



ROYAL BAFOKENG
PLATINUM
MORE THAN MINING

Integrated Report 2017

MORE THAN
MINING >

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IBC CORPORATE INFORMATION

Please give us your feedback

We welcome your feedback on our reporting for 2017 and any suggestions you may have in terms of what you would like to see incorporated into our report for 2018. To do so please contact Lindiwe Montshiwagae at Lindiwe@bafokengplatinum.co.za

INTRODUCTION

OUR APPROACH TO REPORTING

Our aim with our reporting is to provide our stakeholders with information that we believe is of material interest and that will provide you with the information you need to make an informed assessment of 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 6)
- › our leadership team (pages 16 to 21)
- › how we apply our business model to create long-term value by employing our stock of resources and relationships in certain capitals to increase the stock of resources and relationships in other capitals (pages 22 to 23)
- › our management of risk, opportunities and the material issues on which our reporting is based (pages 35 to 41)
- › our performance against our strategic pillars (pages 42 to 130)
- › our approach to governance throughout the report and in intellectual capital (pages 84 to 99)

Our sustainability reporting forms part of this report. We do not publish a separate sustainability report.

We have also identified throughout the report where King IV principles are being applied in the day-to-day governing of our business and the outcomes achieved.

ABOUT THIS REPORT

Reporting scope and boundary

This report provides information relating to RBPlat's strategy and business model, operating context, material risks and opportunities, governance and operational performance for the period 1 January 2017 to 31 December 2017. 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. In addition, we have published annual financial statements (AFS) and a mineral resources and reserves statement. The reporting process for all our reports has been guided by the principles and/or requirements of International Financial Reporting Standards (IFRS), the International Integrated Reporting Council's (IIRC) International <IR> Framework, the GRI Standards, the King Code on Corporate Governance 2016 (King IV), the JSE Listings Requirements and the Companies Act 71 of 2008.

In terms of human rights, labour, the environment and our anti-corruption efforts we apply the Principles of the United Nations Global Compact (UNGC) of which we are a signatory. We have incorporated the Sustainable Development Goals (SDGs), defined by the UN for the 2015 to 2030 period, into our sustainability and stakeholder engagement framework, have prioritised the various SDGs based on our focus and have defined our three levels of contribution, which are: our main focus, direct contribution and indirect contribution. Our progress in this regard is included in this report.

INTRODUCTION

FORWARD LOOKING STATEMENT

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 Royal Bafokeng Platinum Limited (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.



VIEW THIS REPORT ONLINE

www.bafokengplatinum.co.za

NAVIGATING OUR 2017 REPORTS

Integrated report available in print, online and pdf format, on our website <http://www.bafokengplatinum.co.za/integrated-reports.php>

Annual financial statements available online and in pdf format on our website <http://www.bafokengplatinum.co.za/integrated-reports.php>

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>

For ease of navigation and cross referencing we have used the following icons to represent the six capitals in this report:

SIX CAPITALS ICONS



Financial capital



Human capital



Social and relationship capital



Manufactured capital



Intellectual capital



Natural capital

NAVIGATION ICONS



Directs you to page/s with more information



Directs you to information on our website



Identifies the application of King IV principles



Identifies sustainability information that has been assured

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 38 of this report.

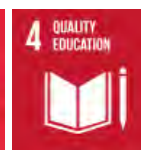
ASSURANCE

We use a combined assurance model (see page 99) 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 AFS), IBIS ESG Assurance provided independent assurance over material sustainability information (page 139). Our financial, operating, compliance and risk management controls are assessed by KPMG, who provide 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 annually on its execution (page 3 of AFS).

RBPLAT'S COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

RBPlat is committed to the SDGs defined by the United Nations 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:

Our main focus



Indirect contribution



KEY FEATURES OF OUR PERFORMANCE

**Financial capital**

- > 5.7% increase in cash generated by operating activities to R618.4 million (2016: R585.3 million)
- > **Strong** cash position of R1.3 billion (2016: R835.5 million)
- > Improved **EBITDA** margin of 16.4% (2016: 14.7%)

**Human capital**

- > **No** fatalities in line with our commitment to zero harm
- > 47.9% increase in lost time injury frequency rate (LTIFR)
- > 32.9% increase in serious injury frequency rate (SIFR)
- > 9.2% **reduction** in working cost labour at BRPM

**Social and relationship capital**

- > **R40.5 million** invested in our social and labour plans
- > **87.0%** of total discretionary spend with HDSA companies exceeds mining charter targets

**Manufactured capital**

- > 9.4% increase in tonnes milled to 3 021kt (2016: 2 762kt)
- > 7.9% increase in 4E ounces to 328koz (2016: 304koz)
- > 2.4% decrease in cash operating cost per tonne milled to R1 149 (2016: R1 177)

**Intellectual capital**

- > Integration of **King IV** principles in our reporting
- > Continual focus on **digitalisation**

**Natural capital**

- > On the 2017 CDP Water A list
- > 2.5% improvement in energy efficiency at the BRPM concentrator

BOARD APPROVAL

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

The Board has critically assessed and satisfied itself as to the assurance obtained from RBPlat's combined assurance model (see Introduction). 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 estimated 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 2017 on 27 February 2018.

