk tolerance range and (KRI) should we have exceeded our risk appetite.

A SUMMARY OF OUR MINERAL RESOURCES AND RESERVES STATEMENT

Our business is based on the mineral resources and reserves for which we have legal tenure. The resources and reserves together form the mineral asset, or natural capital, that our business requires to operate. It is therefore essential that we evaluate and mine our mineral asset responsibly, transparently and efficiently, with the objective of creating value. It is our duty to provide all stakeholders with accurate up-to-date information on the status of our mineral asset at year-end.

This section of the integrated report provides a summary of the status of our mineral asset as at 31 December 2018. The RBPlat Mineral Resources and Reserves Statement 2018, providing supplementary comprehensive information on our mineral asset is available on our website at *http://www.bafokengplatinum.co.za/our-mineral-reserves-and-resources.php*.

We report on our mineral asset in accordance with the guidelines and principles of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC 2016). It is our intention to provide information on our mineral resources and reserves that is material to our stakeholders. Compliance with the SAMREC Code, which provides a minimum standard for public reporting, ensures that stakeholders and interested parties can use the information provided to make an informed and balanced judgement regarding RBPlat's mineral resources or mineral reserves. The mining rights are held through its wholly owned subsidiary Royal Bafokeng Resources Proprietary Limited (RBR).

The RBPlat mining operations are situated on the Western Limb of the Bushveld Igneous Complex, immediately south of the Pilanesberg Complex. Rocks of the lower, critical and main zones of the Rustenburg Layered Suite (RLS) underlie our operations, apart from a very small portion of the northern boundary area where the igneous rocks of the Pilanesberg Complex occur. RBPlat, operating from the Bafokeng Rasimone Platinum Mine (BRPM), Styldrift Mine and now the recently acquired Maseve Mine (under care and maintenance), is exploiting the two primary economically and favourable platinum group metal (PGM) enriched stratigraphic horizons of the Western Bushveld Complex, namely the Merensky reef and the UG2 reef. Both reef horizons contain concentrations of base metal sulphides and PGMs, of which the Merensky reef historically has been the most important platinum producing layer in the Western Bushveld Complex. The PGMs consist of platinum (Pt), palladium (Pd), iridium (Ir), rhodium (Rh), osmium (Os) and ruthenium (Ru). Copper (Cu), nickel (Ni) and gold (Au) are also extracted.

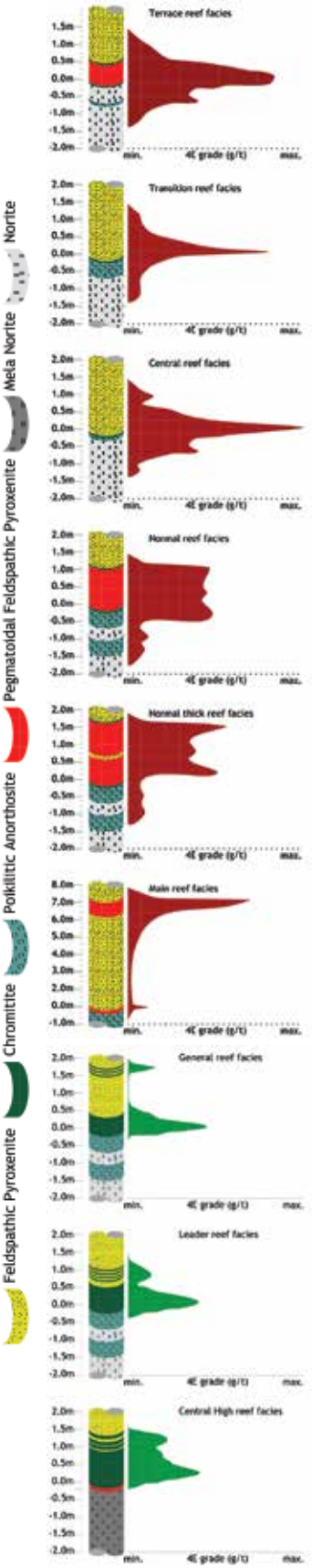
During 2018 RBPlat concluded two major acquisitions that would affect the reporting of mineral resources and reserves for the Company. In April 2018 all conditions precedent were met for the takeover of Maseve Mine, and in December 2018 the acquisition of the remaining 33% interest held by Anglo American Platinum in the BRPM Joint Venture through its wholly owned subsidiary Rustenburg Platinum Limited (RPM) were concluded. It should be noted that RBPlat and RPM applied in terms of section 11 of the MPRDA, for consent to transfer the RPM 33% interest, held in the BRPM and Styldrift mining rights. The application is still pending. However, all mineral resources and reserves published will represent 100% attributable interest to RBPlat.

RBPlat is the holder of the Maseve mining right, following our acquisition of Maseve in 2018.

The mining rights are still valid for between 20 and 24 years and RBPlat has the exclusive right to renew these mining rights through its wholly owned subsidiary, RBR.

Provision for access to land is either through direct ownership of the land or by means of lease agreements concluded with the Royal Bafokeng Nation (RBN).

Merensky and UG2 reef grade (4E) distribution per facies type

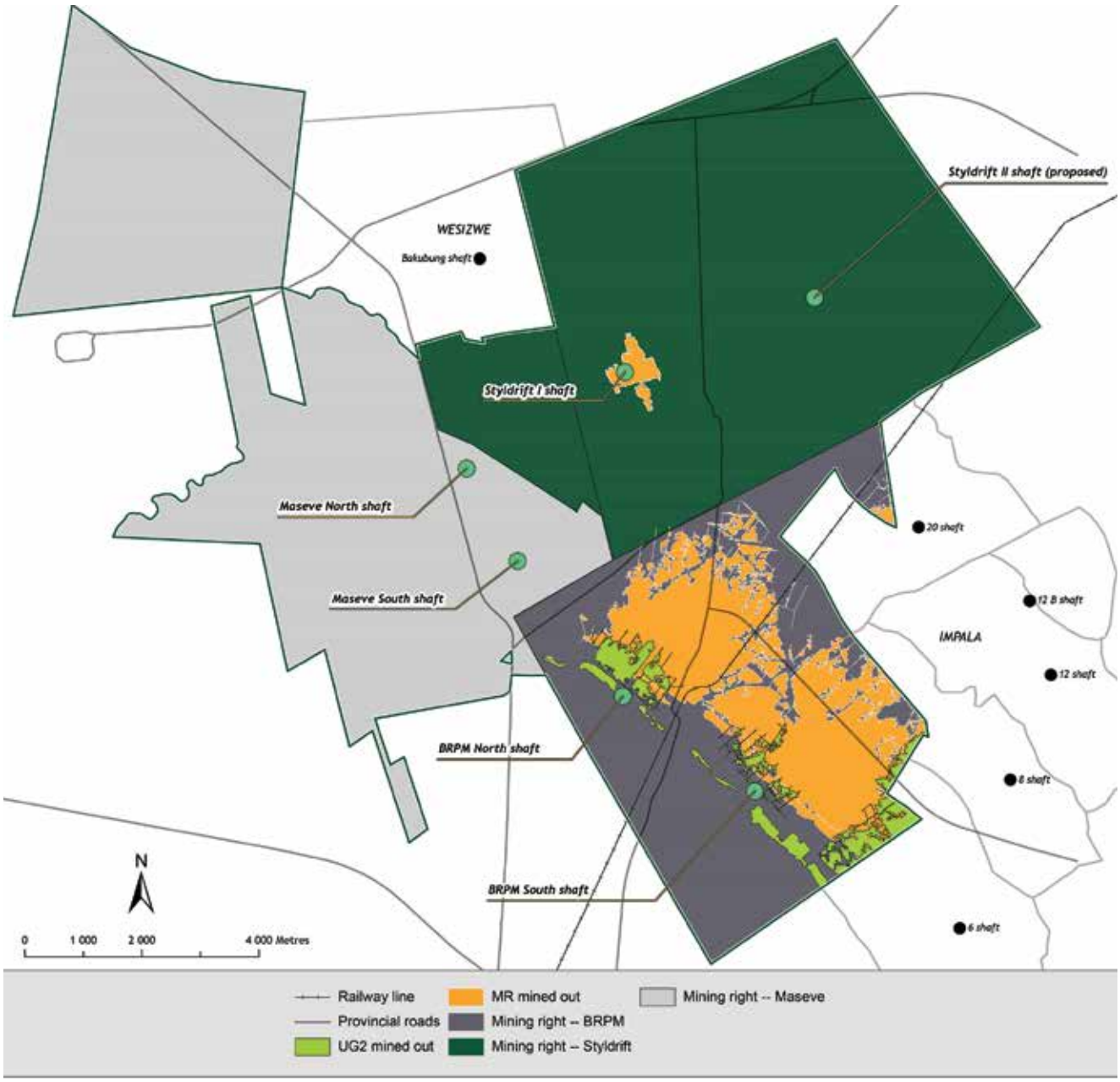


NATURAL CAPITAL CONTINUED

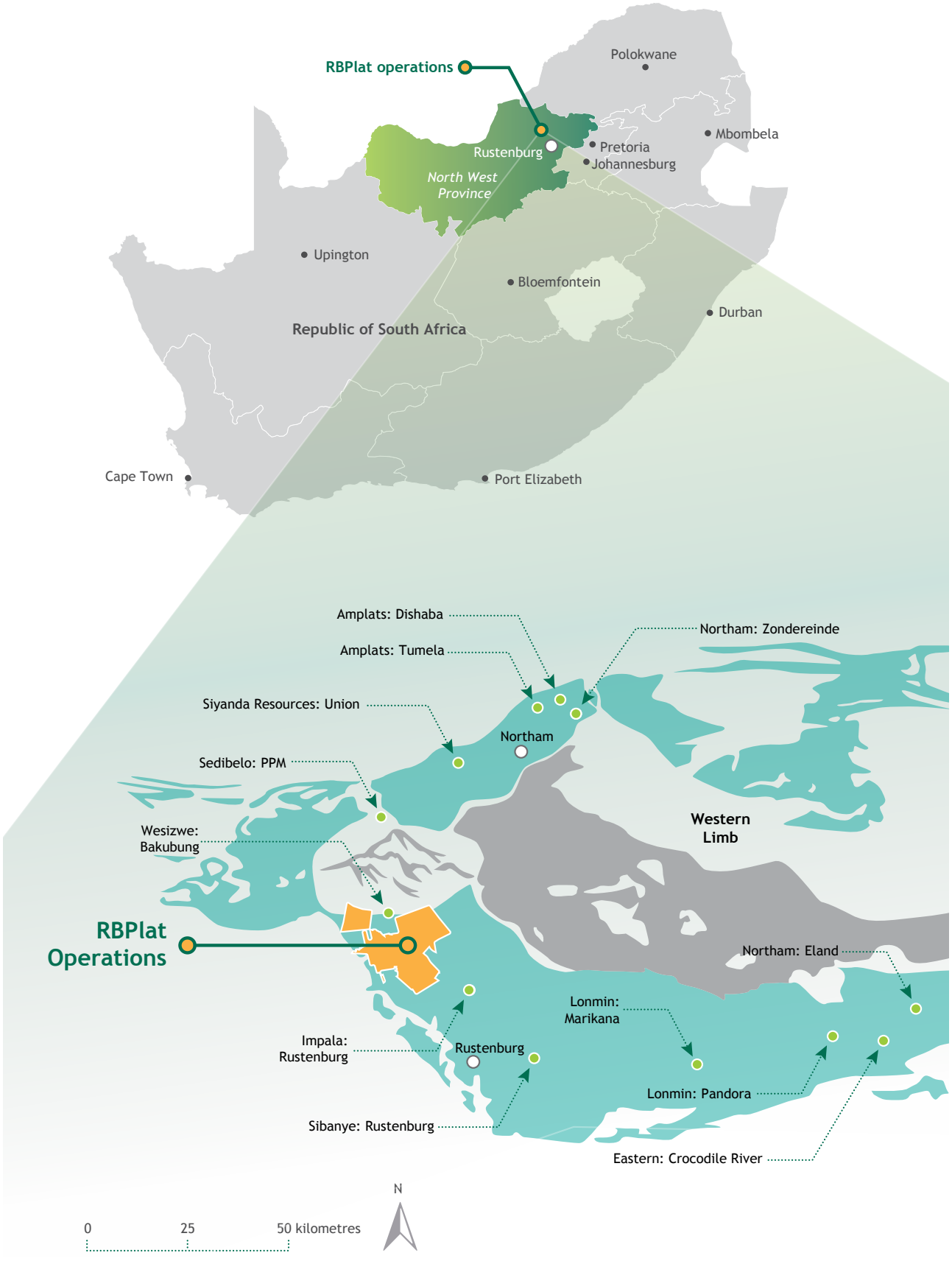
With the acquisition of Maseve Mine, RBPlat obtained the total share of the mining rights granted to Maseve Investments 11 Proprietary Limited (Maseve), previously owned by Platinum Group Metals (RSA) Proprietary Limited (PTM (RSA)), a wholly owned subsidiary of TSX-listed Platinum Group Metals Limited (PTM). The last official mineral resource and reserve statement for Maseve was published in July 2015 and signed off by Competent Persons on behalf of PTM.

RBPlat is in the process of reinterpreting all geological models (structural and resource evaluation) from first principles. Exploration drill hole intersections, underground drilling, underground sampling and historic mined out areas of the Maseve Mine are being reviewed and reinterpreted by a group of Competent Persons within the RBPlat geology department.

Mineral resources and reserves for Maseve will only be published once the reinterpretation of the ore body is complete in December 2019.

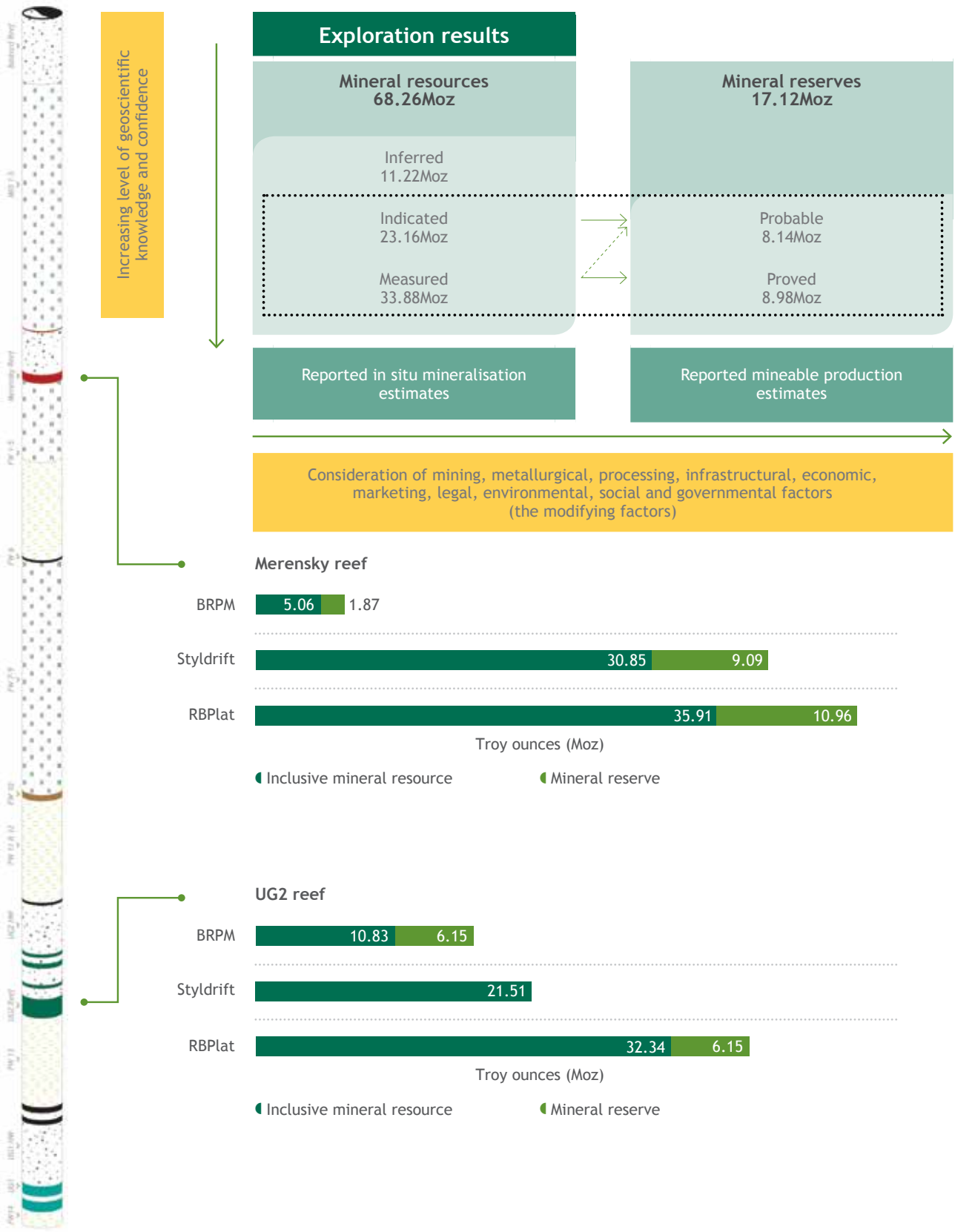


RBPlat mining rights



Location of the RBPlat operations

NATURAL CAPITAL CONTINUED



MINERAL RESOURCE SUMMARY

The Merensky reef resource estimation model is a variable cut model, which is based on an economical mineralised envelope that is reported as the in situ mineral resource. The UG2 resource model is a variable model that it evaluates the UG2 Main Band (UG2 MB) and the overlying chromitite leader package which is included with a 30cm support beam when there is a geotechnical consideration. The widths of these individual packages vary significantly over the mining lease area, as well as the vertical difference between the UG2 MB and the overlying leader package. The Merensky reef resource was updated as a result of 3% increase in additional data in comparison to the 2017 resource model. Geological structures and associated losses were updated for both Merensky and UG2 in accordance with the annual cycle for input into the resource reporting. There are no material differences between resources declared in 2017 and 2018, apart from mining depletion at BRPM and Styldrift I shaft rapidly building up to full production.