Kgomotso Moroka (Chairman)
Steve Phiri (Chief Executive Officer)
Martin Prinsloo (Financial Director)
Linda de Beer
Robin Mills
Mark Moffett
Thoko Mokgosi-Mwantembe
Mike Rogers
Louisa Stephens
David Wilson

OUR BUSINESS

WHO WE ARE



> RBPlat is a **52% black-owned**, controlled and operated mid-tier platinum group metals (PGMs) producer listed on the JSE on 8 November 2010 (37% free float) | See www.bafokengplatinum.co.za/our-structure.php for our Group structure

> We own **67% of the BRPM JV**

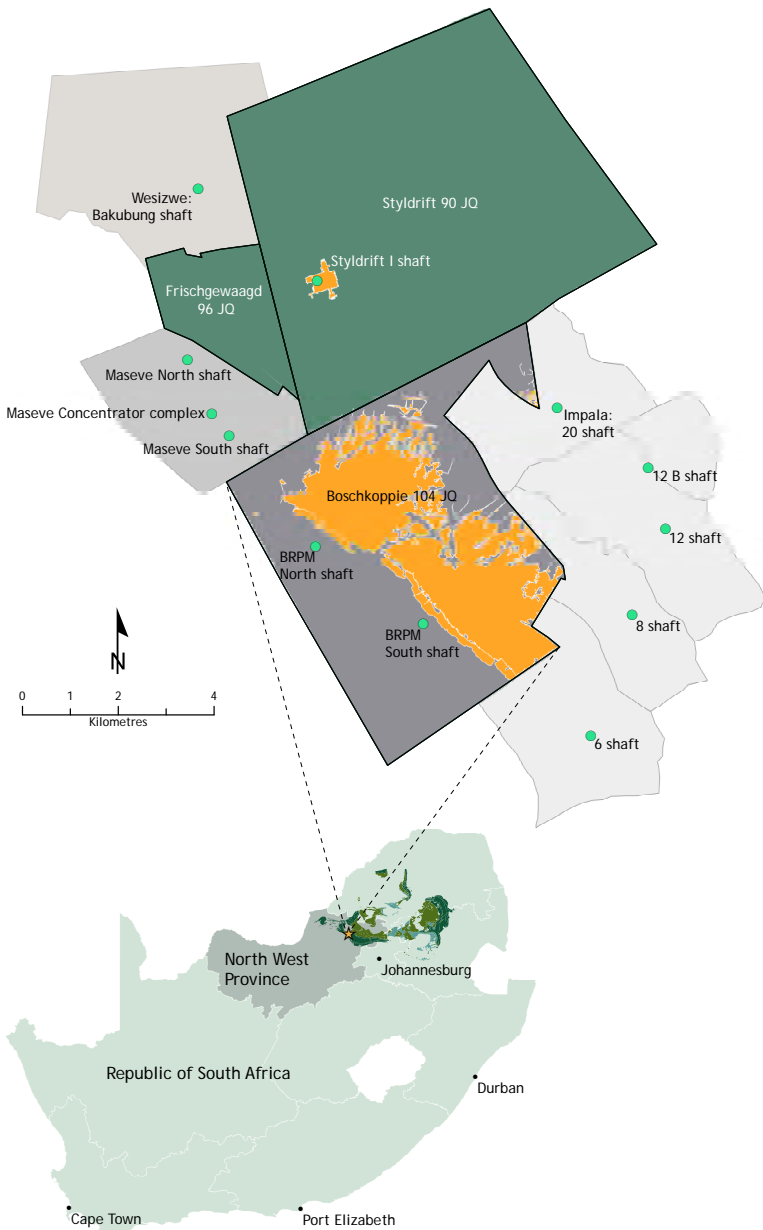
> Our **broad-based ownership structure** provides stability, certainty and sustainability

> First and only **community-owned** company to list on the JSE

> **Benefits** from ownership **flow to the community** in the form of social and economic development

> Originating from the Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV) between the Royal Bafokeng Nation and Anglo American Platinum, which has been **in operation since 2002**

WHERE WE OPERATE



Positioned for long-term growth
by increasing our 2016 production by approximately **45%** by 2020, depending on market conditions

Competitive position
on the industry cost curve 34

Organic growth
through Styldrift I high-margin mechanised operation ramping up to **150ktpm** by year-end 2018 64

Operational flexibility
allows us to be nimble in our decision-making

8 372 employees (permanent employees and contractors) (2016: 7 400)

Experienced management team with the flexibility to adapt rapidly to a changing business environment and the courage to make tough decisions

62% of senior management are HDSAs
93% of our workforce are HDSAs

Independent Board collectively committed to ethical leadership and with the expertise and experience necessary to provide effective leadership

70% of our Board members are independent non-executive directors
50% are HDSAs and
40% are female 19

OUR VISION

- > To seek and deliver the good from mining

OUR MISSION

- > To leave a lasting legacy of sustainable benefits for our stakeholders

OUR PURPOSE

- > To create economic value for all our stakeholders

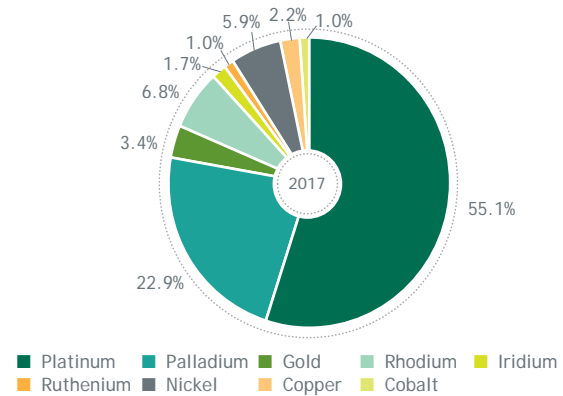
WHAT WE DO

We mine for PGMs in the Merensky and UG2 reefs from which we produce concentrate with the following prill split

THE PRILL SPLIT FOR THE MERENSKY REEF			
64.66%	26.74%	4.35%	4.25%
platinum	palladium	rhodium	gold