RBPlat inclusive mineral resources (100%)

		Tonnes (Mt)		4E grade (g/t)		Troy ounces 4E (Moz)	
Reef	Resource classification	2018	2017	2018	2017	2018	2017
Merensky and UG2	Measured	169.01	170.32	6.24	6.26	33.88	34.25
	Indicated	123.40	124.83	5.84	5.80	23.16	23.27
	Inferred	55.54	56.43	6.28	6.23	11.22	11.30
	Total	347.96	351.58	6.10	6.09	68.26	68.82

MINERAL RESERVE SUMMARY

Merensky annual reserves when compared to last year reduced due to depletion, otherwise they were relatively unchanged.

Merensky mineral reserves decreased by 2% from 76.85Mt to 75.33Mt and 4E ounces from 11.21Moz to 10.96Moz with the average grade remaining materially unchanged.

Only BRPM UG2 reef was converted to a reserve 6.15Moz at a 4E grade of 3.84g/t. Proved reserves in the general facies area were downgraded to probable, total reserves being 49.89Mt approximately 6.15 4EMoz. Total UG2 mineral reserve tonnage decreased by 3% from 51.68Mt to 49.89Mt after depletion. The 4E ounce content decreased by 3% from 6.33Moz to 6.15Moz with 0.6% increase in estimated grade.

RBPlat mineral reserves (100%)

		Tonnes (Mt)		4E grade (g/t)		Contained 4E (Moz)	
Reef	Reserve classification	2018	2017	2018	2017	2018	2017
Merensky	Proved	53.17	54.04	4.66	4.70	7.97	8.17
	Probable	22.16	22.81	4.20	4.15	2.99	3.05
	Total	75.33	76.85	4.53	4.54	10.96	11.21
UG2	Proved	7.74	8.80	4.04	3.83	1.01	1.08
	Probable	42.15	42.88	3.80	3.81	5.15	5.25
	Total	49.89	51.68	3.84	3.81	6.15	6.33
Total	Proved	60.91	62.84	4.58	4.58	8.98	9.25
	Probable	64.32	65.69	3.94	3.93	8.14	8.30
	Total	125.22	128.53	4.25	4.25	17.12	17.54

NATURAL CAPITAL CONTINUED

Platinum (64.75%)
Palladium (26.70%)
Rhodium (4.34%)
Gold (4.21%)

Merensky reef prill split and base metal percentage, RBPlat

Merensky reef grab sample

Platinum (59.15%)
Palladium (29.29%)
Rhodium (11.00%)
Gold (0.56%)

UG2 reef prill split and base metal percentage, RBPlat

UG2 reef grab sample

Geologist photographing reef intersections of exploration core

In terms of natural capital our efforts towards achieving sustainability and our aspiration to deliver *More than mining* include our support of the achievement of UNGC Principles 7, 8 and 9 and a number of the SDGs. In terms of the SDGs our main focus in natural capital is on SDG 12 (responsible consumption and production) and SDG 13 (climate action). We make a direct contribution to SDG 6 (clean water and sanitation) and SDG 7 (affordable and clean energy) and are only able to make an indirect contribution to SDG 15 (life on land).

OUR APPROACH TO ENVIRONMENTAL MANAGEMENT

We have adopted a precautionary approach to environmental management, based on international best practice, legal compliance and maintaining our environmental and social licence to operate. Management accountability is central to our integrated approach. Our Board of Directors and our CEO, assisted by the Board's Social and Ethics Committee, are accountable for RBPlat's environmental management and our climate change mitigation, adaptation and transparency.

The Social and Ethics Committee, which is in turn supported by our Sustainability Committee, also provides overall direction on our sustainability. Our Group-wide environmental strategy is an integral part of our SHE management system, which we use to manage our environmental aspects and impacts
(K) 13 and overall environmental performance.

The Head: Safety, Health, Environment and Risk (SHER) reports on operational environmental matters to the Social and Ethics Committee.

The RBPlat Environmental Manager, who reports to the Head: SHER is responsible for environmental management at all our operations.

The Head: Corporate Sustainability, who is responsible for developing and implementing RBPlat's Board-approved sustainability framework and policy, reports to the Sustainability Committee and, together with the Executive: Risk, Assurance and Sustainability, reports to the Social and Ethics Committee on corporate sustainability matters.

Compliance and control

Our environmental management team is responsible for ensuring that RBPlat's Board-approved environmental policies and procedures are aligned with all legal and regulatory requirements. The team is also responsible for compliance with and auditing of the implementation of RBPlat's environmental policies, standards and procedures in our operations.

Our compliance with environmental legislation is continually monitored and evaluated as part of our environmental management system (EMS) and through external legal compliance audits and Environmental Management Performance Report (EMPR) performance assessments. As previously reported the environmental authorisation in terms of the National Environmental Management Act (NEMA), 1998 (Act 107 of 1998) as amended and the EIA regulations, 2014, for the proposed Styldrift II shaft complex and associated infrastructure on the farms Styldrift 90JQ was refused by the DMR in 2017. The appeal was submitted on 30 November 2017 to both the DMR and the Department of Environmental Affairs (DEA), which acknowledged receipt.

NATURAL CAPITAL CONTINUED

Maseve concentrator plant

The Maseve concentrator was commissioned in August 2018. As a result, there was only five months of data available on its water and energy consumption in 2018. We have therefore not included it in our water and energy reporting for 2018 but will be including its data for the 12 months of 2019 in our reporting for 2019.

- BRPM and Styldrift Mines retained their ISO 14001 certification in 2018
- Our environmental closure liability assessments for 2018 was conducted by an independent service provider and audited by our external auditor (PwC)

Feedback was expected by mid-March 2018, but we have had no response as yet. We continue to follow up regularly with the DEA on progress.

The following applications were submitted to the DMR and we are waiting for feedback:

- Amendment of the final environmental impact assessment (EIA) and environmental management programme report for the water treatment at BRPM
- Amendment to the environmental management programme report (EMPR) for the Merensky and UG2 opencast operation (BRPM)
- Amendment of final EMPR at BRPM
- Basic assessment report and EMPR for the extension of the existing Styldrift Mine conveyor belt, North West province

Our management systems

Both BRPM and Styldrift Mine are certified on the ISO 14001 environmental management system (EMS). Both are audited annually for compliance and are recertified every three years by an independent external auditor as part of our business strategy. Both operations have transitioned to ISO 14001 (2015), and maintained their certification in 2018. There were no major non-conformances. Three minor non-conformances were identified at BRPM and four were identified at the Styldrift Mine. Action plans have been developed to address these non-conformances. Environmental monitoring, which includes dust and particulate matter 10 (PM10), water, ambient noise and vibration is undertaken as part of our EMS. Independent external service providers are used to analyse the monitoring data. Any deviations are addressed within the EMS.

Closure liability assessment

As a holder of mining rights RBPlat is required to annually assess its environmental liability in terms of section 24P (3) of the National Environmental Management Act 107 of 1998 (NEMA). Previously the financial provision and rehabilitation requirements were governed by the Mineral Petroleum Resources Development Act (MPRDA) (Act 28 of 2002). The proposed NEMA regulations are still not finalised. The new date for the transition to these regulations has been extended to 19 February 2020.

As a result, our 2018 assessment is in line with the MPRDA.

An independent external service provider conducted our closure liability assessments for 2018. The environmental closure liability review was conducted by an independent auditing firm in support of the financial audit. The objective was to perform a reasonableness review of the process followed for the estimation of the closure liability for RBPlat's operations in order to identify potential environmental liabilities that are not provided for and process-related omissions on the closure cost estimation that could be of material significance.

Our 2018 assessments, and the financial provision calculations, were submitted to the DMR in line with the MPRDA requirements. A top up financial guarantee will be provided following the DMR approval of the 2018 calculations.

CLIMATE CHANGE AND RESOURCE MANAGEMENT

K 3 13 CLIMATE ACTION

We have identified SDG 13: *Take urgent action to combat climate change and its impacts* as a main area of focus in RBPlat, which addresses natural capital performance area: climate change and critical resources.

RBPlat recognises the science of global climate change set out by the Intergovernmental Panel on Climate Change (IPCC) and acknowledges the global climate change goals outlined in the UN Convention on Climate Change (UNFCCC) Paris Agreement. We also believe that these measures and public sentiment will drive policies and programmes to restrict GHG emissions and realise that this will impact our business and provide us with challenges and opportunities.

Public policy positions relating to climate change

The Minerals Council of South Africa, in line with Business Unity South Africa (BUSA), accepts that climate change is a global challenge and that collective international action is required. They acknowledge the fact that a carbon tax

could be one of many policy measures to address market distortions or promote certain behavioural changes in order to achieve GHG emissions reductions. They do support a mechanism in which GHG emissions must be reported and proposed an alignment of the carbon tax and carbon budget without double taxation.

Addressing the causes and adapting to the impacts of climate change is core to our Board-approved climate change strategy, which seeks to deliver *More than mining* by creating economic value for all our stakeholders. It recognises that:

- our activities contribute to global climate change as a result of the production and release of GHG emissions during the generation of the electricity that we use in our operations
- climate change is also driven by GHG emissions originating primarily from the combustion of fossil fuels in engines that power our machines and vehicles
- it is our responsibility as a business to mitigate our impact on global climate change for the sake of current and future generations.

Our commitment to addressing the impact of climate change includes:

- our endorsement of the *Caring for Climate* initiative
- being a signatory to the Carbon Disclosure Standard Board's (CDSB) fiduciary duty and climate change disclosure
- joining the *We Mean Business Campaign* as members of the National Business Initiative (NBI) and committed ourselves to ensuring responsible corporate engagement on climate policy, providing climate change information in mainstream corporate reports and improving water security.

The second climate change vulnerability assessment we conducted in 2017 was over and above our climate change risk assessment conducted annually as part of the ERM process, identified that the biggest physical climate change risks to our core operations relate to rainfall and temperature, which are expected to manifest in both longer dry periods as well as rainfall events of increasing intensity.

During 2018, in line with our implementation plan for the year, which takes into account the possible impacts the 2017 vulnerability assessment identified, we completed an internal stormwater management audit at both BRPM and Styldrift Mines to determine and ensure the effectiveness of the stormwater management and infrastructure at all our operations. There were few observations identified, which we are in process of closing as part of our EMS. We are currently reviewing and developing a waste management strategy to ensure we manage our waste sustainably and save landfill space.

We continue to use our communication programmes to increase awareness of the impact of climate change and how we can all reduce our contribution to climate change.

Our climate change strategy also focuses on making every effort to reduce our carbon intensity. To do so we need to improve our efficiency in terms of the amount of fuel and electricity we use to produce a tonne of concentrate.

Investigating renewable energy

7 AFFORDABLE AND CLEAN ENERGY

We have identified SDG 7: *Ensure access to affordable, reliable, sustainable and modern energy for all* as an area to which RBPlat can directly contribute through our commitment to improving our energy efficiency and investigating renewable sources of energy.

Our bankability study investigating the possibility of developing our own source of solar renewable energy and reducing our reliance on electricity produced using fossil fuels which started in 2018 will take 20 months to complete. Hopefully, it will indicate that renewable energy is an affordable option for us that will also substantially reduce our GHG emissions.

See page 139 for information on our electricity usage)

CDP
DISCLOSURE INSIGHT ACTION

Our voluntary participation in the CDP's Climate Change 2018 and Water 2018

We achieved B scores for our voluntary disclosure for both our climate change and water submissions to the CDP in 2018 and exceeded the:

- global metals and mining sector average of C for both climate change and water security
- Africa regional average of a B–.

Our voluntary participation in the CDP allows RBPlat to measure its progress towards environmental stewardship and to benchmark and compare our progress against our peers.

In 2018, responders, including RBPlat, faced a considerable amount of change in the CDP process as it evolved to take into account the environmental challenges the world faces. These changes resulted in a general decline globally in scores year-on-year. For example, our water disclosure score, which had achieved a position on the Water A list for the past two years achieved a B score in 2018. We will, of course, be working to improve our scores in our future voluntary disclosures to the CDP.

NATURAL CAPITAL CONTINUED

Understanding our carbon footprint

We use internal GHG emissions calculators to monitor our GHG emissions monthly. Our Scope 1 and 2 emissions are audited as part of our annual sustainability assurance process.

Our GHG emissions by scope

Scope	% change year-on-year	2018 tCO_2e	2017 tCO_2e	2016 tCO_2e
Scope 1				
Direct GHG emissions from sources that are owned or controlled by RBPlat — petrol and diesel fuel consumed by our vehicles and equipment	38.1	**7 826**	5 666	3 639
Scope 2				
Indirect GHG emissions produced during the production of the electricity we purchase from Eskom	1.8	**333 919**	327 930	314 581
Scope 3				
Indirect GHG emissions from sources not owned or controlled by RBPlat — for example transport-related activities in vehicles not owned by the mine	(14.6)	**3 751**	4 394	3 936
Total emissions	**2.2**	**345 496**	337 990	322 156

RBPlat's Scope 1 emissions increased by 38.1% in 2018 due to the increased activity at the Styldrift Mine, which is a mechanised mine using diesel to power its mechanised fleet. Styldrift Mine's GHG emissions account for 65.8% of our total Scope 1 emissions.

We achieved a 14.6% reduction in our Scope 3 emissions following the start-up of the conveyor that transports ore from Styldrift Mine to the BRPM concentrator that replaced the use of diesel vehicles contracted to transport the ore to the concentrator.

The carbon intensity of our operations

	Carbon intensity unit	% change year-on-year	Quantity in 2018	Carbon intensity in 2018	Quantity in 2017	Carbon intensity in 2017
Concentrator intensity						
Tonnes milled at BRPM concentrator	tCO_2e/000 tonnes	(3.2)	**2 847**	**0.120**	2 701	0.124
Total tonnes milled (including toll treated tCO_2e)	tCO_2e/000 tonnes	(9.1)	**3 420**	**0.100**	3 021	0.110
4E ounces in concentrate	tCO_2e/000 oz	(8.7)	**368**	**0.929**	328	1.02
Platinum ounces in concentrate	tCO_2e/000 oz	(9.2)	**239**	**1.430**	212	1.57
Mining intensity						
Run-of-mine (ROM) tonnes delivered to concentrators	tCO_2e/000 tonnes	(9.0)	**3 395**	**0.101**	2 992	0.111
Overall intensity statistics						
Revenue	tCO_2e/000 ZAR	(1.2)	**3 627.1**	**0.094**	3 498.5	0.095
Intensity per employee	tCO_2e/000 FTE	(9.8)	**9 508**	**35.943**	8 372	39.8
Scope 1 and 2 emissions	tCO_2e/year	2.4	**341 746**		333 596	

Increased production resulted in a reduction in our carbon intensity.

ENERGY MANAGEMENT

We need energy in the form of fuel and electricity to run our operations. Mining and concentrating ore is an energy-intensive business. Not only is the consumption of energy a significant cost to our business, it also leads to the production and release of GHG emissions from the use of fossil fuel in the form of diesel and electricity that is mainly produced using coal, which contributes to climate change.

See page 137 for information on our investigation of the viability of developing our own source of solar energy which would reduce our contribution to Scope 2 GHG emissions.

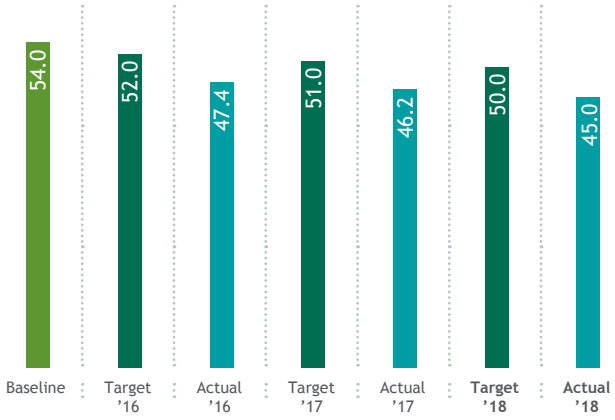
Reducing our energy consumption and the related costs is in the interests of the long-term environmental and economic sustainability of our business.

Energy consumption

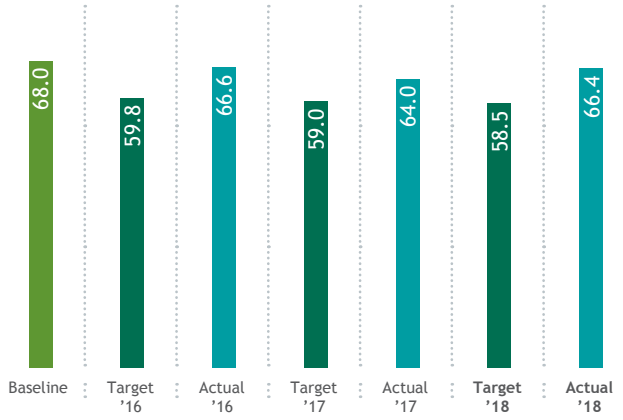
	% change year-on-year	2018 GJ	2017 GJ	2016 GJ
Electricity				
BRPM	(3.4)	**566 410**	586 479	611 640
BRPM concentrator	2.7	**461 196**	449 254	417 466
Styldrift Mine	69.1	**186 797**	110 432	86 940
Total electricity consumption	8.3	**1 214 402**	1 146 165	1 116 051
Diesel				
BRPM	2.7	**13 941**	11 629	10 264
Styldrift Mine	61.0	**61 428**	38 204	16 363
Total diesel consumption	51.2	**75 369**	49 844	26 633
Petrol				
BRPM	(48.3)	**214**	414	468
Styldrift Mine		**0**	0	0
Total petrol consumption	(48.3)	**214**	414	468
Total energy consumption	7.8	**1 289 985**	1 196 423	1 143 152

We have efficiency-based reduction targets for our steady state operations, BRPM and the BRPM concentrator, and we have also set targets for Styldrift Mine as part of our Board-approved strategy when it reaches steady state.