THE PRILL SPLIT FOR THE UG2 REEF			
59.15%	29.29%	11.00%	0.56%
platinum	palladium	rhodium	gold

The revenue we earned from the sale of our concentrate in 2017



MORE THAN MINING

BRPM

- > Opencast mining started in January 1998 and conventional underground mining started in December 1998
- > **Located** on the Boschkoppie farm in the Rustenburg area
- > **Resource** of 87.4Mt of which 58.6Mt is attributable to RBPlat
- > The ore reserve is accessed via twin decline shafts (North and South shafts) to a depth of less than 500m
- > Replacement projects have extended both complexes from 5 to 10 level. The Phase III replacement project further deepened the North shaft infrastructure and established mining sections from 11 to 15 level, suited to hybrid mining methods and providing access to 1.4 million PGM 4E ounces

BRPM CONCENTRATOR

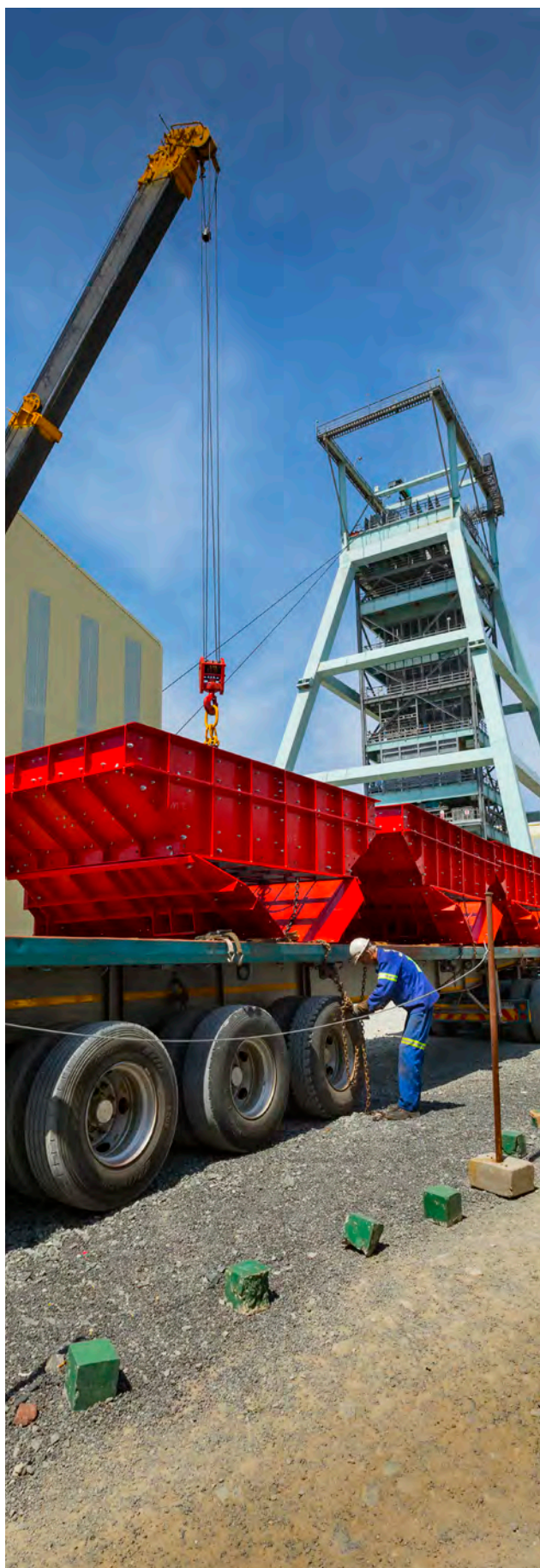
- > Capacity of 250ktpm
- > Traditional mill-float (MF2) process includes a conventional three-stage crushing process prior to milling and flotation
- > Operates 24 hours, 365 days a year
- > 2.7t of saleable concentrate from every 100t of virgin rock processed
- > Produces a platinum-rich PGM concentrate sold as a final product for further processing and refining
- > Offtake agreement with Anglo Platinum's Rustenburg Refineries for the sale of concentrate

STYLDRIFT I PROJECT

- > Site established in 2009 on one of the last known high grade blocks of shallow Merensky reef deposits
- > Shaft sinking commenced in the fourth quarter of 2010
- > **Located** on the Styldrift and Frischgewaagd farms in the Rustenburg area
- > **Resource** of 133.8Mt of which 89.7Mt is attributable to RBPlat
- > Mechanised, low-cost bord and pillar operation
- > Access to underground workings via Main shaft and Services shaft sunk to a depth of 753m and 723m, respectively
- > Ramp-up to 150ktpm during the fourth quarter of 2018
- > At steady state the mine will produce 230ktpm

RBPlat's offer for the Maseve concentrator plant (phase 1) was successfully closed on 14 February 2018 following Competition Tribunal approval and all conditions precedent being fulfilled or waived. This new 110ktpm plant, which is north west of BRPM's South shaft and to the south of Styldrift I, has the potential to be upgraded to 160ktpm capacity. The acquisition may accelerate production at Styldrift I to 230ktpm, extend the life of BRPM's South shaft Merensky by 18 to 24 months and provides us with early access to Frischgewaagd. (See pages 54 to 69 for more information.)