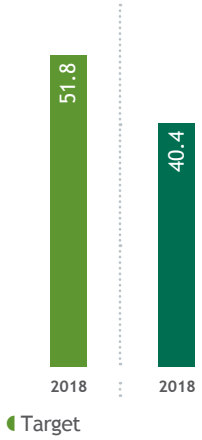
BRPM concentrator energy efficiency (kWh/tonne milled)



BRPM mining energy efficiency (kWh/tonne hoisted)



Styldrift Mining energy efficiency (kWh/tonne hoisted)



While Styldrift Mine's electricity consumption increased 69.1% year-on-year and its diesel consumption increased 61.0% year-on-year as a result of increased production, its energy efficiency was a commendable 22% below target and achieved a 62% improvement in its potable water efficiency, which was 0.18kl/tonne hoisted below its 2018 target

NATURAL CAPITAL CONTINUED

Efficient use of resources

The water treatment plant at BRPM. If we had continued to use potable water in our concentrator, instead of replacing the water used in our concentrator with treated process water from our water treatment plant in 2018, it would have cost RBPlat an additional R8.9 million in 2018 (R10.4 million in 2017).

Contributing to sustainability through responsible environmental management

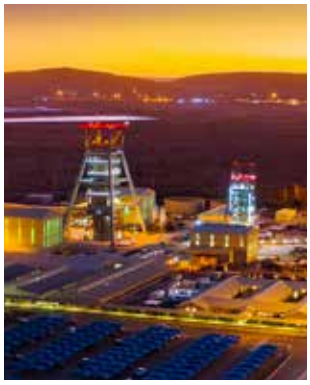
The tailings dam serving the BRPM concentrator. Both the tailings dams at BRPM and at Maseve are managed and operated by Fraser Alexander in compliance with the Australian National Committee on Large Dams (ANCOLD), the International Commission on Large Dams (ICOLD) guidelines and the recommendations of the South African National Standard (SANS) 10286. Work on the extension of both these dams will start in 2019. Concurrent rehabilitation is maintained on the side walls of the dam. The rate of the rise of tailings in the dam is limited to two metres per year at 250ktpm tails deposition.

An environmental assistant inspects one of our groundwater boreholes as part of her regular environmental inspections, which are sampled every quarter by an independent external consultant. These boreholes are used to test water quality and levels.

An environmental assistant changes one of our dust buckets at BRPM.

We measure dust levels at our operations and in our doorstep communities to ensure they are within the legal limits and to prevent air pollution.

NATURAL CAPITAL CONTINUED



Solar-powered street lights at Styldrift Mine

Over the five-year period ended December 2014 the mining division achieved a 10% reduction in its energy usage per tonne hoisted. We planned to achieve a further 5% reduction by 2019. Because Styldrift Mine is a mechanised mine making use of energy-saving technology its consumption of electricity is lower than that of a conventional mine. Its main use of electricity is in its winding plants and main surface fans.

The BRPM concentrator has consistently been below its energy efficiency targets. It was 10% below its target in 2018 using 45.0kWh/tonne milled.

Previously, most of our energy-saving initiatives at BRPM focused on reducing the baseload of our conventional mining operations, which accounts for at least 75% of our consumption at peak load. The nature of our conventional mining method and the key infrastructure we require for our mining has made it very challenging to continue achieving improvements in our baseload. As a result, it has remained relatively static in recent years. During the year our focus at BRPM remained on optimising our compressed air generation and in particular on the maintenance of its distribution network and reducing air leaks. In this connection we continued with the revamping of compressed air reticulation in the stopes during 2018, which included installing four-inch columns in all panels. To reduce consumption compressed air service columns have been isolated in the areas of the mine where mining has been suspended or discontinued.

During the construction of Styldrift Mine we had the opportunity to introduce energy-saving technology in the design phase including:

- the ability to close and open the main fan inlet guide vanes during on and off-shift periods. Electricity consumption is reduced as soon as the inlet guide vanes are closed
- variable speed drives installed on the main surface fans use less electricity during fan start-ups
- more efficient hydraulic power packs are used at ore flow draw points and transfer points instead of compressed air
- solar powered street lights instead of electrically powered street lights
- LED lights instead of incandescent and ballast type lights.

WATER MANAGEMENT

6 CLEAN WATER AND SANITATION

We have identified SDG 6: *Ensure availability and sustainable management of water and sanitation for all* as an area to which RBPlat can directly contribute through our holistic approach to water management.

We operate in an arid water-scarce region where, as discussed under the climate change section of this report (see page 136) the annual rainfall is expected to decrease with long, increasingly hot dry periods punctuated by short but severe periods of extreme rainfall, which could cause damaging flash floods. These conditions could limit our production growth or even prevent us from operating.

A reduction in the availability of potable water from Magalies Water could also have health impacts and cause tension between RBPlat and our doorstep communities.

Managing water holistically

Our Board-approved water strategy, which has detailed implementation plans with clear time frames and clearly defined accountabilities and responsibilities, aims to:

- reduce our potable water consumption by improving water use efficiency and water recycling
- prevent the contamination of ground and surface water resources
- maintain and strengthen our licence to operate by securing the availability of sufficient water for our current and future mining operations
- reduce our operational cost through increased water use efficiency to strengthen the Company's financial position.

We have efficiency-based water consumption reduction targets for our operations: BRPM, the BRPM concentrator and Styldrift Mine.

Our progress is tracked through our governance structures (the Executive: Risk, Assurance and Sustainability, the Social and Ethics Committee and, ultimately, the Board).

All our operations operate under their approved water use licence (WUL) and we have supplier water agreements with Magalies Water. We conduct internal and external independent WUL compliance audits annually and submit reports to the Department of Water and Sanitation (DWS).

We have begun work on developing a long-term rehabilitation programme to restore the water courses on our property to an environmentally acceptable and sustainable condition in our future biodiversity plans.

To ensure water security we invested in a water treatment plant with the aim of reducing our overall consumption of potable water by reusing process water, particularly in the BRPM concentrator, which is the greatest consumer of water at our operations.

Potable and recycled water consumption

	% change year-on-year	2018 Ml	2017 Ml	2016 Ml
BRPM concentrator				
Potable water consumption	17.2	**1 181.0**	1 008.1	870.5
Recycled water consumption	(5.3)	**1 557.5**	1 644.5	1 272.0*
BRPM mine				
Potable water consumption**	(14.2)	**555.1**	647.5	601.8
Recycled water consumption	27.0	**228.0**	179.4	199.4
Styldrift Mine				
Potable water consumption	(39.0)	**138.5**	227.0	149.0
Recycled water consumption	223.5	**288.0**	89.0	55
Total consumption of potable water	(0.4)	**1 874.5**	1 882.6	1 621.4
Total consumption of recycled water	8.4	**2 073.5**	1 912.9	1 332.0
Grand total of water consumed by RBPlat's operations	4.0	**3 948.0**	3 795.5	2 951.4

* *The BRPM concentrator's recycled water for 2016 excludes water from the water treatment plant*
** *The increase in potable water consumption at BRPM and the BRPM concentrator was as a result of an increase in production*

The increase in the use of potable water by the BRPM concentrator during 2018 was as a result of a 5% increase in production year-on-year. Also, during 2018 the concentrator's use of recycled water was restricted by the reduced availability of the return water pipeline. The installation of a replacement pipeline began in the second half of 2018 and we expect to complete its installation by the end of the first quarter of 2019.

The use of water from our treatment plant

	% change year-on-year	2018	2017	2016
Treated water used in the BRPM concentrator (Ml)	(24.3)	**798.84**	1 055.6	956.6
Potable water cost savings (R)	(14.1)	**8 945 469**	10 409 941	7 950 973

Conserving and recycling water

We continually pump water (service water) from our underground operations for reuse. This water is stored in our surface dams and recycled. Service water is retained in a closed loop system. To achieve an improved understanding of our water usage and better control it, we have automated our potable water metering and management system. The quality of our drinking water is monitored by our Occupational Health department. We have 64 groundwater monitoring boreholes and 45 surface water monitoring points within our operations and their surrounds that are monitored and analysed by external service providers to ensure we comply with our WUL conditions.

We manage exceedances observed from our monitoring processes within our EMS. Clean and dirty water diversion channels are in place in our operations to divert the clean water away from our operations and to ensure we contain our dirty process water.

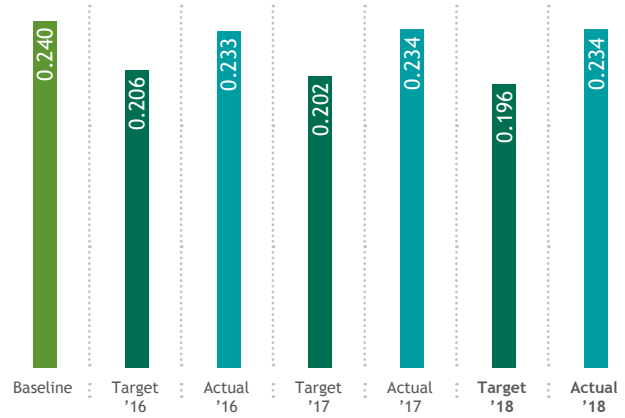
Water use efficiency

	% change year-on-year	2018 Ml/kt milled	2017 Ml/kt milled	2016 Ml/kt milled
Potable water at BRPM mine and concentrator	11.7	**0.755**	0.676	0.627
Potable water at Styldrift Mine	(68.8)	**0.124**	0.397	0.359
RBPlat's recycled water*	(44.8)	**0.606**	1.099	0.937**
Total RBPlat	(8.0)	**1.154**	1.256***	1.069***

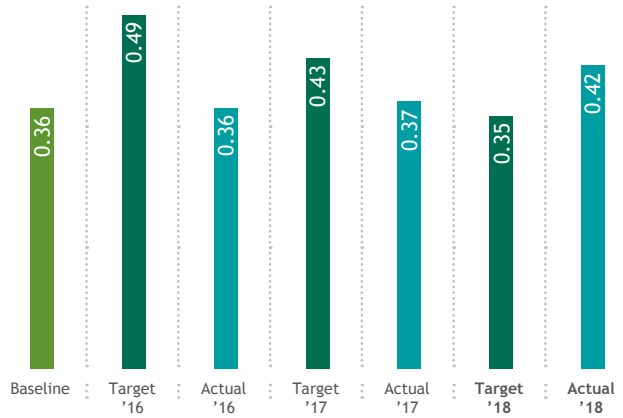
* *Including water recycled at the BRPM water treatment plant*
** *Restated: excludes tonnes toll treated*
*** *2016 and 2017 numbers restated following the application of improved calculation methodology*

NATURAL CAPITAL CONTINUED

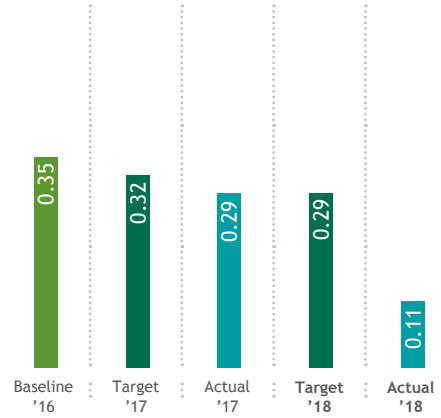
KRI **BRPM mining potable water efficiency (kℓ/tonne hoisted)**



KRI **BRPM concentrator potable water efficiency (kℓ/tonne milled)**



Styldrift Mine potable water efficiency (kℓ/tonne hoisted)



BRPM

Our BRPM efficiency targets were set for 10 years using 2009 as a baseline. These targets come to an end in 2019, when they will be reviewed. This review will also take into consideration the changes in the production profile of our business, which include the acquisition of Maseve and decreased production at BRPM's South shaft.

EFFLUENT AND WASTE MANAGEMENT

Our operations generate hazardous, industrial, medical and non-hazardous waste, which must be correctly disposed of to prevent any negative impact on the environment.

Our environmental strategy and policies set stringent standards for the management of all the waste and mine residues (tailings and waste rock).

The aim of our waste management procedures is to actively manage the amount of waste we produce by reusing and recycling whenever possible. We are in the process of formalising a waste management strategy to ensure we manage our waste sustainably and recycle as much as possible and conserve our landfill space. The main influencer of waste production is our production levels.

The tailings from our concentrator operations are disposed of at the BRPM and Maseve tailings storage facilities. Ensuring the integrity and structural stability of these facilities, which are designed to handle a one in hundred year flood, is a key focus for the business. As such we have internal and independent external processes, reviews and audits in place to ensure that the facilities are operated and maintained in line with best practice. These processes include:

- assessment and review of pumping and discharge volumes,
- assessment and review of deposition trends and volumes
- regular inspections and surveying of crest, freeboard, beach lengths and pond elevations
- regular piezometric water level monitoring and piezocone testing
- aerial inspections of tailings dam and surrounds
- monthly, quarterly and annual reporting on operating, maintenance and structural integrity of the facilities.

Waste rock from our mining operations is disposed at BRPM's North shaft, South shaft and Styldrift I waste rock dumps. Some of this waste rock is crushed and used in the civil construction sector in and around the area of our operations.

The capacity of our tailings storage facilities at both the BRPM and Maseve concentrators will be expanded in 2019 to accommodate additional tailings resulting from increased capacity at our concentrators.

Waste production and disposal

Type of waste	% change year-on-year	2018 tonnes	2017 tonnes	2016 tonnes
BRPM				
Landfill waste	48.8	**2 398.5**	1 611.5	1 242.8
Incinerated medical waste	15.4	**1.5**	1.3	1.34
Recycled industrial waste	(13.4)	**1 421.8**	1640.9	1 659.0
Hazardous waste	11.0	**61**	55.0	67.8
Wood	(78.0)	**283.2**	1 269.8	1 191
Recycled paper	–	**0.4**	–	5.8
Total BRPM waste	(9.0)	**4 166.4**	4 578.5	4 167.2
Styldrift Mine				
Landfill waste	(9.0)	**523.5**	574.9	212.2
Medical waste		**0.1**	–	–
Recycled industrial waste	60.1	**869.8**	543.2	448.9
Hazardous waste	66.2	**214.4**	129.0	34.3
Wood	–	**3.9**	–	1.4
Recycled paper	–	**–**	–	–
Total Styldrift Mine waste	29.2	**1 611.7**	1 247.1	696.8
Total RBPlat waste	(0.8)	**5 778.1**	5 825.6	6 207.2

Increase in waste at Styldrift Mine

During 2018 the 200% increase in stoping activity year-on-year, together with a major increase in construction activities, resulted in a 60.1% increase in the recycled industrial waste produced by the mine.

Waste management

Our general waste is disposed of in our licensed landfill site, which is subject to internal and external audits, as per the licence requirements. The disposal of the general waste from both the Styldrift Mine and the Maseve concentrator at the BRPM landfill site will reduce the lifespan of the BRPM landfill site. Other recycling initiatives are being investigated. All our hazardous waste is collected by an external service provider and disposed of at an accredited hazardous waste disposal landfill site. An oil recycling company collects our used oil for recycling. Medical waste is also removed from site by an accredited service provider. Our used timber is provided to our doorstep communities for use as firewood. We obtain certificates from our service providers to confirm that our waste has been disposed of correctly.

Consumption of materials

	Units	% change year-on-year	2018	2017	2016
Acetylene	kg	20.3	**3 173**	2 637	3 199
Explosives	kg	(7.4)	**5 394 614**	5 825 394	5 219 669
Fire extinguishers	kg	26.5	**13 671**	10 808	12 669
Refrigerants	kg	–	**–**	–	32
Company-owned vehicles – petrol	litres	(53.0)	**5 945**	12 645	14 293
Company-owned vehicles – diesel*	litres	51.2	**2 093 610**	1 384 242	739 648

** The diesel volumes include diesel used in generators*

The consumption of diesel at Styldrift Mine, where diesel vehicles are used in mechanised mining, continues to increase as activity at the mine increases.

Our fleet of petrol-driven vehicles reduced from nine to four vehicles which resulted in a 53% reduction in our petrol consumption.

BIODIVERSITY

Biodiversity assessments identified eight distinct biodiversity management units at BRPM and included biodiversity management plans. Baseline biodiversity and landscape function studies were conducted as part of the EIA for Styldrift Mine. We eradicate alien vegetation species on our properties annually.

NOISE

RBPlat monitors ambient noise in its operations every quarter through 53 monitoring points. During 2018 noise levels at BRPM, the BRPM concentrator, Styldrift Mine and Maseve were in line with the recommended noise levels as prescribed in SANS 10103.

Ambient noise is also monitored and analysed by external independent parties and is within the prescribed limits.

NATURAL CAPITAL CONTINUED

Changing a dust bucket in our operations

AIR QUALITY

Dust fall out is monitored monthly using the 27 dust buckets located within our mining areas as well as the surrounding communities. The dust buckets are collected and changed by the Environmental department every month and analysed by appointed service providers who compare the results with SANS 1929 of 2005.

PRODUCT RESPONSIBILITY

Our final product is a PGM concentrate which is sold to a single customer, Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum (Amplats), through a PGM concentrate offtake agreement. In terms of the concentrate agreement the concentrate we supply needs to meet certain specifications in relation to the PGM moisture and chrome content for each tonne of concentrate. The product specifications are assessed through specific procedures agreed to by RBPlat and RPM.

Product uses

The PGMs we produce are used in autocatalytic converters, which play a significant role in the reduction of air pollution by limiting the discharge of carbon monoxide hydrocarbons, nitrous oxides and particulates. Approximately 49% of global PGM production is used in autocatalytic converters.

For more information on the legislation affecting their application and the resultant use of PGMs see page 34 of the changing operating context in this report

PGMs are also used in green energy solutions such as fuel cells, which among other uses, can offer a more efficient low carbon option than using diesel generators to supply rural communities with electricity. Members of the platinum industry have made a substantial investment in research fuel cell-powered vehicles.

Our industry champions new, sustainable and environmentally friendly technology and its development, including hydrogen-fuelled fuel cell electrical vehicles (FCEVs) through industry partnerships (see *www.angloamericanplatinum.com/products-services-and-development/fuel-cell-electric-vehicles.aspx*).