FIVE-YEAR SUMMARY OF OUR KEY PERFORMANCE MEASURES



Financial capital

- Revenue¹
- Cash operating costs
- Headline earnings/(loss)
- Headline earnings/(loss) per share
- Average rand basket price²
- EBITDA margin³
- Cash on hand at year-end
- Net cash generated by operating activities

Manufactured capital

Impact of stoppages

- Section 54 stoppages
- Safety stoppage losses

Mining production

- Total tonnes delivered

Concentrator production

- Total tonnes milled
- Built-up head grade (4E)
- 4E metals in concentrate
- Pt metal in concentrate

Operating costs

- Cash operating cost per tonne milled
- Cash operating cost per 4E ounce
- Cash operating cost per Pt ounce

Capital expenditure

- Expansion capital
- Replacement capital
- Stay-in-business (SIB) capital
- SIB % of operating costs

Human capital

- Employees (as at 31 December)⁴
- Fatal injuries
- LTIFR
- SIFR
- Working cost labour⁵
- Capital labour

Social capital

- SLP investment (including human resource development)
- Total discretionary procurement spend in HDSA companies

Natural capital

- GHG emissions (CO₂e Scope 1 and 2)⁶
- Water efficiency

Unit	2017	2016	2015	2014	2013
R (million)	3 498.5	3 342.2	3 044.7	3 767.5	3 251.1
R (million)	2 815.2	2 765.0	2 548	2 361	2 093
R (million)	108.8	166.7	(159.6)	440.9	283.9
cents	56.4	86.7	(83.2)	239.0	173.0
R/Pt oz	19 156	18 906	17 256	19 842	17 927
%	16.4	14.7	9.8	31.6	31.0
R (million)	1 333.1	835.5	917.6	1 864.2	772.9
R (million)	618.4	585.3	619.2	1 426.5	907.8
Number	11	11	16	10	11
kt	72	102	275	79	89
kt	2 992	2 759	2 457	2 471	2 310
kt	3 021	2 762	2 461	2 479	2 301
g/t	3.94	4.03	4.11	4.29	4.38
koz	328	304	278	294	280
koz	212	196	180	190	181
R/t	1 149	1 177	1 066	957	920
R/4E oz	9 941	10 068	9 359	8 040	7 519
R/Pt oz	15 414	15 639	14 504	12 463	11 592
R (million)	2 008	972	1 692	1 365	737
R (million)	34	44	205	204	184
R (million)	118	110	112	154	138
%	4.2	4.0	4.4	6.5	7
Number	8 372	7 400	7 281	8 900	7 929
Number	0	1	5	2	2
/200 000 hours	0.562	0.380	0.409	0.533	0.614
/200 000 hours	0.287	0.216	0.133	0.289	0.265
Number	5 691	6 271	6 256	6 272	6 180
Number	2 659	1 103	999	2 601	1 727
R (million)	40.5	287.1 ⁷	74.6	133.0	105.2
%	87.0	79.6	74.2	68.1	64.6
tCO ₂ e	333 596	318 220 ⁶	304 674	326 606	292 773
Mt/kt milled	2.172	1.923	3.173	1.049	—

¹ Excludes Styldrift I incidental revenue, which has been credited to capital expenditure

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

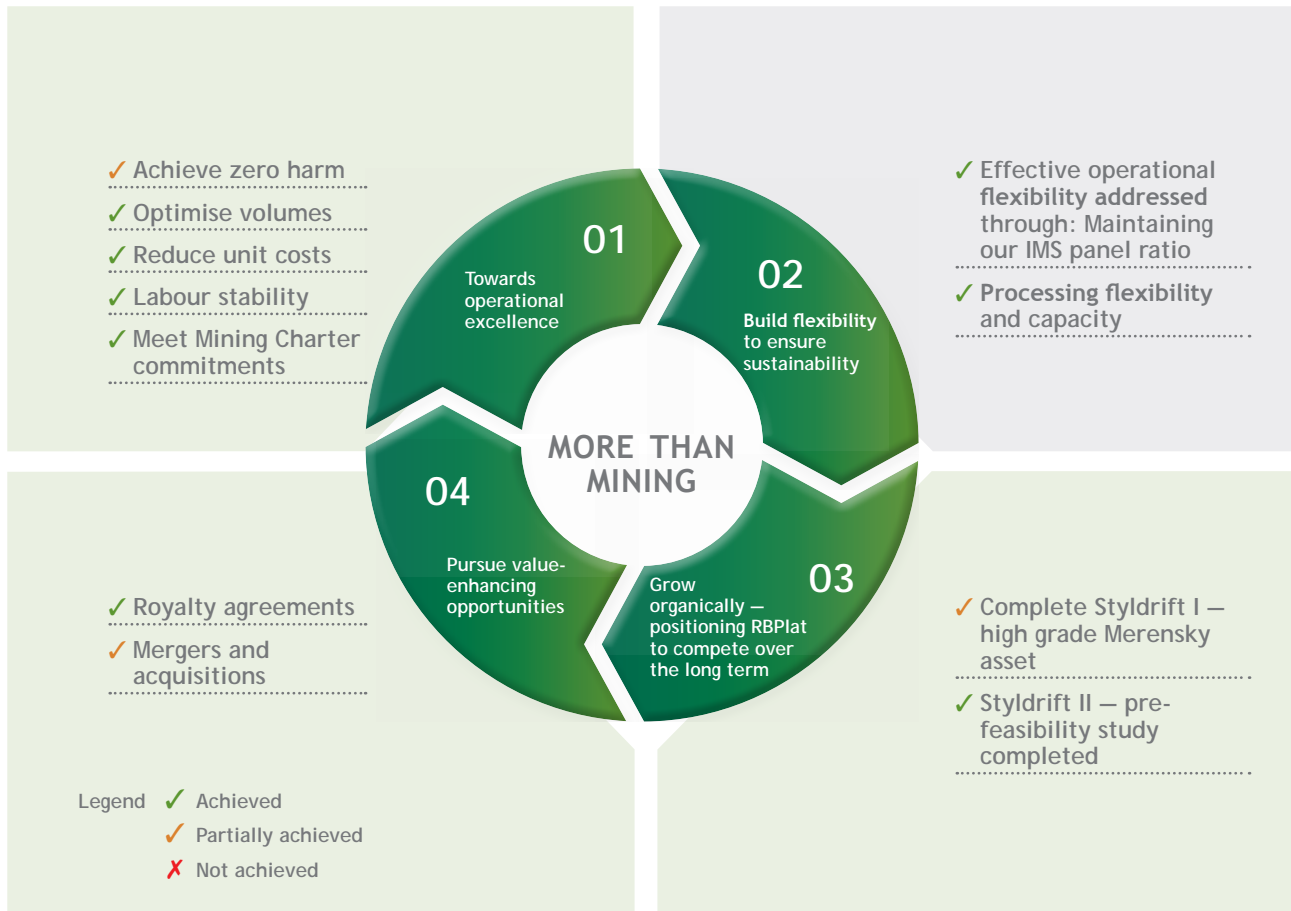
⁴ The increase in employee numbers (which include corporate office employees) is due to a 146.3% increase in the Styldrift I workforce

⁵ These numbers exclude corporate office employees

⁶ The increase in GHG emissions in 2016 and 2017 is as a result of the increased activity in mechanised mining at Styldrift I

⁷ Includes R251.1 million housing contribution

OUR PERFORMANCE IN TERMS OF OUR CURRENT STRATEGY



ENSURING WE HAVE A STRATEGY IN PLACE THAT WILL CREATE VALUE IN THE LONG TERM

The environment in which RBPlat is currently operating is very different from what it was in 2010 when we developed our four-pillar strategy. In 2010 there were three major South African platinum producers operating across the PGM value chain, with very little competition, and smaller players like ourselves were emerging. The average platinum price was US\$1 603, rising to US\$1 724 in 2011. In 2017 the average platinum price was approximately US\$977. Producers are diversifying their metal mix, value-chain positions, geographies and strategies. Some of the major producers are now in survival mode and there are new entrants such as Stillwater Sibanye in the market, which led to a number of transactions during 2017.

The shifts in the PGM market have put pressure on our operating model and strategy:

- > Our profitability is under pressure
- > While historically our share price has performed better than our peers it has also suffered
- > The downgrading of South Africa's credit rating to junk status lowered South Africa's investability, including that of the PGM sector, and raised the cost of capital.

We adapted to these circumstances by making important changes:

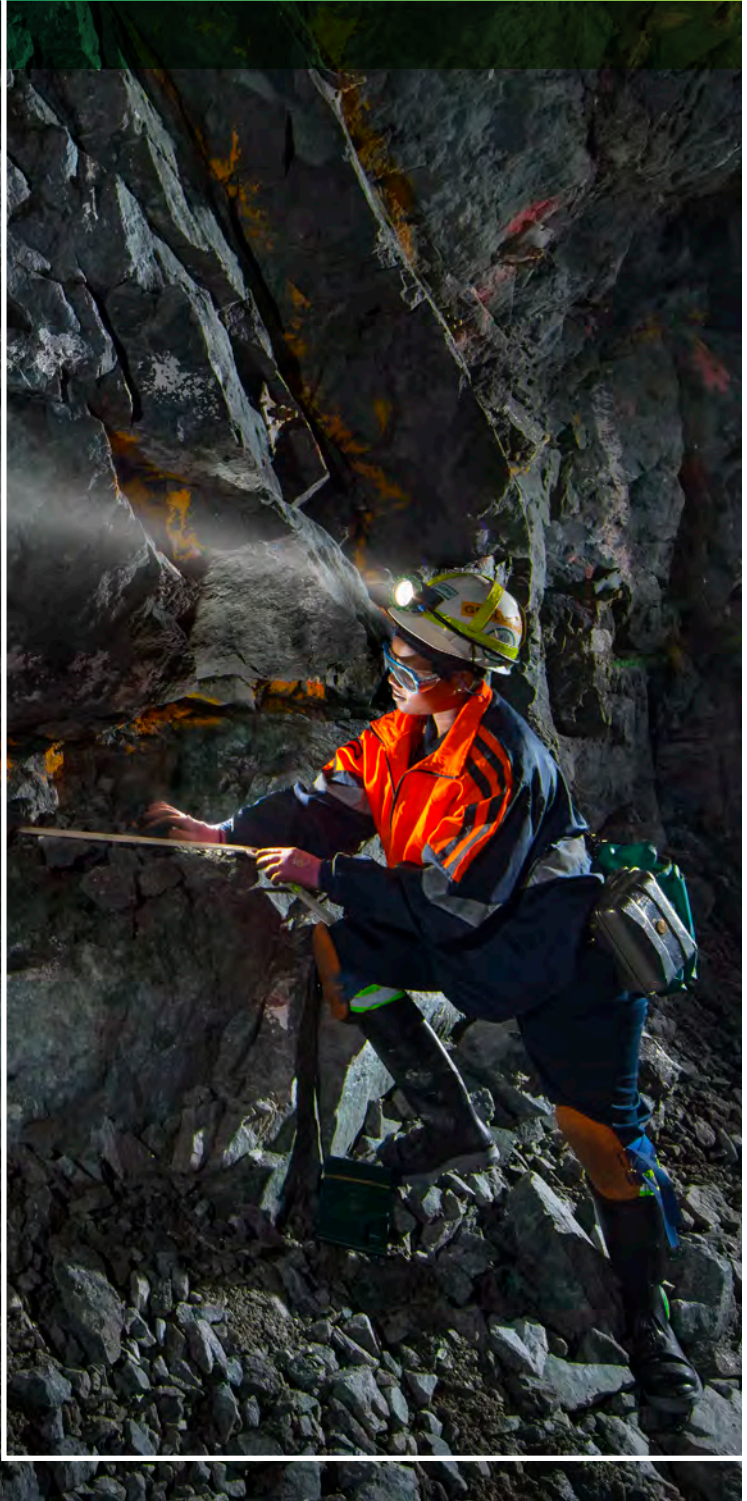
- > Restructuring our operations to improve margins
- > Adjusting our capital expenditure to reflect the weak PGM prices and demand
- > Pursuing value-enhancing opportunities such as the offer to purchase Maseve.