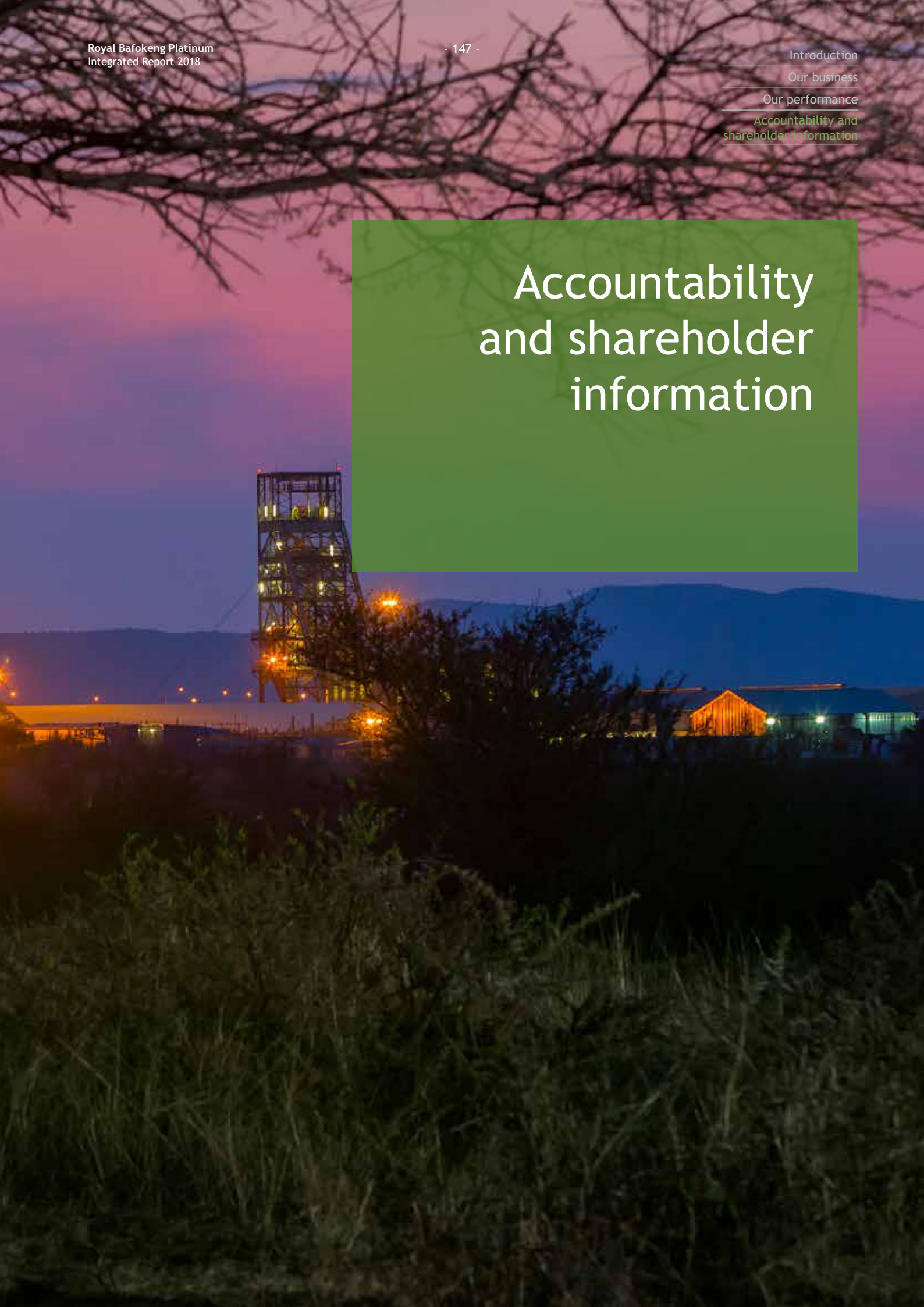
Product stewardship

Amplats, who is responsible for the refining and marketing of our PGMs, systematically addresses the safety, health and environmental issues relating to our products at all stages of the product lifecycle. They have specific measures in place to protect the health and safety of those using or delivering our products. Mineral safety development sheets provided with all mining products are directed at industrial users. Our products are not delivered directly to customers.

As the refiner and marketer of our PGMs Amplats recognises the responsibility they have as suppliers of PGMs to build value chains that minimise the negative and enhance the positive impacts of PGMs over their lifecycles.

The metals produced from our concentrate are sold into the global marketplace by Amplats, which meets its product stewardship commitments in collaboration with key stakeholders including government, industry associations, the scientific community and civil society organisations.

RBPlat is committed to minimising the dispersion of metals back into the biosphere and reducing the associated environmental and health risks. We aim to ensure that the health, safety and environmental risks associated with the use, recovery, recycling and disposal of our products are properly understood by customers and mitigated. Since our metals are sold into a global marketplace, we believe that meeting our product stewardship commitment is best done in collaboration with key stakeholders. Much of our engagement on product stewardship is done via our membership of the IPA.



Accountability and shareholder information

REMUNERATION REVIEW

PART ONE: BACKGROUND STATEMENT

RBPlat's approach to remuneration, which is set out in our remuneration philosophy and policy, is intended to promote the achievement of our strategic objectives over the short, medium and long term.

It is aligned with our values of:

- **Safety and people first**
- **Promises delivered**
  We do what we say we will do
- **Mutual interests and mutual rewards**
  We have mutual goals and mutual interests and we depend on each other to realise our vision and mission. We operate in good faith and transparently, and our aim is to ensure that our operations are aligned with the interests of our shareholders.

We believe that remuneration should match and incentivise performance. This means:

- maintaining pay levels on a total cost to employer level that reflects an individual's worth to RBPlat
- using a performance system that allows us to differentiate between individual and team performance
- offering incentives that recognise and reward, where appropriate, both operational and strategic performance achievements.

We are committed to ensuring that our pay levels remain competitive while managing our employment costs, which in the year under review represented 53.1% (2017: 58.2%) of our fixed costs. We would refer you to page 23 of the leadership section of this report for information on our Board's application of King IV Principle 14 to our remuneration governance.

SHAREHOLDER ENGAGEMENT AND VOTING

The non-binding advisory vote by shareholders on our remuneration policy and implementation report at our annual general meeting held on Tuesday, 10 April 2018 resulted in an 88.43% vote in favour and an 11.57% vote not in favour of our remuneration policy and implementation report. Votes in abstention were 6.2% based on the total number of shares in issue.

Our shareholders were also asked to approve amendments to our existing employee share incentive scheme. This vote resulted in a 94.1% vote in favour of the scheme and a 5.9% vote against the scheme. Votes in abstention were 5.69% based on the total number of shares in issue.

Our Remuneration Committee, with the aim of understanding shareholders' positions regarding our remuneration policy and its implementation and the proposed amendment to our share incentive scheme, decided that an RBPlat team should engage with shareholders in this regard. These engagements consisted of a presentation by RBPlat followed by a question and answer session.

MAIN ISSUES RAISED BY SHAREHOLDERS	HOW WE HAVE ADDRESSED THESE ISSUES
Some shareholders felt the level of remuneration disclosure in our integrated report was inadequate because it did not disclose the sub-weightings and prospective targets for incentivising the short-term performance of individual executives.	The disclosure has been improved by the inclusion of all weightings on the performance-based remuneration.
Shareholders requested the Remuneration Committee (RemCo) explore other measures in addition to total shareholder returns (TSR) in our forfeitable share plan (FSP); for example return on capital (ROC) or return on equity (ROE).	The RemCo has reviewed the measures for the FSP and will introduce environmental, social and governance (ESG) and capital management measures for the FSP as additional measures.
Some shareholders wanted to understand how RBPlat undertakes benchmarking.	Remuneration benchmarking for all levels of our employees including non-executive directors, is undertaken annually against peer companies. RBPlats uses experts for benchmarking of remuneration and share schemes.
Some shareholders felt there should be explicit policies and mechanisms for malus and claw back of remuneration.	The RemCo considered the feedback and is taking advice on the need for specific policies on malus and clawback, given that the remuneration policies have mechanisms for auditing performance before remuneration is effected.
Some shareholders suggested that RBPlat should consider introducing a minimum shareholding for management.	The RemCo considered the feedback and consulted experts in this regard.
Some shareholders suggested that RBPlat should reduce the number of key performance areas for short-term incentives.	The RemCo considers the number of key performance areas as necessary to provide a balanced assessment of the executive's and Company performance.
RBPlat should consider mechanisms for closing the one-year gap in reporting on remuneration, more specifically the annual bonuses paid.	Improved the disclosure in the implementation report to align remuneration to King IV Principles.
RBPlat should consider disclosure of peer group.	Peer group used for benchmarking is disclosed in the implementation report.

TALENT MANAGEMENT AND SUCCESSION PLANNING

The talent management process for RBPlat's top management, previously approved by the Remuneration Committee and which remains in place, has served the Group well since its inception.

Our Nomination Committee continues to address our Board succession plans at its meetings. During 2018 there were a number of changes to the membership of the RBPlat Board with the departure of Robin Mills, Linda de Beer and Martin Prinsloo. Robin, through his technical and operational background, made a valuable contribution to the Board, as did Linda as Chair of the Audit and Risk Committee and Martin, as our Financial Director since the inception of RBPlat.

The replacement of these directors was seamless, as were the new appointments to the Board's subcommittees. The appointment of Peter Ledger to the Board has ensured that its technical and operational skills remain strong. Louisa Stephens who was been a member of our Audit and Risk Committee since 2014 has been appointed Chair of this committee and Hanré Rossouw was appointed Financial Director on 1 October 2018.

Board succession, however, remains a key focus area for RBPlat and we will continue to review it, applying best practice in line with King IV guidelines. This focus will ensure that our succession plans remain relevant and can easily be implemented, without any significant delay.

PART TWO: OUR REMUNERATION PHILOSOPHY AND POLICY

OUR REMUNERATION PHILOSOPHY UNDERPINS OUR STRATEGY

Our remuneration philosophy, which is an integral part of our employment ethos, supports the achievement of RBPlat's strategic objectives.

Our aim is to:

- attract and retain top talent and employees with the necessary critical skills
- motivate and engage our employees with the aim of increasing their commitment to achieving high levels of individual and team performance
- be an employer of choice
- promote the achievement of strategic objectives within our risk appetite
- ensure the fair equitable and consistent application of our remuneration policy and practices, guided by King IV Principle 14, which relates to fair and responsible remuneration (K 14)
- provide our employees with the opportunity to own an asset through our Employee Home Ownership Scheme

See page 114 of the social and relationship capital section of this report

- provide employees with career development opportunities through our investment in their training and development

See pages 97 and 98 of the human capital section of this report

REMUNERATION STRUCTURE AND DESIGN

Our remuneration policy is linked to sustainable value creation. The section that follows sets out how our remuneration policy addresses fair and responsible remuneration in RBPlat. Our remuneration structure consists of four segments: Executives, Management, Operations, Support.

On-target proportions of the pay mix of executive directors and executives are set out in this section of our integrated report. The pay mix is designed to ensure that both the Group's short-term operational and long-term strategic objectives are appropriately incentivised.

Fair and responsible remuneration

At RBPlat we believe that fair and responsible remuneration ensures that our remuneration is both externally competitive and internally equitable. Our Remuneration and Nomination Committee continually monitors internal pay gaps across RBPlat to ensure remuneration is fair and responsible in the context of overall employee remuneration.

Structure of the on-target remuneration of our executive directors

- Total guaranteed package (31%)
- Annual performance bonus (19%)
- Bonus share plan (9%)
- Forfeitable share plan (41%)

Structure of the on-target remuneration of our executives

- Total guaranteed package (35%)
- Annual performance bonus (21%)
- Bonus share plan (10%)
- Forfeitable share plan (34%)

REMUNERATION REVIEW CONTINUED

FAIR REMUNERATION (ETHICAL LEADERSHIP)	RESPONSIBLE REMUNERATION (RESPONSIBLE CORPORATE CITIZENSHIP/EFFECTIVE LEADERSHIP)
Fair and responsible pay, free from discrimination, self-interest, prejudice or favouritism.	Independent oversight from Remuneration and Nomination Committee.
Addresses inequality and ensure equal pay for equal work.	Appropriate approval process.
Achievement of employment equity targets.	Sustainable contribution to value creation and positive outcomes.
Reward performance and incentivise future sustainability and value creation.	We do not: • pay for non-performance • reprice share options • guarantee bonuses

Measuring executive performance

The measurement of our executive performance is based on 55% Company performance and 45% on individual performance. Key performance indicators are agreed on and measured for each individual. This assessment forms the basis for the determination of all short-term incentives, including salary increases and bonuses as well as some long-term incentives. For more information on the breakdown of how Company and individual performance is measured, see page 156.

Components of remuneration

	GUARANTEED REMUNERATION	BENEFITS	SHORT-TERM INCENTIVES	MEDIUM- TO LONG-TERM INCENTIVES
Executives (Executive Committee and key senior operational management employees)	Total guaranteed package (TGP): • Remuneration for area of responsibility • Based on mining industry and peer group benchmarks (market median) • Reviewed annually against market and individual performance • Benchmarking to select peer group biennially	• Life and disability insurance • Medical aid • Wellness support • Maternity and paternity leave	Annual performance bonus: • Rewards historical performance • Percentage of TGP based on performance • Company performance (55%): includes safety, production, sustainability, project performance and governance • Individual targets 45%: includes leadership, management, team orientation, technical direction and ethics	**Bonus share plan scheme** • Deferred reward for historical performance and achievement of annual targets • Percentage of annual performance bonus • Vest on third anniversary • Vesting condition: continuous employment **Share appreciation rights plan** • Future performance • Upon joining Company, promotion or discretionary Remuneration Committee award • Four to six times annual TGP (dependent on level and responsibility) • Vesting on third, fourth and fifth anniversary **Forfeitable share scheme** • Incentivise future performance • Up to 130% of TGP • Sliding vesting scale based on future performance versus peers and total shareholder return • Vest on third, fourth and fifth anniversary

	GUARANTEED REMUNERATION	BENEFITS	SHORT-TERM INCENTIVES	MEDIUM- TO LONG-TERM INCENTIVES
Management (D2 and above: including shared services at our operations and the corporate office)	TGP: • Remuneration for area of responsibility • Based on mining industry benchmarks • Reviewed annually against market and individual performance	• Life and disability insurance • Medical aid • Wellness support • Maternity and paternity leave • Education benefits	Annual performance bonus: • Rewards historical performance • Percentage of TGP based on performance • Company or operational targets including safety, production, costs and project performance	**Bonus share plan scheme** • Deferred reward for historical performance and achievement of annual targets • Percentage of annual performance bonus • Vest on third anniversary • Vesting condition: continuous employment **Share appreciation rights plan** • Future performance • Upon joining Company, promotion or discretionary Remuneration Committee award • 0.5 to 2.5 times annual TGP (dependent on level and responsibility) • Vesting on third, fourth and fifth anniversary
Mining operations (D1 and below: shafts — stoping and development, concentrator)	**Wages and benefits:** • Remuneration for area of responsibility • Wage agreement (bargaining unit)	• Life and disability insurance • Medical aid • Wellness support • Maternity and paternity leave • Housing benefits • Education benefits	**Monthly performance bonus:** • Rewards historical performance • Monthly bonus based on safety, performance and production volumes	
Mining support (D1 and below: engineering and shared services)	**Wages and benefits:** • Remuneration for area of responsibility • Wage agreement (bargaining unit)	• Life and disability insurance • Medical aid • Wellness support • Maternity and paternity leave • Housing benefits • Education benefits	**Biannual performance bonus:** • Rewards historical performance • Biannual bonus based on operational targets including safety, production, costs and project performance	

REMUNERATION REVIEW CONTINUED

PART THREE: IMPLEMENTATION REPORT

ADHERENCE TO THE REMUNERATION POLICY

The Remuneration and Nomination Committee has monitored the implementation of our remuneration policy and is of the view that there were no deviations from the policy in the year under review.

INTERNAL AND EXTERNAL FACTORS THAT INFLUENCED OUR REMUNERATION FOR 2018

Remuneration was influenced by:

- Company performance
- individual performance
- affordability
- economic conditions
- Company strategy and business plans
- safety achievement
- Company sustainability.

AREAS OF FOCUS FOR 2018

- Shareholder engagement on remuneration policy
- Implementation of revised share appreciation rights (SARs) and forfeitable share plan (FSP)
- Revision of FSP to include measures other than total shareholder return (TSR)
- Peer survey for executives, and non-executive directors' remuneration
- Finalisation of executive remuneration for 2018
- Introduction of measurement of ethics of executives and management
- Approved appointment of new Financial Director
- Approved appointment of three non-executive directors
- Remuneration reporting alignment to King IV guidelines

FUTURE AREAS OF FOCUS

- Consider implementation of minimum shareholding malus and clawback policies
- Implementation of additional measures for FSP

GUARANTEED PACKAGES

The Remuneration Committee undertook a benchmarking of the Company's total guaranteed packages with its peer group and with mining company information to determine potential increases for the 2018 financial year. Considering the prevailing market conditions, affordability and shareholders' expectations, an average increase of 6.5% was awarded to executives for the 2018 financial year. The table below illustrates the increases awarded to executives, management and unionised staff from 2016. The executives and management have consistently been awarded lower increases than unionised employees over the past three years.

Percentage increases over the past three years

	2018 %	2017 %	2016 %
Executives (1 January)	**6.5**	6.8	5.0
Management (1 July) (D2 and above)	**7.1**	6.8	5.0
Mining operations and support (1 July)			
C1 — D1 (supervisory)	**8.0**	8.0	8.0
A1 — B7 (operating)	**10.5**	10.0	10.0

TOTAL REMUNERATION OUTCOMES

The total remuneration for the 2018 financial year and performance for the executives and prescribed officers is indicated in the tables below.

2018 remuneration

	2018 Target R	2018 Actual R	2017 Actual R
Steve Phiri (CEO)			
Short-term remuneration			
Total guaranteed package	5 663 534	5 663 534	5 317 872
Short-term incentives (bonus)	3 190 723	4 605 277	3 808 476
Retention bonus	5 997 600	5 997 600	5 997 600
Special bonus	–	2 658 936***	–
Long-term remuneration			
Bonus Share Plan (BSP) vesting	1 874 162	793 329	885 236
Forfeitable Share Plan (FSP) vesting	2 841 171	–	–
Total remuneration paid in the year	19 567 190	19 718 676	16 009 184
Estimate short-term incentive to be paid for 2018 performance*		3 998 455	
Estimate BSP to be allocated for 2018 performance**		1 999 228	
Martin Prinsloo			
Short-term remuneration			
Total guaranteed package	3 966 060	3 966 060	3 766 395
Short-term incentives (bonus)	2 259 837	3 131 884	2 597 000
Retention bonus	4 200 000	4 200 000	4 200 000
Special bonus	–	1 862 000***	–
Long-term remuneration			
Bonus Share Plan (BSP) vesting	1 375 996	582 456	645 633
Forfeitable Share Plan (FSP) vesting	1 592 522	–	–
Total remuneration paid in the year	13 394 415	13 742 400	11 209 028
Estimate short-term incentive to be paid for 2018 performance*		–	
Estimate BSP to be allocated for 2018 performance**		–	
Hanré Rossouw			
Short-term remuneration			
Total guaranteed package	1 025 001	1 025 001	–
Short-term incentives (bonus)	615 001	–	–
Retention bonus	–	–	–
Long-term remuneration			
Bonus Share Plan (BSP) vesting	–	–	–
Forfeitable Share Plan (FSP) vesting	–	–	–
Total remuneration paid in the year	1 640 002	1 025 001	
Estimate short-term incentive to be paid for 2018 performance*		701 224	
Estimate BSP to be allocated for 2018 performance**		350 612	

* *To be paid in March 2019 following Board approval*
** *To be allocated in April 2019 following Board approval*
*** *Related to successful conclusion of the Maseve transaction*

REMUNERATION REVIEW CONTINUED

2018 remuneration continued

	2018 Target R	2018 Actual R	2017 Actual R
Neil Carr			
Short-term remuneration			
Total guaranteed package	3 852 744	3 852 744	3 673 293
Short-term incentives (bonus)	2 203 976	3 042 402	2 590 800
Retention bonus	3 400 000	3 400 000	3 400 000
Special bonus	–	1 447 040	–
Long-term remuneration			
Bonus Share Plan (BSP) vesting	1 291 513	546 695***	502 841
Forfeitable Share Plan (FSP) vesting	1 037 999	–	–
Total remuneration paid in the year	11 786 232	12 288 880	10 166 934
Estimate short-term incentive to be paid for 2018 performance*		2 604 455	
Estimate BSP to be allocated for 2018 performance**		1 302 227	
Reginald Haman			
Short-term remuneration			
Total guaranteed package	2 977 674	2 977 674	2 795 938
Short-term incentives (bonus)	1 677 563	2 351 384	2 002 354
Retention bonus	2 102 209	2 102 209	2 102 209
Long-term remuneration			
Bonus Share Plan (BSP) vesting	1 026 554	434 538	498 263
Forfeitable Share Plan (FSP) vesting	993 322	–	–
Total remuneration paid in the year	8 777 321	7 865 805	7 398 764
Estimate short-term incentive to be paid for 2018 performance*		2 132 015	
Estimate BSP to be allocated for 2018 performance**		1 066 007	
Glenn Harris			
Short-term remuneration			
Total guaranteed package	3 762 543	3 762 543	3 533 448
Short-term incentives (bonus)	2 120 069	2 964 037	2 606 878
Retention bonus	3 312 425	3 312 425	3 312 425
Long-term remuneration			
Bonus Share Plan (BSP) vesting	1 233 112	521 952	518 134
Forfeitable Share Plan (FSP) vesting	1 507 188	–	–
Total remuneration paid in the year	11 935 337	10 560 957	9 970 885
Estimate short-term incentive to be paid for 2018 performance*		2 649 976	
Estimate BSP to be allocated for 2018 performance**		1 324 988	

* *To be paid in March 2019 following Board approval*
** *To be allocated in April 2019 following Board approval*
*** *Related to successful conclusion of the Maseve transaction*

2018 remuneration continued

	2018 Target R	2018 Actual R	2017 Actual R
Mpueleng Pooe			
Short-term remuneration			
Total guaranteed package	2 637 439	2 637 439	2 476 469
Short-term incentives (bonus)	1 485 881	1 983 652	1 610 636
Retention bonus	1 396 505	1 396 505	1 396 505
Long-term remuneration			
Bonus Share Plan (BSP) vesting	825 325	349 359	–
Forfeitable Share Plan (FSP) vesting	879 808	–	–
Total remuneration paid in the year	7 224 959	6 366 954	5 483 610
Estimate short-term incentive to be paid for 2018 performance*		1 651 037	
Estimate BSP to be allocated for 2018 performance**		825 518	
Lindiwe Montshiwagae			
Short-term remuneration			
Total guaranteed package	2 255 681	2 255 681	2 066 935
Short-term incentives (bonus)	1 240 161	1 788 872	1 182 286
Retention bonus	904 816	904 816	904 816
Long-term remuneration			
Bonus Share Plan (BSP) vesting	734 945	311 101	346 349
Forfeitable Share Plan (FSP) vesting	–	–	–
Total remuneration paid in the year	5 135 603	5 260 470	4 500 386
Estimate short-term incentive to be paid for 2018 performance*		1 592 511	
Estimate BSP to be allocated for 2018 performance**		796 256	
Vicky Tlhabanelo			
Short-term remuneration			
Total guaranteed package	2 864 111	2 864 111	2 689 306
Short-term incentives (bonus)	1 613 584	2 261 706	1 925 988
Retention bonus	1 516 526	1 516 526	1 516 526
Long-term remuneration			
Bonus Share Plan (BSP) vesting	1 022 811	432 954	464 693
Forfeitable Share Plan (FSP) vesting	955 417	–	–
Total remuneration paid in the year	7 972 449	7 075 297	6 596 513
Estimate short-term incentive to be paid for 2018 performance*		2 079 345	
Estimate BSP to be allocated for 2018 performance**		1 039 672	
Lester Jooste			
Short-term remuneration			
Total guaranteed package	2 002 067	2 002 067	1 879 875
Short-term incentives (bonus)	1 127 925	1 129 492	866 516
Retention bonus	921 809	921 809	921 809
Long-term remuneration			
Bonus Share Plan (BSP) vesting	730 863	309 373	344 654
Forfeitable Share Plan (FSP) vesting	–	–	–
Total remuneration paid in the year	4 782 664	4 362 740	4 012 854
Estimate short-term incentive to be paid for 2018 performance*		944 308	
Estimate BSP to be allocated for 2018 performance**		472 154	

* *To be paid in March 2019 following Board approval*
** *To be allocated in April 2019 following Board approval*

REMUNERATION REVIEW CONTINUED

Performance measurement weightings for 2018

	Weightings
Short-term incentives	Company — 55%
	Individual — 45%
BSP	Company — 55%
	Individual — 45%
FSP*	TSR — 100%
Retention**	Operational excellence and flexibility — 50%
	Organic growth — 25%
	Value-enhancing opportunities — 25%

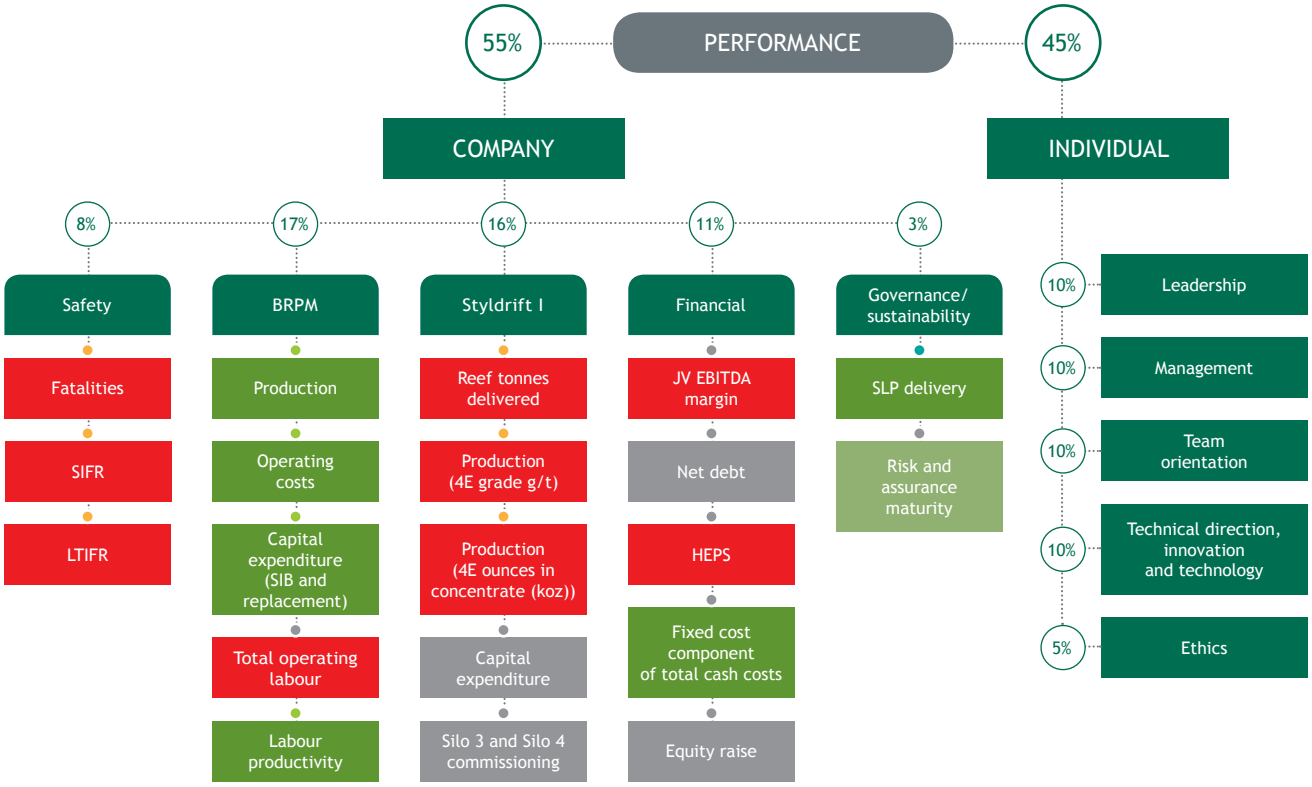
* *Amendment to include ESG and capital management from 2019 onwards*
** *No further awards planned*

SHORT-TERM INCENTIVE PAYMENTS

Short-term incentive payments for the executives are based on the business plan for the year under review. For the 2018 financial year the short-term incentive payments were based on the measures below and the achievement is illustrated by the diagram legend.

The 2018 performance achievement resulted in an estimated weighted average of 61% of total guaranteed package (TGP) being awarded to executives. This performance bonus will be paid in March 2019

The measurement of executive performance in 2018



Legend: Not met Partially met Met Exceeded some targets Exceeded all targets

LONG-TERM INCENTIVE AWARDS

Share option plan

No further share options were awarded in the 2018 financial year.

Share appreciation rights (SAR)

The SAR plan was approved for implementation by shareholders at the Annual General Meeting held on 10 April 2018. Eligible participants were awarded rights as per the Remuneration Committee's award policy. The rights vest in three equal tranches on the third, fourth and fifth anniversary of the award. The only executive and/or prescribed officer who received SARs in the 2018 financial year was the newly appointed CFO.

Bonus share plan (BSP)

Bonus shares were awarded to eligible participants on 1 April 2018. The performance shares awarded in 2018 are matched to the performance bonus in relation to the performance achieved in the 2017 financial year. Bonus shares will be awarded on 1 April 2019 to match 2018 financial year performance bonuses. The bonus shares vest in one tranche on the third anniversary of award.

Forfeitable share plan (FSP)

Forfeitable shares were awarded to eligible participants on 1 April 2018. The forfeitable shares are performance-based shares, which vest in three equal tranches on the third, fourth and fifth anniversary. The performance measure that determines vesting is a comparative total shareholder return (TSR) to the peer group. The peer group for the FSP is platinum producing companies listed on the Johannesburg Stock Exchange.

Retention shares

The retention scheme was implemented in 2016 to ensure that a key team remained to deliver the Company's strategy.

Shares awarded in consideration for retention were issued on 1 April 2018 to eligible participants. The shares are performance-based and vest in one tranche on the third anniversary. The performance measures for the retention are linked to the Company strategic pillars of achieving operational excellence and building flexibility (50% weighting), growing organically (25% weighting) and pursuing value-enhancing opportunities (25% weighting).

Long-term awards in 2018

	Face value of awards in 2018				
	SAR[3] R	BSP[4] R	FSP[4] R	Retention[4] R	Total R
Executive directors					
Steve Phiri	0	2 302 639	7 362 594	7 103 186	16 768 418
Martin Prinsloo[1]	0	0	0	4 974 236	0
Hanré Rossouw[2]	20 500 000	0	0	0	20 500 000
Executive and prescribed officers					
Neil Carr	0	1 521 201	3 852 744	4 026 751	9 400 696
Glenn Harris	0	1 482 019	3 753 507	3 923 027	9 158 553
Reginald Haman	0	1 175 700	2 382 139	2 489 736	7 223 259
Mpueleng Pooe	0	991 826	2 109 952	1 653 928	4 755 705
Lindiwe Montshiwagae	0	894 436	1 804 545	1 071 613	3 770 594
Vicky Tlhabanelo	0	1 130 853	2 291 289	1 679 724	5 218 235
Lester Jooste	0	1 129 492	0	1 091 745	2 221 237

[1] *Resigned on 10 August 2018; 2018 awards forfeited and/or lapsed and other than one-third of the retention bonus which he qualifies for due to completing and achieving certain targets during the 2018 financial year, Martin achieved these targets and supported the two major acquisitions up to the end of 2018 as contracted with the Company*
[2] *Appointed on 1 October 2018*
[3] *Vesting in 2021, 2022 and 2023*
[4] *Vesting in 2021*

REMUNERATION REVIEW CONTINUED

NON-EXECUTIVE DIRECTORS' FEES

The non-executive directors' fees were benchmarked to the peer group and it was determined that some Board members were misaligned with the market. The Board agreed to a multi-year approach to the aligning of fees. At the Annual General Meetings held on 12 April 2017 and 10 April 2018 the average increases of 5.5% and 6.5%, respectively, were approved.

Board member	2018 fees R	2017 fees R
Kgomotso Moroka	1 440 158	1 363 215
Peter Ledger[1]	456 997	0
Zanele Matlala[2]	114 117	0
Mark Moffett	449 504	459 024
Thoko Mokgosi-Mwantembe	596 527	558 476
Obakeng Phetwe[3]	332 664	0
Mike Rogers	767 322	675 876
Louisa Stephens†	514 537	531 945
David Wilson†	437 098	412 600
Robin Mills[4]	142 857	592 322
Linda de Beer[5]	445 750	654 998
Total	5 697 531	5 674 030

[1] *Appointed on 28 February 2018*
[2] *Appointed on 1 October 2018*
[3] *Appointed on 28 February 2018*
[4] *Resigned on 10 April 2018*
[5] *Resigned on 6 August 2018*
† Fees paid to Prime Select Holdings Proprietary Limited (Louisa Stephens) and Royal Bafokeng Holdings Proprietary Limited (David Wilson)

Peer group for 2018	Guaranteed remuneration	Total remuneration (guaranteed, short term and long term)	FSP scheme	Non-executive directors
General mining survey	✔			
African Rainbow Minerals	✔	✔		✔
Anglo American Platinum	✔	✔		✔
AngloGold Ashanti	✔	✔		✔
Barrick Gold	✔	✔		✔
DRD Gold	✔	✔		✔
Gold Fields	✔	✔		✔
Harmony Gold	✔	✔		✔
Impala Platinum	✔	✔	✔	✔
Lonmin Platinum	✔	✔	✔	✔
Merafe Resources	✔	✔	✔	✔
Northern Platinum	✔	✔	✔	✔
Sibanye-Stillwater	✔	✔		✔
Wesizwe Platinum	✔	✔	✔	✔
Jubilee Platinum			✔	
Eastern Platinum			✔	
Bauba Platinum			✔	

SOCIAL AND ETHICS COMMITTEE REPORT

My responsibility as Chairman of RBPlat's Social and Ethics Committee is to report on the matters for the period ended 31 December 2018, in accordance with the requirements of the Companies Act 71 of 2008 (as amended) and RBPlat's application of King IV.

The committee's mandate is set out in its Board-approved terms of reference, which is aligned to the Company's statutory and other responsibilities, as assigned by the Board. The charter is reviewed annually to ensure its relevance.

The committee reviews quarterly reporting on:

- safety and occupational hygiene and action taken to improve safety performance
- occupational health and wellness
- environmental stewardship and climate change
- compliance with the Mineral and Petroleum Act 28 of 2002 (MPRDA), the Minerals Policy, the Mine Health and Safety Act 29 of 1996 (MHS), the Mining Charter and legislative compliance
  - stakeholders in terms of:
    - social and labour plans
    - community development
    - stakeholder engagement
    - the Mining Charter
- human resource development, employee equity and transformation
- mine environmental rehabilitation and closure financial provisioning
- asset protection and security, which includes an update on RBPlat's ethics and human rights performance and the ethics hotline cases.

This year in terms of sustainability we also reviewed the following:

Implementation of the Sustainability Framework Implementation Plan for 2018, which included:

- identification of our material issues
- compiling and submitting the CDP water and climate questionnaires and discussing changes to the questionnaires and their implications for RBPlat
- compiling and submitting the UNGC communication of progress (COP)
- updating RBPlat's sustainability performance dashboard and data reporting procedure
- addressing how we are able to contribute to the achievement of the SDGs.

Progress on the implementation of the energy and water management strategy plans which included:

- keeping abreast of changes in energy-related legislation and the renewable energy feasibility project
- embedding sustainability in the supply chain
- updating water balances for BRPM, the BRPM concentrator complex and Styldrift Mine
- the installation of loggers in specific boreholes to enable continuous monitoring of ground water
- upgrading of the return water pipeline to increase the flow of water between the open-cast dam and the water treatment plant.

Progress with the Climate Change Framework Implementation Plan which included:

- an internal storm water management audit to determine the effectiveness of the storm water management infrastructure
- finalising of rehabilitation strategies to protect streams, which will be submitted to the Department of Water and Sanitation as part of the water use licence compliance

The committee was updated on the status of the Employee Home Ownership Scheme.