During 2017 the Board and executives of RBPlat took a long hard look at our business and conducted a strategic review process during which we tested our strategy's relevance and robustness, looking both backward and into the future.

This review provided RBPlat with the insight we needed to be able to critically examine our strengths, weaknesses, opportunities and threats; in particular with relation to our position in the PGM value chain.

The Board approved a new strategic planning process and methodology to understand and define the interrelated strategic choices available to RBPlat, which will be implemented from 2018 onwards.

Leadership review



LEADERSHIP REVIEW continued

CHAIRMAN'S REVIEW

Despite the challenging conditions, both locally and globally, as can be seen in our results, we made good progress at RBPlat with restructuring and optimising the business for tough times and, most importantly, achieving a meaningful reduction in costs.

Adv Kgomotso Moroka SC
Independent Chairman



I described 2016 as an *annus horribilis* for South Africa, which was facing considerable challenges in terms of its economy, society and politics. Sadly, 2017 did not improve the situation. As a result, while globally businesses are challenged by a diverse range of issues, in South Africa we added our own issues to the mix.

Post-year-end we welcome the appointment of Minister Gwede Mantashe as the new Minister of Mineral Resources. We are hopeful that the mining industry and government will be able to work together to ensure the future of the industry.

Despite the challenging circumstances, both locally and globally, as can be seen in our results, we made good progress at RBPlat with restructuring and optimising the business for tough times and, most importantly, achieving a meaningful reduction in costs. I am pleased to say we achieved all this while keeping job losses to a minimum.

We have also found an excellent solution that will allow us to achieve our organic growth strategy by increasing our concentrator capacity through the purchase of Maseve.

In addition to ensuring that RBPlat is fit for purpose in the short and

medium term and that we have all the elements that contribute to value creation in place, the Board has an important role to play in steering and setting strategy and we need to safeguard the future of the business in a rapidly changing environment. We are currently testing the relevance of our strategy and its robustness.

SAFETY

I am delighted to be able to report that we had a fatality-free year, as should always be the case, and that in July 2017 the BRPM JV achieved two million fatality-free shifts for the first time. Safety management is clearly a complicated matter, because while we have been fatality-free this year our lost time and serious injury frequency rates have increased. This is despite our substantial investment in improving safety leadership skills, back to basics training and our efforts to reinforce the importance of safe mine design that is within RBPlat's risk tolerance levels. The restructuring of the business inevitably resulted in a period of uncertainty and loss of focus, which may well have contributed to the increase in lost time and serious injuries. Hopefully, all the work being done at our operations in this regard will result in an improved safety performance and another fatality-free year in 2018.

37 WOMEN IN MINING

Women in mining is something I have always promoted. I was delighted to see that our employee home ownership scheme has provided 172 women working in mining with the opportunity to own homes and provide their families with a safe and pleasant environment.

See pages 82 and 83 of the human capital section for the stories of two of these women

CORPORATE GOVERNANCE

The RBPlat board welcomes King IV and subscribes to achieving the four outcomes of:

- an ethical culture
- good performance
- effective control
- legitimacy.

Safety

A fatality-free year, as should always be the case

Governance

I believe we have made good progress towards achieving:

- > an ethical culture
- > good performance
- > effective control
- > legitimacy

which are the outcomes King IV has recognised as benefits that can be realised through good governance

Sustainability

Our business continues to show resilience in tough times

It was rewarding to have our efforts to provide our stakeholders with the information they need to make informed decisions about our business recognised when our integrated report for 2016 won the small cap section in the Chartered Secretaries, in partnership with JSE Limited, integrated reporting awards in 2017. The Board and management of RBPlat have been committed to excellence in integrated reporting since the Company listed on the JSE in 2010, which has been recognised with awards on a number of occasions previously. Our report preparation process includes a workshop in which the Board, management and the report preparation team participate. The RBPlat integrated report is always published on the day we release our annual results, which is something we are proud of.



As you will discover when you read this report, our reporting on our application of the King IV principles is no longer to be found in a separate governance section. Instead it has been integrated into our reporting and, as it is an imperative element of our intellectual capital, a substantial portion of our application of corporate governance, and the outcomes we have achieved from its application, are reported on in the intellectual capital section on pages 86 to 99.

I am proud of our Board's collective commitment to leading ethically,

acting in good faith and in the best interests of the business. The Board's assumption of responsibility for the governance of ethics in RBPlat includes the approval of a code of ethics and a fraud and corruption prevention policy. It also includes oversight of the monitoring and review of their implementation and the efforts to establish an ethical culture in RBPlat by the Social and Ethics Committee. There will, however, always be work to do in this area. We have developed a plan to address areas of weakness identified through the ethics climate survey we conducted in 2017, which will be implemented in 2018.