The committee reviewed and approved RBPlat's policy on harassment and discrimination.

The Social and Ethics Committee and the Audit and Risk Committee have joint sessions as required at which we address the following:

- enterprise risk management
- Group and mine risk profiles and registers
- risks management-related policies and framework
- the integrated assurance process, scope and findings
- ethics status report and policies
- fraud risk profile
- Group insurance programme.

CONCLUSION

The committee is satisfied that RBPlat continued to meet its environmental, social and governance responsibilities in 2018. The Company also has appropriate policies and frameworks in place to sustain its commitment to responsible corporate citizenship, including social and economic development, fair labour practices, its commitment to upholding human rights, environmental responsibility and good corporate citizenship.

We are also satisfied that there has been no material non-compliance with legislation or non-adherence to codes of best practice in terms of the areas within the committee's mandate during 2018.

The committee is accountable to the Board. I report on its behalf to shareholders at the Company's Annual General Meeting on matters within the committee's mandate.

Mike Rogers
Chairman
Social and Ethics Committee

INDEPENDENT ASSURANCE REPORT

TO THE MANAGEMENT AND STAKEHOLDERS OF ROYAL BAFOKENG PLATINUM LIMITED

Introduction

IBIS ESG Assurance Proprietary Limited (IBIS) was commissioned by Royal Bafokeng Platinum Limited (RBPlat) to conduct an independent third-party assurance engagement in relation to the sustainability information in its integrated report (the report) for the financial year that ended 31 December 2018.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Adam Sutton-Pryce and Ravanya Naidoo from IBIS. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 20 years' experience in sustainability performance measurement involving both advisory and assurance work.

Assurance standard applied

This assurance engagement was performed in accordance with AccountAbility's AA1000AS (2008) standard and was conducted to meet the AA1000AS Type II moderate level requirements.

Respective responsibilities and IBIS' independence

RBPlat is responsible for preparing their integrated report and for the collection and presentation of sustainability information within the report. **IBIS'** responsibility is to the management of RBPlat alone and in accordance with the terms of reference agreed with RBPlat.

IBIS applies a strict independence policy and confirms its impartiality to RBPlat in delivering the assurance engagement. This assurance engagement is the third consecutive assurance engagement conducted for RBPlat by IBIS.

Assurance objectives

The purpose of the assurance engagement is to provide the management of RBPlat and RBPlat's stakeholders with an independent moderate level assurance opinion on whether the report meets the following objectives:

- adherence to the AA1000APS (2008) AccountAbility principles of inclusivity, materiality and responsiveness
- fair reporting on a selection of operational key performance indicators (KPIs) as related to the identified material issues listed alongside and marked with a in the report

MATERIAL ISSUE	KPI
Social Expectations and concerns of the communities in which we operate	• HDSA percentage local discretionary procurement spend • Total SLP expenditure • Number and % of workforce trained in terms of SLP commitments • Total employee and contractor training spend in terms of SLP commitments as a % of payroll
Availability of adequate and appropriate skills	• Total number of employees, contractors and community members who received part-time AET • Employment equity: % of HDSA managers in core and support functions • Skilled employee voluntary turnover • Women in mining
Labour stability	• Number of production days lost due to labour action
Environmental Environmental and climate change	• New water used • Water use intensity • Total energy consumption, including electricity, petrol, diesel and LPG/LNG • Electricity use intensity • Greenhouse gas emissions: Scope 1 and 2 (CO_2e), including GHG intensity (per tonnes milled/ore produced) • Hazardous waste landfilled
Safety Safety performance	• Fatal injury frequency rate (FIFR) • Lost time injury frequency rate (LTIFR) • Serious injury frequency rate (SIFR) • Number of injury-free days • Total recordable injuries • Number of production shifts lost due to section 54 stoppages
Health Health and wellness of our employees	• Absenteeism rate for full-time employees • Number of new noise-induced hearing loss (NIHL) cases diagnosed, greater than 10% PLH • HCT – total number of counsellings and tests performed (employees and contractors) • Number of employees and contractors on ART • Number of ART default cases • Tuberculosis (TB): Number of employees and contractors who tested positive • TB incidence rate

INDEPENDENT ASSURANCE REPORT CONTINUED

Work performed by IBIS

IBIS performed the assurance engagement in accordance with the AccountAbility AA1000AS (2008) Type II requirements. The following suitable assessment criteria was used in undertaking the work:

- AA1000APS (2008) (AccountAbility principles standard) published criteria for inclusivity, materiality and responsiveness respectively
- RBPlat's operational sustainability data reporting procedure that specifies definitions, reporting processes, controls and responsibilities

Our assurance methodology included:

- interviews with relevant functional managers at head office and the operations to understand and test the processes in place for adherence to the AA1000APS stakeholder engagement principles and disclosure of the selected KPIs in the assurance scope
- site visits to both BRPM and Styldrift operations, which involved testing on a sample basis, the measurement, collection, aggregation and reporting of selected sustainability information
- inspection and corroboration of supporting evidence to evaluate the data generation and reporting processes against the assurance criteria
- reporting the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process
- assessing the presentation of information relevant to the scope of work in the report to ensure consistency with the assurance observations.

Engagement limitations

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a moderate level of assurance in accordance with AA1000AS (2008).

The procedures performed in a moderate assurance engagement vary in nature from and are less in extent than for a high assurance engagement. As a result, the level of assurance obtained for a moderate assurance engagement is lower than for high assurance as per AA1000AS (2008).

Conversion factors used to derive emissions and energy used from fuel and electricity consumed are based upon information and factors derived by independent third parties. The assurance work did not include an examination of the derivation of those factors and other third-party information.

Assurance conclusion

In our opinion, based on the work undertaken for moderate assurance as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined reporting criteria and are free from material misstatement in respect of:

- RBPlat's adherence to the AA1000APS principles of inclusivity, materiality and responsiveness
- the selected KPIs as identified under the assurance objectives above and as presented in the published and online report

Key observations and recommendations

Based on the work set out above, and without affecting the assurance conclusions, the key observations and recommendations for improvement are as follows:

In relation to the inclusivity principle

RBPlat has followed the formal Board-approved sustainability and stakeholder engagement framework during the reporting period. The stakeholder engagement framework was revised and approved by the Board during 2018. Evidence observed pointed to highly inclusive stakeholder engagement where collective decision-making is performed. The results of the stakeholder engagement processes were continually reported on by way of monthly performance reviews to the Executive Committee, and quarterly to the Social and Ethics Committee and the Board.

In relation to the materiality principle

Evidence observed confirmed that RBPlat has maintained due process in mapping and disclosing its material stakeholder matters in a transparent and balanced manner. The established materiality determination process was reperformed in 2018 and involved the engagement of both internal and external stakeholders. Material issues were revised, presented to the Board for approval and linked to RBPlat's top strategic risks for 2018 and aligned to the new business strategy. The report sets out matters of concern to stakeholders and their associated risks and opportunities.

In relation to the responsiveness principle

RBPlat's responses to stakeholder issues observed across different stakeholder groups and case studies sampled indicate a high level of maturity and accountability to stakeholder issues raised. Engagement processes in 2018 focused on the investment community, 'doorstep' communities, government, employees and unions. RBPlat implemented its stakeholder engagement framework on an ongoing basis through the Stakeholder Engagement Plan, which was also observed to be duly implemented during the reporting period. Evidence observed points to continued actions towards strengthening relationships with stakeholders. Responses to stakeholders were found to be directly related to the stakeholder concerns and were conducted in a timely, fair and appropriate manner without prejudice to any one stakeholder group.

With the introduction of AA1000AP (2018), which includes the addition of the principle of impact, it is recommended that RBPlat starts introducing processes to formally monitor, measure and be accountable for how their actions affect the broader economy, environment, society, stakeholders or RBPlat itself.

In relation to the selected KPIs

The general control environment for sustainability information at RBPlat continues to improve year-on-year. In particular, IBIS noted that comprehensive steps were taken during 2018 to improve the measurement and reporting of fuel usage data. However, it was found that the controls governing the collection, verification and reporting of environmental information presented challenges, with a number of data inconsistencies being identified during the audit. IBIS is satisfied with the accuracy of the final data in the assurance scope as data inconsistencies were subsequently corrected.

It is recommended that RBPlat continue with the internal audit programme carried out in 2018 focusing on the reporting of those data points where repeat challenges have been observed.

A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to RBPlat's management for consideration.

Petrus Gildenhuys
Director, IBIS ESG Assurance Proprietary Limited

Johannesburg, 26 February 2019

AA1000
Licensed Assurance Provider
000-156

The assurance statement provides no assurance on the maintenance and integrity of sustainability information on the website, including controls used to maintain this. These matters are the responsibility of RBPlat.

RBPlat's response to the assurance statement:

"Following the recommendations highlighted in this assurance statement and the management report, RBPlat has already begun reviewing the recommendations. We will continue with the internal sustainability audit programme focusing on data quality controls and continue implementing our sustainability and stakeholder engagement framework going forward."

SHAREHOLDER ANALYSIS

Company: Royal Bafokeng Platinum Limited
Register date: 28 December 2018
Issued share capital: 210 499 623

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 — 1 000 shares	925	59.37	247 292	0.12
1 001 — 10 000 shares	277	17.78	810 066	0.38
10 001 — 100 000 shares	193	12.39	8 588 882	4.08
100 001 — 1 000 000 shares	137	8.79	41 551 184	19.74
1 000 001 shares and over	26	1.67	159 302 199	75.68
Total	1 558	100.00	210 499 623	100.00

Distribution of shareholders	Number of shareholdings	%	Number of shares	%
Strategic holder	1	0.06	101 333 105	48.14
Banks/brokers	48	3.08	8 195 101	3.89
Close corporations	11	0.71	12 612	0.01
Endowment funds	13	0.83	611 455	0.29
Individuals	1 022	65.60	1 361 279	0.65
Insurance companies	35	2.25	3 188 086	1.51
Medical schemes	4	0.26	600 516	0.29
Mutual funds	134	8.60	44 052 681	20.93
Other corporations	13	0.83	353 271	0.17
Private companies	27	1.73	61 525	0.03
Retirement funds	158	10.14	47 388 329	22.51
Share scheme	2	0.13	2 859 806	1.36
Trusts	90	5.78	481 857	0.23
Total	1 558	100.00	210 499 623	100.00

Public/non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	8	0.51	104 598 582	49.69
Directors and associates of the Company	5	0.32	405 671	0.19
Strategic holdings (more than 10%)	1	0.06	101 333 105	48.14
Share schemes	2	0.13	2 859 806	1.36
Public shareholders	1 550	99.49	105 901 041	50.31
Total	1 558	100.00	210 499 623	100.00

Top 10 fund managers

	Number of shares	%
Allan Gray Asset Management	42 830 819	20.35
Kagiso Asset Management	8 002 759	3.80
Public Investment Corporation	6 648 313	3.16
Investec Asset Management	6 394 659	3.04
Afena Capital	6 015 934	2.86
Coronation Fund Managers	5 090 616	2.42
Abax Investments	4 912 585	2.33
Aylett & Co	3 907 933	1.86
Perpetua Investment Managers	3 902 593	1.85
Sentio Capital Management	2 582 966	1.23
Total	79 895 685	37.96

Beneficial shareholders with a holding greater that 3% of the issued shares

	Number of shares	%
Royal Bafokeng Platinum Holdings	101 333 105	48.14
Allan Gray Asset Management	24 008 275	11.41
Government Employees Pension Fund	10 192 750	4.84
Eskom Pension and Provident Fund	6 528 684	3.10
	142 062 814	67.49

Share price performance

Closing price on 2 January 2018 (R)	**28.00**
Closing price at 31 December 2018 (R)	**26.48**
Closing high for the period (R)	**35.00**
Closing low for the period (R)	**19.89**
Number of shares in issue	**210 499 623**
Volume traded during the period	**55 949 789**
Ratio of volume traded to shares issued (%)	**26.58**
Rand value traded during the period (R million)	**134 152**
Price/earnings ratio as at 31 December 2018	**33.9x**
Earnings yield as at 31 December 2018 (%)	**2.9%**
Market capitalisation as at 31 December 2018 (R million)	**5 574**

GLOSSARY AND TERMS AND ACRONYMS

4E	Four platinum group elements: Platinum, palladium, rhodium and gold
ABMS/JIC	Aforika Borwa Mining Solutions held the volume mining contract with RBPlat, which was implemented by JIC Engineering Services, a wholly owned subsidiary of Westdawn Investments in which Oakbay Investments has a 57.6% interest
AET	Adult education and training
AIDS	Acquired immune deficiency syndrome
Amplats	Anglo American Platinum Limited
ART	Antiretroviral treatment
Au	Gold
Base metal	A common metal that is not considered precious, such as copper, nickel, tin or zinc
B-BBEE	Broad-based black economic empowerment
BRMS	Bafokeng Rasimone Management Services Proprietary Limited
BRP	Bafokeng Rasimone Platinum, previously Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture
BRPM	Bafokeng Rasimone Platinum Mine
CAD	Computer-aided design
CDP	Carbon Disclosure Project
Concentrate	The product of the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the base metals and precious minerals. These minerals are treated further by smelting and refining to obtain the pure metals (PGMs, Au, Ni and Cu)
CSI	Corporate social investment
Cu	Copper
Debt:equity ratio	Interest-bearing borrowings, including the short-term portion payable, as a ratio of shareholders' equity
Decibel A	A-weighted decibels: Abbreviated as dBA, or dBa, or dB(a), an expression of the relative loudness of sounds in air as perceived by the human ear. In the A-weighted system, the decibel values of sounds at low frequencies are reduced, compared with unweighted decibels, in which no correction is made for audio frequency. This correction is made because the human ear is less sensitive at low audio frequencies, especially below 1 000Hz, than at high audio frequencies
Decline	A generic term used to describe a shaft at an inclination below the horizontal and usually at the same angle as the dip of the reef
Discretionary procurement	Procurement for which the purchaser is able to choose the supplier as opposed to non-discretionary expenditure where the purchaser has no choice of supplier, e.g. the purchase of electricity from Eskom which is currently the only company from which we can purchase electricity in South Africa
DMR	Department: Mineral Resources
DWS	Department: Water and Sanitation
Earned value	Cost for actual work performed minus the budgeted cost for the work performed
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EIA	Environmental impact assessment
Employment equity	Achieving equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by previously historically disadvantaged South Africans (HDSAs)

EMS	Environmental management system
Enrolled employee	A member of RBPlat's permanent workforce
EMPR	Environmental management programme report
EPS	Earnings per share
ERM	Enterprise risk management
ERRA	Employee relations recognition agreement
ESOP	Employee share option scheme
ETF	Exchange traded funds
Fatality	Any death resulting from an unexpected and unplanned occurrence, including acts of violence on the premises of the Company
	Deaths arising out of or in connection with work, irrespective of the time between the injury and the occurrence of the death
FIFR	Fatal injury frequency rate; the number of fatal injuries that have occurred in every 200 000 hours worked
FOG	Fall of ground
FTE	Full-time equivalent
g/t	Grams per tonne, the unit of measurement of metal content, equivalent to parts per million
GHG	Greenhouse gases, the gases present in the earth's atmosphere which reduce the loss of heat into space and contribute to global temperatures through the greenhouse gas effect. On earth the most abundant greenhouse gases are, in order of relative abundance: water vapour, carbon dioxide, methane, nitrous oxide, ozone and chlorofluorocarbons
GJ	A gigajoule is equivalent to one billion joules and a joule is a unit of energy equivalent to one watt of power dissipated over one second
Greenhouse gas emissions Scope 1, 2 and 3	As per the Greenhouse Gas Protocol (GHG Protocol) jointly convened in 1998 by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) protocol: Scope 1: LPG, acetylene gas consumption, the combustion of lubrication oil, explosives, generators (petrol and diesel), Company-owned vehicles (petrol and diesel); Scope 2: Electricity; Scope 3: water, waste
GRI	Global Reporting Initiative, established in 1997 with the aim of designing globally applicable guidelines for the preparation of enterprise level, sustainable development reports
HCT	HIV counselling and testing
HDSA	Historically disadvantaged South African
HEPS	Headline earnings per share
HIV	Human immunodeficiency virus
IDC	Industrial Development Corporation
IDP	Integrated development plan
IFRS	International Financial Reporting Standards
IMA	Immediately available ore reserves: Ground available for mining without any further development
IMS	Immediately stopable reserves: Fully equipped and spare mining faces that can be mined immediately
In situ	The original natural state of the ore body before mining or processing of the ore takes place

GLOSSARY AND TERMS AND ACRONYMS CONTINUED

Indicated mineral resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity, but are spaced closely enough for continuity to be assumed (SAMREC 2007)
Inferred mineral resource	An 'Inferred Mineral Resource' is that part of a Mineral Resource for which volume or tonnage, grade and mineral content can be estimated with only a low level of confidence. It is inferred from geological evidence and geologically or through analysis of grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited in scope or of uncertain quality and reliability (SAMREC 2007)
Inferred scheduled resource	That portion of an inferred mineral resource which is included in the mine design or planning but not converted to a mineral reserve due to a low level of confidence
IOD	Institute of Directors
IPM	Platinum Group Metals Association
ISO 14001	The International Standards Organisation's standard for environmental management systems
ISO 9001	The International Standards Organisation's standard for quality management
King Code	King Report on Corporate Governance, a code of corporate governance issued by the King Committee on Corporate Governance and last updated in 2016 (King IV)
koz	Thousand ounces
KPI	Key performance indicator, a measure of factors that are crucial for the success of an organisation and specific to that organisation or sector
kt	Thousand tonnes
ktpm	Thousand tonnes per month
LHD	Load haul dump machine used in trackless mining
LOM	Life of mine
LTI	Lost time injury: An occupational injury or illness that results in at least one day away from work on any rostered shift subsequent to the day on which the injury occurred. A fatality is also recorded as an LTI
LTIFR	Lost time injury frequency rate: The number of lost time injuries per 1 000 000 hours worked
MACHARORA	Made up of the four villages of Mafenya, Chaneng, Robega and Rasimone, surrounding our operations
Mahube Trust	Royal Bafokeng Platinum Mahube Trust
Maseve	Maseve is the operating and holding company for the Maseve Mine, located on the Western Limb of the Bushveld Complex near Rustenburg, South Africa. Platinum Group Metals Limited (PTM) owns an indirect 82.9% equity interest in Maseve
Measured mineral resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity (SAMREC 2007)
Merensky reef	The Merensky reef is a layer in the Bushveld Complex (BC) containing one of the world's largest concentrations of platinum group metals (PGMs)
MHSA	Mine health and safety Act No. 29 of 1996
MII	Mining Integration and Intelligence
Milling	A process to reduce broken ore to a size at which concentrating can be undertaken

Mineral reserve	A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study and a Life-of-Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed (SAMREC 2007)
Mineral resource	A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence into Inferred, Indicated or Measured categories (SAMREC 2007)
Mining Charter	Mining Charter II was launched in 2010 to facilitate the sustainable transformation and development of the South African mining industry, with emphasis on a target of 26% black ownership of the country's mining assets by 2014. A new charter is pending
MOI	Memorandum of Incorporation
Moz	Million ounces
MPRDA	Mineral and Petroleum Resources Development Act No. 28 of 2002
MQA	Mining Qualifications Authority
Mt	Million tonnes
MTS	Mines Technical Services: A set of IM systems that support the various mine production disciplines such as planning, survey, geology, ventilation, rock engineering and safety
MW	A megawatt is a unit for measuring power that is equivalent to one million watts
MWh	A megawatt hour (MWh) is equivalent to 1 000 kilowatt hours (kWh) of electricity used continuously for one hour
NAV	Net asset value: Total assets less all liabilities, including deferred taxation, which equates to shareholders' equity. Net asset value as a percentage of market capitalisation is shareholders' equity expressed as a percentage of market capitalisation
NBI	National Business Initiative
NEMA	National Environmental Management Act No. 107 of 1998
Ni	Nickel
NIHL	Noise-induced hearing loss
Non-scheduled resource	Mineral resources not scheduled in the mine plan due to a low level of study confidence or no approved mining right
NO_x	Oxides of nitrogen (nitric oxide and nitrogen dioxide) which are produced from the reaction of nitrogen and oxygen gas during combustion, especially at high temperatures
NUM	National Union of Mineworkers
Number of days without injury during the year	The number of calendar days on which no injury was reported or recorded at the BRPM Clinic. This can be for a specific area or the total mine, depending on the area being reported on in the reporting period
Number of employees counselled	The number of employees that received HIV counselling prior to deciding if they will accept the HIV test. HIV counselling is compulsory for all employees during initial and periodic medical surveillance examination

GLOSSARY AND TERMS AND ACRONYMS CONTINUED

Number of employees currently on ART	The number of employees that have been identified as being HIV positive as indicated by the HIV test results and where the CD4 count is 350 or below
OEM	Original equipment manufacturer
OHSAS 18001	An Occupational Health and Safety Assessment series for health and safety management systems. It is intended to help organisations control occupational health and safety risks. It was developed in response to widespread demand for a recognised standard against which businesses can be certified and assessed
OT	Operational technology
Pd	Palladium
PGE	Platinum group elements
PGM	Platinum group metals: Six elemental metals of the platinum group nearly always found in association with each other. These metals are platinum, palladium, rhodium, ruthenium, iridium and osmium
Plan 35	The Royal Bafokeng Nation's (RBN) Plan 35 is structured around three themes that provide a comprehensive framework for the realisation of the RBN's aspirations: human welfare, working towards an adequate standard of living for all; community welfare, creating an enabling community environment; and sustainability and growth with an emphasis on favourable economic conditions
pM10	Particulate matter less than 10 micrometres in diameter
Powertrain	The mechanism that transmits the drive from the engine of a vehicle to its axle
PPE	Personal protection equipment
PSO	Project Support Office
Pt	Platinum
PTO	Planned task observation
RBA	Royal Bafokeng Administration
RBED	Royal Bafokeng Enterprise Development
RBH	Royal Bafokeng Holdings
RBI	Royal Bafokeng Institute
RBN	Royal Bafokeng Nation
RBR	Royal Bafokeng Resources
RCF	Revolving credit facility
Risk decomposition	Relying on a decomposition of portfolio risk into factors to guide investment decisions
RPM	Rustenburg Platinum Mines
Safety maturity levels	Basic, Reactive, Compliant, Proactive, Resilient
Scheduled resource	Measured and indicated resources that have a mine plan or mine design schedule defined by studies at a pre-feasibility or feasibility level which is converted to a mineral reserve by applying modifying factors
SDG	Sustainable Development Goals
SDL	Skills development levy

Section 54 stoppage	In terms of section 54 of the Mine Health and Safety Act 29 of 1996, if an inspector of mines believes that an occurrence, practice or condition at a mine endangers or may endanger the health or safety of people at the mine, the inspector may give an instruction necessary to protect the health or safety of people at the mine, including instructing that operations at the mine or a part of the mine be halted
SHER	Safety, health, environment and risk
SI	Serious/reportable injury or ill health as defined in terms of chapter 23 of the Mine Health and Safety Act or that renders the employee/contractor not being able to carry on his/her normal duties for a period from 14 days and longer
SIA	Social impact assessment
SIB	Stay-in-business
SIFR	Serious injury frequency rate. The number of serious injuries that have occurred in every 1 000 000 hours worked
Silicosis	A lung disorder resulting from long-term occupational exposure to low amounts of silica dust
SLP	Social and labour plan: The MPRDA requires submission of the social and labour plan as a prerequisite for the granting of mining or production rights to develop and implement comprehensive human resources development programmes, including employment equity plans, local economic development programmes and processes to save jobs and manage downscaling and/or closure
SMME	Small, medium and micro-enterprises
SRI	Socially responsible investment or sustainable investment takes into account environmental, social and corporate governance criteria to generate long-term competitive financial returns and positive societal impact
STC	Secondary tax on companies
t/TEC	Tonnes per total employee costed
TARP	Trigger action response plan. Major accidents are usually preceded by indications of trouble (triggers). A TARP identifies these indicators and specifies appropriate actions to be taken when they occur
TGP	Total guaranteed package
TIFR	Any injury reported by anyone who was injured while conducting work at RBPlat operations during a period of 1 000 000 hours worked
TSF	Tailings storage facility
UG2 reef	The upper group number two chromitite layer in the critical zone of the Bushveld Complex, containing economically extractable grades of PGE and associated base metals
UIF	Unemployment Insurance Fund
UNGC	United Nations Global Compact
WHO	World Health Organisation
Workforce	Includes both enrolled employees and volume contract workers
WPIC	World Platinum Investment Council
WUL	Water use licence

NOTICE OF ANNUAL GENERAL MEETING

ROYAL BAFOKENG PLATINUM LIMITED

Incorporated in the Republic of South Africa
Registration number: 2008/015696/06
JSE share code: RBP and ISIN: ZAE000149936
Date of incorporation: 1 July 2008
(RBPlat or the Company)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, please consult your broker, central securities depository participant (CSDP), banker, attorney, accountant or other professional adviser.

If you have disposed of all your shares in the Company please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the broker, banker or other agent through whom you disposed of these shares.

Notice is hereby given that the tenth Annual General Meeting (AGM) of the Company will be held on Tuesday, 16 April 2019 at 10:00, subject to any cancellation, postponement or adjournment, in the Castello room at the Palazzo Hotel, Monte Casino Boulevard, Fourways. Shareholders' attention is drawn to the notes at the end of this notice, which contain important information with regard to shareholders' participation in the AGM, as well as certain explanatory notes regarding the resolutions to be proposed at the AGM.

Kindly note that in terms of section 63(1) of the Companies Act 71 of 2008 (the Act), meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, a driver's licence or a passport.

RECORD DATE

The Board of Directors of the Company (the Board) has determined, in accordance with section 59(1)(a) and (b) of the Act, that the record date for the purposes of determining which shareholders of the Company are entitled to receive the Notice of AGM is Friday, 1 March 2019. Furthermore, in order to attend, participate and vote at the AGM, the record date for holders to be recorded as shareholders in the securities register maintained by the transfer secretaries of the Company is Friday, 5 April 2019. Accordingly, the last date that holders can trade in the Company's shares and still be able to receive notice, attend, participate and vote at the AGM is Tuesday, 2 April 2019.

ELECTRONIC PARTICIPATION

The Company, if required, will offer shareholders access to participate at the AGM through electronic conference call facilities, in accordance with section 63(2) of the Act. Participants wishing to use these facilities are required to deliver written notice to the Company at The Pivot, No 1 Monte Casino Boulevard, Block C, 4th Floor, Fourways, 2021 (marked for the attention of Lester Jooste, Company Secretary) or by email to lester@bafokengplatinum.co.za by no later than 10:00 on Thursday, 11 April 2019 advising that they wish to participate in the AGM via electronic medium.

The valid written notice must be accompanied by a certified copy of the shareholders' or proxy's identity document, driver's licence or passport, in respect of an individual, and if not an individual, a certified copy of a resolution by the relevant entity and a copy of the identity documents, driver's licences or passports of the individuals who adopted the resolution will be required.

The Company reserves the right to elect not to provide electronic participation at the AGM, in the event that it determines that it is not practical to do so. Voting on shares will not be possible via electronic medium and, accordingly, shareholders wishing to cast their vote at the AGM will need to be represented in person or by proxy at the meeting.

The purpose of the AGM is to conduct such business as may be lawfully dealt with at the meeting and, in particular, if deemed fit, to pass the resolutions contained herein, with or without modification, in a manner required by the Act and the JSE Listings Requirements on which the Company's ordinary shares are listed.

PRESENTATION OF THE CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS

The consolidated audited annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors, the Audit and Risk Committee, the directors and the Social and Ethics Committee for the year ended 31 December 2018, as approved by the Board on 26 February 2019, are hereby presented to shareholders as required in terms of section 30(3)(d) read with section 61(8)(a) of the Act.

ORDINARY RESOLUTIONS

1. Ordinary resolution number 1

Re-election of director

"Resolved that Advocate KD Moroka, who was appointed to the Board on 1 June 2010 and who retires by rotation in terms of the Memorandum of Incorporation (MOI) of the Company, being eligible is hereby re-elected as an independent non-executive director of the Company."

2. Ordinary resolution number 2

Re-election of director

"Resolved that Ms T Mokgosi-Mwantembe, who was appointed to the Board on 5 November 2014 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby re-elected as an independent non-executive director of the Company."

3. Ordinary resolution number 3

Re-election of director

"Resolved that Ms L Stephens, who was appointed to the Board on 22 September 2014 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby re-elected as an independent non-executive director of the Company."

4. Ordinary resolution number 4

Election of director

"Resolved that Ms ZJ Matlala, who was appointed to the Board on 24 September 2018 in terms of the MOI of the Company, being eligible is hereby elected as an independent non-executive director of the Company."

5. Ordinary resolution number 5

Election of director

"Resolved that Mr HA Rossouw, who was appointed to the Board on 1 October 2018 in terms of the MOI of the Company, being eligible is hereby elected as an executive director of the Company."

6. Ordinary resolution number 6

Reappointment of auditors

"Resolved that, upon the recommendation of the Audit and Risk Committee of the Board, PricewaterhouseCoopers (PwC) be and is hereby appointed as the independent external auditor of the Company until the next AGM and that Mr Dion Shango (practice number: 901121) of PwC be elected as the accredited individual audit representative."

7. Ordinary resolution number 7

Election of Audit and Risk Committee member

"Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board and, subject to the adoption of ordinary resolution 3, Ms L Stephens, an independent non-executive director, be and is hereby elected as a member and the Chairman of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM."

8. Ordinary resolution number 8

Election of Audit and Risk Committee member

"Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board, Mr MJ Moffett, an independent non-executive director, be and is hereby elected as a member of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM."

9. Ordinary resolution number 9

Election of Audit and Risk Committee member

"Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board and subject to the adoption of ordinary resolution 4, Ms ZJ Matlala, an independent non-executive director, be and is hereby elected as a member of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM."

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

10. Ordinary resolution number 10

Election of Audit and Risk Committee member

"Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board, Mr PJ Ledger, an independent non-executive director, be and is hereby elected as a member of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM."

11. Ordinary resolution number 11

General authority to issue shares for cash

"Resolved that the directors of the Company be and are hereby authorised, until the earlier of the date of the next AGM of the Company or the date 15 (fifteen) months from the date of this meeting (the valid period), to allot and issue ordinary shares (including options and securities convertible into ordinary shares) (equity securities) representing not more than 5% (five percent) of the number of ordinary shares in issue as at the date of this notice of AGM being 10 524 981 (ten million five hundred and twenty-four thousand nine hundred and eighty-one) ordinary shares from the authorised but unissued shares in the capital of the Company for cash on a non-pro rata basis, subject to the MOI, the Act and the JSE Listings Requirements, as applicable from time to time. It is recorded that the JSE Listings Requirements currently require that:

(a) any issue by a listed company of equity securities for cash may not exceed 15% (fifteen percent) of the company's listed securities as at the date of the notice of the AGM (which, for the purposes of this ordinary resolution number 11, shall be limited to 5% (five percent)):
    (i) the calculation of the Company's listed equity securities must be a factual assessment of the Company's listed equity securities as at the date of the notice of the AGM, excluding treasury shares;
    (ii) any equity securities issued under the authority during the valid period must be deducted from such number in (i) above;
    (iii) in the event of a sub-division or consolidation of issued equity securities during the valid period, the existing authority must be adjusted accordingly to represent the same allocation ratio;
(b) the equity securities will be issued to public shareholders, as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements, and not to related parties;
(c) the maximum discount at which equity securities will be issued is 10% (ten percent) of the weighted average traded price over the 30 (thirty) business days prior to the date that the price of the issue is agreed."

In order for ordinary resolution number 11 to be approved, at least 75% (seventy-five percent) of the votes cast by all equity securities holders present or represented by proxy at the AGM is required in terms of the JSE Listings Requirements.

12. Ordinary resolution number 12

Approval of Remuneration Policy

"Resolved that the Remuneration Policy of the Company as set out on pages 149 to 151 of the integrated report be and is hereby approved through a non-binding advisory vote (excluding the remuneration of non-executive directors which is to be approved separately)."

13. Ordinary resolution number 13

Approval of Remuneration Implementation Report

"Resolved that the Remuneration Implementation Report of the Company as set out on pages 152 to 158 of the integrated report be and is hereby approved through a non-binding advisory vote."

SPECIAL RESOLUTIONS

14. Special resolution number 1

Non-executive directors' fees

"Resolved that the level of non-executive directors' annual fees, excluding VAT, be and is hereby approved on the basis set out as follows:

	Per annum	
	2019 R	2018 R
Board Chairman (all-inclusive fee)	1 557 534	1 462 473
Board member	361 441	331 597
Audit and Risk Committee Chairman	238 630	224 065
Audit and Risk Committee member	132 989	124 872
Remuneration and Nomination Committee Chairman	173 248	162 675
Remuneration and Nomination Committee member	120 657	113 293
Social and Ethics Committee Chairman	175 359	165 657
Social and Ethics Committee member	119 232	111 955

Subject to the approval by shareholders, the R17 040 ad hoc meeting fee will be increased to R18 148."

15. Special resolution number 2

General authority to repurchase shares

"Resolved that the directors of the Company be and are hereby authorised, until the earlier of the date of the next AGM of the Company or the date 15 (fifteen) months from the date of this AGM, by way of a general authority to repurchase issued shares in the share capital of the Company or to authorise and/or procure that a subsidiary company purchase such shares in the Company, at such price and on such terms as the directors may from time to time determine subject to the MOI, the Act and the JSE Listings Requirements, as applicable from time to time, and subject further to the restriction that the repurchase or purchase, as the case may be, by the Company and/or any of its subsidiaries of shares in the Company of any class under this authority shall not, in aggregate, in any financial year, exceed 5% (five percent) of the shares in issue in such class as at the date of the AGM."

It is recorded that the JSE Listings Requirements and the Act currently require that a company or any of its subsidiaries may only make a general repurchase of the ordinary shares in that company if:

(a) any such acquisition of ordinary shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement with the counterparty (reported trades are prohibited);
(b) it is authorised in the company's MOI;
(c) this general authority shall be valid until the company's next AGM or for 15 (fifteen) months from the date of passing of this special resolution number 2;
(d) an announcement must be published as soon as the company or any of its subsidiaries have repurchased or acquired the relevant ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares of that class of shares in issue and for each 3% (three percent) in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements;
(e) acquisitions of shares by the company or a subsidiary of the company in aggregate in any one financial year do not exceed 20% (twenty percent) of the company's ordinary issued share capital of that class; however, this special resolution number 2 shall not exceed 5% (five percent) of the company's ordinary issued share capital; and that the number of shares purchased and held by a subsidiary(ies) of the company shall not exceed 10% (ten percent) in the aggregate of the number of issued shares of any class of shares of the company at the relevant times;
(f) ordinary shares may not be acquired at a price greater than 10% (ten percent) above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares;
(g) at any point in time the company and/or its subsidiaries may only appoint one agent to effect any repurchase; and
(h) a company and/or its subsidiaries may not repurchase any securities during a prohibited period, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and which has been submitted to the JSE in writing prior to the commencement of the prohibited period.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

STATEMENT BY THE BOARD OF DIRECTORS OF THE COMPANY

The Board, pursuant to the JSE Listings Requirements, hereby states that:

(a) it has no specific intention at present for the Company or its subsidiaries to repurchase any of the shares of the Company as contemplated in this special resolution number 2 but considers that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders;

(b) having considered the effect of the maximum repurchase possible under this resolution, if approved, it is of the opinion that for a period of 12 (twelve) months after the date of this notice:
- the Company and/or its subsidiaries (the Group) will be able, in the ordinary course of business, to pay their debts;
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group;
- the Company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes; and
- the working capital of the Company and the Group will be adequate for their ordinary business.

(c) a resolution has been passed by the Board of Directors authorising the repurchase, and confirming that the Company and its subsidiaries have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the Company and/or its subsidiaries.