See pages 86 to 87 of this report for more information on the survey

By appointing strong, independent directors, with an extensive range of relevant expertise and experience to its Board and equipping us with a good working knowledge of its business, RBPlat has ensured we have the competence to lead effectively and contribute to value creation for its stakeholders.



See page 16 and 91 for details

RBPlat continually reviews and revises its frameworks, policies and controls and develops and implements new ones where necessary. This approach optimises our corporate governance standards.

As leader of the RBPlat Board I am responsible for not only fostering a culture of openness, ethical leadership and constructive debate but also for ensuring that our Board acts in good faith and in the best interests of the organisation.

During 2017 we conducted an assessment of the performance of the Board, its committees and the directors retiring by rotation. This assessment was conducted with the assistance of the Institute of Directors in Southern Africa, using its online assessment system.

CONCLUSION

We said farewell to Velile Nhlapo, who resigned as a director in October this year when he joined the management team of Impala Platinum (Implats). On behalf of the Board I wish him well in his new role. I have no doubt we will keep in touch as we are neighbours. I would also like to welcome our new Board members, Obakeng Phetwe and Peter Ledger, who were appointed to the Board on 28 February 2018.

My thanks go to the executive, management and employees of RBPlat for the excellent work they have done in ensuring we can create value for our stakeholders in the short, medium and long term.

Adv Kgomotso Moroka SC
Independent Chairman

LEADERSHIP REVIEW continued

CHIEF EXECUTIVE OFFICER'S REVIEW

The opportunity to purchase Maseve, with 110ktpm concentrator capacity, will allow us to mine 230ktpm at Styldrift I by 2020, which will increase our production to between 380 and 410ktpm.

Steve Phiri
Chief Executive Officer



The rollercoaster ride we experienced in 2016 continued in 2017 with the year under review being one of two halves: a difficult first half and a better second half. When indications in the final quarter of 2016 pointed to a further deterioration in the PGM market during 2017 we knew we needed to make sure we equipped our business to be fit for purpose in tough times. To achieve this, we undertook a strategic and operational review, which was followed by a restructuring process aimed at optimising the business.

While we posted a loss in the first half of the year we could already see signs of a reduction in our costs, which had been high at the end of 2016.

By mid-year we had taken the decision to close down the mining of UG2 at BRPM's South shaft. This meant we were able to increase our mining of the better quality Merensky reef and avoid major retrenchments at South shaft by moving some of the UG2 crews to the Merensky section. We also moved some South shaft employees to Styldrift I.

As labour constitutes 58% of our total costs, our restructuring involved looking at how we could work smarter with fewer people. By year-end we had achieved a 9.2% reduction in BRPM working cost employee numbers through voluntary severance packages, natural attrition and employees being retrenched through a section 189 process.

Having restructured the business, we now needed to find ways to implement our organic growth plan, which required increased concentrator capacity. Capital constraints limited our ability to increase our concentrator capacity at BRPM. The opportunity to purchase Maseve, with its 110ktpm concentrator capacity, allows us to grow our production by mining 230ktpm at Styldrift I by 2020, as well as the opportunity of mining 150 to 180ktpm at BRPM. Maseve is also ideally positioned, being approximately 3km from both our North shaft and Styldrift I.

In addition, instead of closing down the whole of South shaft by the end of 2018, we will be able to continue mining the tail end of Merensky in

this shaft until early 2020. Owning Maseve could, in the future, facilitate early access to our Frischgewaagd ore body.

ENSURING OUR LONG-TERM SUSTAINABILITY

The result of our in-depth operational review was not only the optimisation of our business for the short and medium term, we also took a long hard look at the future sustainability of our business and what strategy we need to succeed and grow. Since our current four-pillar strategy was developed in 2010, our industry and our

Operational excellence

We made progress towards our goal of zero harm when we achieved a fatality-free year in 2017

Build flexibility

The flexibility built into the Styldrift I project execution environment is key to the successful delivery of our flexibility strategy

Grow organically

We are on track to ramp up Styldrift I, our organic growth project, in the last quarter of 2018

Pursue value-enhancing opportunities

Our purchase of Maseve mine with its 110ktpm concentrator capacity will allow us to achieve our organic growth goals


operating environment have both undergone massive change. During the tenure of the previous Minister of Mineral Resources, the absence of resolution around Mining Charter III and events such as the unusually high number of safety stoppages we experienced in the second half of 2017 (see page 55 of the manufactured capital section of this report for information on the impact of these stoppages on production) stifled growth in our industry and hampered the industry's ability to raise funds. I therefore do not regret his departure from the DMR. It is time for the mining industry and government to start working together to ensure our industry can flourish again. I look forward to working with the new minister, Mr Gwede Mantashe, on revitalising the South African mining industry and I am confident that we can all work together to regain our industry's global competitiveness.

OUR PERFORMANCE AGAINST OUR EXISTING STRATEGY

Safety

I am delighted that all the hard work that has been done to keep our people safe gave us a fatality-free year. On the other hand, we have been disappointed by the

increase in lost time and serious injuries during 2017, especially as we were hopeful that our efforts to improve safety leadership skills in the past two years would result in improvement in our safety performance. We are, of course, making every effort to understand the reasons for this increase and to address them. While we have not met the stringent targets we set ourselves in these areas, our performance compares well with that of our peers. We will, however, continue to strive to be a resilient organisation and will never be satisfied with our performance until we achieve zero harm.

 See page 74 in the human capital section


I was encouraged to see statistics showing that as we move into mechanised mining we can expect our safety performance to improve.