The directors will also ensure that this is the case at the time of repurchase of the shares.

The directors whose names are set out on page 20 of the integrated report are not aware of any legal or arbitration proceedings that are pending or threatened, which may have, or have had, a material impact on the Group's financial position over the recent past, being at least the previous 12 (twelve) months.

JSE LISTINGS REQUIREMENTS DISCLOSURES

The directors, whose names are set out on pages 18 and 19 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 2 and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard, and that this resolution contains all information required by law and the JSE Listings Requirements.

The following additional information, some of which may appear elsewhere in the integrated report of which this notice forms part, is provided in terms of section 11.26 of the JSE Listings Requirements for purposes of the general authority contemplated above:
- Major beneficial shareholders — page 165
- Directors and management — pages 18 to 21
- Share capital of the Company — page 164

Other than the facts and developments reported on in the integrated report, there have been no material changes to the financial or trading position of the Company and its subsidiaries since 31 December 2018 and the issuing of this notice to shareholders.

This authority includes an authority, by special resolution, to repurchase shares from a director or prescribed officer of the Company through the JSE order book, as required under section 48(8)(a) of the Act.

VOTING AND PROXIES

Ordinary shareholders are entitled to vote on all the resolutions set out above. On a show of hands, every ordinary shareholder who is present in person or by proxy at the AGM will have one vote (irrespective of the number of ordinary shares held in the Company), and on a poll, every ordinary shareholder will have one vote for every ordinary share held or represented. All ordinary resolutions will, in terms of the Act, require the support of more than 50% (fifty percent) of the voting rights of shareholders exercised thereon to be approved, other than ordinary resolution number 11 which will require at least 75% (seventy-five percent) of the total voting rights of shareholders present at the AGM, in person or by proxy.

All special resolutions will, in terms of the Act, require the support of at least 75% (seventy-five percent) of the total voting rights of shareholders exercised thereon at the AGM to be approved.

Ordinary shareholders are entitled to attend, speak and vote at the AGM, or they may appoint a proxy to attend, speak and vote in their stead. Shareholders holding dematerialised shares not in their own name must furnish their CSDP or broker with their instructions for voting at the AGM should they wish to vote. If your CSDP or broker does not obtain instructions from you, it will be obliged to act in terms of the mandate signed or the completed proxy form attached.

Unless you advise your CSDP or broker before the expiry date of your intention to attend the AGM or to appoint a proxy to do so, the CSDP or broker will assume that you or your proxy will not be attending the AGM. If you wish to attend the AGM or to appoint a proxy to do so, you must obtain a letter of representation signed by your CSDP or broker prior to the AGM.

Shareholders with dematerialised shares in their own name, or who hold shares that are not dematerialised, and who are not able to attend the AGM and wish to have representation at the meeting, must complete, and submit to the transfer secretaries, the form of proxy attached, in accordance with the instructions contained therein, by no later than 10:00 on Friday, 12 April 2019. The completion of the form will not preclude the shareholder from subsequently attending the AGM. Proxies may also be submitted to the Chairman at the meeting.

QUESTIONS

The Board encourages shareholders to attend and to ask questions at the AGM. In order to facilitate the answering of questions at the meeting, shareholders who ask questions in advance are encouraged to submit their questions in writing to the Company Secretary by 10:00 on Friday, 12 April 2019.

By order of the Board of Directors

LC Jooste
Company Secretary

Registered office

The Pivot, No 1 Monte Casino Boulevard
Block C, 4th Floor, Fourways, 2021
PO Box 2283, Fourways, 2055

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
PO Box 61051, Johannesburg, 2017

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

EXPLANATORY NOTES

1. Presentation of the annual financial statements

At the AGM, the directors must, in terms of the MOI, the Act and the JSE Listings Requirements, present to shareholders the annual financial statements for the year ended 31 December 2018.

2. Re-election of directors (ordinary resolutions numbers 1 to 3)

In accordance with the MOI and the JSE Listings Requirements, one-third of the non-executive directors (being those longest in office at the date of the AGM) must retire by rotation and directors appointed by the Board during the year must at each AGM offer themselves for re-election and election, respectively. Ordinary resolutions numbers 1 to 3 are proposed to re-elect the directors who retire as directors of the Company by rotation in accordance with the MOI and who, being eligible for re-election, offer themselves for re-election.

A brief biography of the directors offering themselves for re-election is contained on pages 18 and 19 of the integrated report and the Company's website *www.bafokengplatinum.co.za*. The Board, with the assistance of the Remuneration and Nomination Committee, has reviewed the composition and performance of the Board in accordance with corporate governance guidelines and transformation requirements and has recommended the re-election of the directors offering themselves for re-election.

3. Appointment of new directors (ordinary resolutions 4 and 5)

Ordinary resolutions 4 and 5 are proposed to appoint HA Rossouw (executive director) and ZJ Matlala (independent non-executive director) to the Board in terms of the MOI of the Company, being eligible as directors of the Company.

Brief biographies of the directors are as follows:

Mr HA Rossouw
Bachelor of Engineering degree in Chemical Engineering; Master's degree in Business Administration (Oxford University); Bachelor of Commerce (Hons) degree in Economics
Hanré was a portfolio manager at Investec Asset Management covering precious metals and South African resources equities before he joined RBPlat. Prior to that he was the Chief Financial Officer of Xstrata Alloys overseeing Xstrata plc's chrome and platinum interests in South Africa. He joined Xstrata in 2004, and also held other senior roles in strategy, mergers and acquisitions and investor relations in London as part of the core team that built Xstrata into a global diversified mining company, which was subsequently acquired by Glencore in 2013. His mining career started as a graduate engineer at Anglo American plc (with experience at AngloGold and AngloCoal) and he later worked for De Beers and Accenture.

Ms ZJ Matlala
BCom, BCompt (Hons) CA(SA)
Zanele is the current Chief Executive Officer of Merafe Resources Limited (Merafe). She was appointed Chief Financial Officer of Merafe on 1 October 2010 and thereafter as the Chief Executive Officer on 1 June 2012. She is a non-executive director of Dipula Income Fund, Stefanutti Stocks Holdings Limited and RAC Limited.

4. Reappointment of the independent auditor (ordinary resolution number 6)

The reappointment of PwC has been endorsed and is recommended by the Board as the independent external auditors in terms of the Company's MOI and the Act.

The Audit and Risk Committee of the Company has assessed the performance and independence of the external auditors and is satisfied that no governance guidelines have been breached and that they have complied with the provisions of the Act. A non-audit service policy is in place to ensure the independence of the external auditors is maintained.

Ordinary resolution number 6 is therefore proposed to approve the appointment of PwC as the external auditors of the Company and to appoint Mr Dion Shango as the designated auditor of the Company.

5. Election of Audit and Risk Committee members (ordinary resolutions numbers 7 to 10)

In terms of the Act, shareholders of a public company must elect the members of an audit committee at each AGM. The Nomination Committee has, in accordance with the recommendations and provisions of the King Code and Report on Governance for South Africa (King Codes), satisfied itself that the independent non-executive directors offering themselves for election as members of the Company's Audit and Risk Committee:

- are independent non-executive directors as contemplated in the King Codes, the Act and the JSE Listings Requirements
- are suitably qualified and experienced
- have an understanding of integrated reporting (including financial reporting), internal financial controls, external and internal audit processes, risk management, sustainability issues and the governance processes (including information technology governance) within the Company
- collectively possess skills which are appropriate to the Company's size and circumstances, as well as its industry
- have an understanding of International Financial Reporting Standards, South African Statements of Generally Accepted Accounting Practice and other financial and sustainability reporting standards, regulations and guidelines applicable to the Company
- adequately keep up to date with key developments affecting their required skills set.

Ordinary resolutions numbers 7 to 10 are therefore proposed to re-elect Audit and Risk Committee members in terms of section 94(2) of the Act and the King Codes.

For further details regarding the Audit and Risk Committee, please refer to page 25 of this integrated report.

A brief biography of the committee members offering themselves for election can be found on pages 18 and 19 of the integrated report and the online integrated report.

6. Issue of shares for cash (ordinary resolution number 11)

In terms of the JSE Listings Requirements, a general authority for the directors to issue shares for cash requires shareholder approval. The directors also require approval in terms of the MOI to issue shares for cash on a non-pro rata basis. The existing authority granted by the shareholders at the previous AGM held on 10 April 2018 expires at the AGM to be held on Tuesday, 16 April 2019, unless renewed.

The Board has decided to seek renewal of this authority in accordance with best practice. The authority will be subject to the Act and the JSE Listings Requirements.

7. Approval of Remuneration Policy And Implementation Report (ordinary resolutions numbers 12 and 13)

In terms of the King IV principles, shareholders should annually, through a non-binding advisory vote, endorse the Company's Remuneration Policy And The Implementation Report as a separate ordinary resolution at the AGM, allowing shareholders to express their views on the remuneration policies adopted and its implementation.

Ordinary resolutions numbers 12 and 13 are proposed to consider and approve, by way of a non-binding advisory vote, the remuneration policy and implementation report of the Company, as set out in the remuneration review on pages 148 to 158 of the integrated report.

In terms of principle 14 of the South African King IV report, the Company's remuneration policy and implementation report should be tabled to the shareholders to approve as a non-binding vote. Failure to endorse the non-binding vote will not have any legal consequences for existing arrangements. The minimum voting percentage required for approval of ordinary resolutions 12 and 13 is 50% (fifty percent) plus one.

In the event that at least 25% (twenty-five percent) of the voting rights exercised on these resolutions are against either the remuneration policy or the implementation report or both, the Board will commit to implementing a consultation process, as stipulated in the remuneration policy.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

8. Non-executive directors' fees (special resolution number 1)

In terms of the King codes and the Act, the shareholders of the Company are required to approve by special resolution the fees to be paid to non-executive directors. Please see the remuneration report on page 158 for additional information on non-executive director fees.

The Board believes that the proposed fees are competitive enough and will enable the Company to attract and retain people of the calibre required to make a meaningful contribution to the Company, having regard to the appropriate capability, skills and experience required. The Board, on the recommendation of the Remuneration and Nomination Committee, recommends to shareholders that these fees be approved.

9. General authority to repurchase shares (special resolution number 2)

The effect of special resolution number 2 and the reason for this resolution is to grant the Company or any of its subsidiaries a general approval in terms of the MOI, the Act and the JSE Listings Requirements, to acquire the Company's shares, which general approval shall be valid until the earlier of such next AGM of the Company or its variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this AGM.

The directors are of the opinion that it would be in the best interests of the Company to approve this general authority and thereby allow the Company or any of its subsidiaries to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

STATUTORY DISCLOSURE

Proxies

In terms of section 58 of the Act, a shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the meeting in place of the shareholder. The proxy need not be a shareholder of the Company. (A proxy form together with a summary of section 58 of the Act pertaining to a shareholder's right to be represented by proxy is attached hereto.)

Proxy forms must be delivered to the Company at The Pivot, No 1 Monte Casino Boulevard, Block C, 4th Floor, Fourways, Johannesburg, marked for the attention of Lester Jooste, by no later than 10:00 on Friday, 12 April 2019.

Proxies can also be provided to the Chairman of the meeting before the meeting commences on Tuesday, 16 April 2019 at 10:00.

FORM OF PROXY

ROYAL BAFOKENG PLATINUM LIMITED (RBPLAT OR THE COMPANY)

(Incorporated in the Republic of South Africa)

(Registration number: 2008/015696/06) (Share code: RBP) (ISIN ZAE000149936)

Form of proxy for the tenth Annual General Meeting (AGM) to be held on Tuesday, 16 April 2019 at 10:00. For use by certificated ordinary shareholders and dematerialised ordinary shareholders with "own name" registration only.

Holders of dematerialised ordinary shares other than with "own name" registration must inform their central securities depository participant (CSDP) or broker of their intention to attend the AGM and request their CSDP to issue them with the necessary authorisation to attend the AGM in person or provide their CSDP or broker with their voting instructions should they not wish to attend the AGM in person but wish to be represented thereat.

I/We _____

of (address) _____

being registered holder(s) of _____ ordinary shares in the issued share capital of the Company hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

the Chairman of the AGM as my/our proxy to vote on my/our behalf at the AGM of the Company to be held on Tuesday, 16 April 2019 at 10:00 for the purpose of considering and, if deemed appropriate to pass with or without modification the resolutions to be proposed at the meeting or at any adjournment thereof in respect of the shares registered in my/our name(s), in accordance with the following instructions:

			Number of ordinary shares		
			In favour	Against	Abstain
1	First item of business: annual financial statements	To receive and adopt the annual financial statements for the financial year ended 31 December 2018			
2	Ordinary resolution number 1	To re-elect Advocate KD Moroka as a director of the Company			
3	Ordinary resolution number 2	To re-elect Ms T Mokgosi-Mwantembe as a director of the Company			
4	Ordinary resolution number 3	To re-elect Ms L Stephens as a director of the Company			
5	Ordinary resolution number 4	To elect Ms ZJ Matlala as a director of the Company			
6	Ordinary resolution number 5	To elect Mr HA Rossouw as a director of the Company			
7	Ordinary resolution number 6	To reappoint PricewaterhouseCoopers as the independent external auditors of the Company and Mr D Shango as the accredited individual auditor			
8	Ordinary resolution number 7	To elect Ms L Stephens, subject to the approval of ordinary resolution 3, as member and Chairman of the Audit and Risk Committee			
9	Ordinary resolution number 8	To elect Mr MJ Moffett as a member of the Audit and Risk Committee			
10	Ordinary resolution number 9	To elect Ms ZJ Matlala, subject to the approval of ordinary resolution 4, as a member of the Audit and Risk Committee			
11	Ordinary resolution number 10	To elect Mr PJ Ledger as a member of the Audit and Risk Committee			
12	Ordinary resolution number 11	To grant a general authority for directors to allot and issue up to 5% of the unissued share capital of the Company			
13	Ordinary resolution number 12	To approve via a non-binding vote the Remuneration Policy of the Company			
14	Ordinary resolution number 13	To approve via a non-binding vote the Remuneration Implementation Report of the Company			
15	Special resolution number 1	To approve the non-executive directors' fees			
16	Special resolution number 2	To grant the directors a general authority to authorise the Company or any subsidiary(ies) to repurchase its issued shares			

Please indicate with an "x" in the spaces provided above how you wish to vote. If no indication is given the proxy will vote at his/her discretion or abstain from voting. Any member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. Every person present and entitled to vote shall, on a show of hands have one vote only, but on a poll, every share shall have one vote. Voting will be conducted by poll.

Signed at _____ on _____ 2019

Signature _____ or assisted by _____ (where applicable)

NOTES TO THE FORM OF PROXY

1. Any alternations must be signed, not initialled.
2. Proxies can be submitted to Computershare.
3. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the Chairman of the meeting.
4. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company.
5. The Chairman of the meeting shall be entitled to decline to accept the authority of a signatory:
   a. under a power of attorney or
   b. on behalf of a company
   unless the power of attorney or authority is deposited with the Company, marked for the attention of Lester Jooste, Company Secretary, at The Pivot, No 1 Monte Casino Boulevard, Block C, Floor 4, Fourways, 2021, by not later than 10:00 on Friday, 12 April 2019.
6. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his/her proxy in the blank space(s) provided for that purpose.
7. The completion and lodging of this form of proxy will not preclude the signatory from attending the Annual General Meeting and speaking and voting in person thereat should such person wish to do so, to the exclusion of any proxy appointed in terms hereof.
8. If, in the appropriate place on the face of the proxy, there is no indication of how to vote in respect of any resolution, the proxy shall be entitled to vote as he/she deems fit in respect of that resolution.
9. The Chairman of the Annual General Meeting may reject or accept any form of proxy which is completed other than in accordance with these instructions, provided in the event of acceptance, he/she is satisfied as to the manner in which a shareholder wishes to vote.
10. If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder's name.
11. Please insert an "X" in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting as he/she deems fit in respect of all the shareholder's votes exercisable at the meeting. A shareholder or his/her proxy is not obligated to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and/or in respect of which abstention is recorded may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
12. When there are joint holders of shares and if more than one such joint holder be present or represented, then the person whose name appears first in the securities register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.

SUMMARY IN TERMS OF SECTION 58(8)(B)(I) OF THE ACT

Please note that in terms of section 58 of the Act:

- a proxy appointment must be in writing, dated and signed by the shareholder appointing the proxy
- an individual may be appointed as a proxy, including an individual who is not a shareholder of the Company, to, among other things, participate in and speak and vote on a shareholder's behalf and more than one proxy may be appointed to exercise voting rights attached to different securities held by a shareholder
- a proxy may delegate his/her authority to act on a shareholder's behalf to another person, subject to any restriction set out in the proxy appointment
- a proxy appointment must be delivered to the Company before the proxy exercises any shareholder rights at the meeting
- the appointment of a proxy or proxies will be suspended at any time and to the extent that a shareholder chooses to act directly and in person in the exercise of any of its rights as a shareholder at the meeting
- the appointment of the proxy is revocable unless a shareholder expressly states otherwise in the proxy appointment
- as the appointment of the proxy is revocable, the proxy appointment may be revoked by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of a proxy's authority to act on a shareholder's behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid
- if a proxy appointment has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Act of the Company's Memorandum of Incorporation be delivered by the Company to the relevant shareholder will be delivered by the Company to the shareholder or its proxy or proxies, if the shareholder has directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so
- a proxy is entitled to exercise, or abstain from exercising, any voting right of a shareholder at the meeting, but only as directed on the proxy appointment
- the appointment of a proxy remains valid only until the end of the meeting or any adjournment or postponement thereof or for a period of one year, whichever is shorter, unless it is revoked by the shareholder before then on the basis set out above

CORPORATE INFORMATION

SHAREHOLDERS' DIARY

Financial year-end:

31 December of each year

Interim period-end:

30 June of each year

INTEGRATED REPORT AND ANNUAL FINANCIAL STATEMENTS

Mailed to shareholders 8 March 2018

ADMINISTRATION

Company registered office
Royal Bafokeng Platinum Limited
Registration number: 2008/015696/06
Share code: RBP
ISIN: ZAE000149936

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