 See page 74 in the human capital section


Optimising volumes and reducing unit costs

We achieved our goal of optimising volumes when our overall volumes increased by 8.4% year-on-year, despite the suspension of the mining of UG2 at South shaft. At Styldrift I, in line with our ramp-up

schedule, we increased our delivered tonnes by a pleasing 36.8% year-on-year. At the same time, we reduced our cash unit cost per platinum ounce by 1.4% and our cash unit cost per 4E ounce by 1.3% year-on-year. Our increased production contributed to this cost reduction, which we achieved despite our key cost drivers (labour and utilities) exceeding the consumer price index (CPI) of 6.1%.

 See page 62 in the manufactured capital section of this report for more information

Labour stability

 We did not experience any industrial action at our operations during 2017. This is despite the impact of the restructuring of our business, during which we reduced our employee numbers at BRPM (see the human capital section of this report on page 72), and there was uncertainty around volume contractor employees, when we decided not to renew our contract with Oakbay-linked Westdawn Investments, trading as JIC Mining Services. However, there was a protest by our employees that was initially triggered by the municipality switching off power to certain homes in our employee

LEADERSHIP REVIEW *continued*

CHIEF EXECUTIVE OFFICER'S REVIEW *continued*

home ownership scheme in error, which was rectified almost immediately. We are engaging with our employees and the community to understand their concerns and find ways to address them and return to the good relations we enjoyed previously.

I was pleased to see our commitment to delivering on home ownership for our employees resulting in a quality, well-situated housing estate. There will be 1 156 homes in the estate once Phase 2 of this project has been completed in 2018. You can read about what it means to our employees to have been able to purchase their own homes on pages 81 to 83 of this report.



Our contract with volume contractor Westdown Investments, trading as JIC Mining Services was terminated with effect from 31 December 2017. The employees have been placed with volume contractor Reagentswe Rasimone, who have provided volume contractor services at BRPM for several years.

Meeting our Mining Charter commitments

While there is no agreement on the third Mining Charter we continue to apply and, where possible, exceed the final targets of the 2010 to 2014 Mining Charter scorecard. Our ability to invest in local economic development is constrained by the impact of market conditions on our revenue. We wish we were able to do more at a time when communities are struggling with unemployment. Our ongoing education support is having a positive impact on maths and science results and the portable skills training of 315 community members this year will help them either become entrepreneurs or find employment in the construction industry.



See page 104 for more information

Building flexibility to ensure sustainability

During the course of the year steady progress has been made on our Styldrift I project, which remains on track to achieve the 150ktpm Phase I ramp-up milestone by the fourth quarter of 2018. The inherent flexibility of the project execution environment, from a

design, management and control point of view, is key to ensuring the successful delivery of the Styldrift I project.

Growing organically – positioning RBPlat to compete over the long term

During the first half of the year there were delays with progress at Styldrift I when we hit a fault we knew about earlier than expected and before we had the waste separation facilities in place to deal with the situation. We also had challenges with Silo 4. This resulted in a lower grade from Styldrift I during the first half of 2017 as we were unable to separate ore from waste. The team made good progress during the second half of the year and by year-end the grade had improved substantially and we are on track to ramp up to 150ktpm by the end of 2018.



See page 69 of the manufactured capital section of this report

Pursuing value-enhancing opportunities

Our royalty agreements with Implats continue to allow us to extract the best possible value from certain portions of our ore body. They generated an income of



Phase 2 of our home ownership scheme under construction

R86 million in 2017. Our acquisition of Maseve (see pages 54 and 69 of manufactured capital section for more information) also provides us with a value-enhancing opportunity as it will allow us to ramp up Styldrif I to 230ktpm by 2020.

MARKET REVIEW

We are doing a great deal as an industry to market PGMs through the International Platinum Association (IPA), the World Platinum Investment Council (WPIC) and the Platinum Guild International (PGI), supported by the Platinum Leadership Forum (PLF), which is made up of the chief executives of platinum companies. Our joint venture partner's research into the use of PGMs in fuel cells, and the work of others in finding ways to reduce the cost of fuel cells by reducing the amount of platinum required in them, is making them more affordable.

Meanwhile, I am hopeful that both the positive changes in the political situation in South Africa and government's approach to the mining industry will allay the concerns of original equipment

manufacturers regarding the stability of South Africa and its platinum industry.

The marketing of platinum jewellery in India by PGI has seen some success and the industry has started increasing its funding of this marketing programme. In China, platinum jewellery is competing with the many other choices available to the Chinese consumer. To increase the attraction of platinum jewellery the industry is investing in new designs and marketing campaigns that link platinum jewellery with sought-after brands.

Platinum review

Platinum demand had a relatively tough year in 2017, with the three main pillars of end-use (automotive, jewellery and industrial applications) contracting year-on-year. For the dollar price to be slightly up by year-end at US\$926/oz is reassuring. That being said, during December, however, the price fell to US\$877/oz, a level not seen since the beginning of 2016. Meanwhile, a strengthening South African rand and a limited corresponding response in dollar

prices for platinum meant that over the year local prices fell by R865/oz to R12 324/oz, which is well below the cash operating cost of production for the majority of South African PGM mines.

Gross demand, excluding investment, is estimated to have fallen by 3.6% (-280koz) to 7.5 million ounces, following the 2.1% drop in 2016.

Automotive demand remained remarkably resilient at 3.3 million ounces, down 2.8% year-on-year, despite a sizeable 5% contraction in diesel market share in Europe, where platinum-rich diesel catalytic converters are employed to reduce tailpipe emissions.

Jewellery demand appears to be bottoming out, falling only 1.8% to 2.5 million ounces, having dropped by over 10% in 2016.

Industrial demand, where platinum is used in oil refining, glass manufacture and in chemical catalysis, was down an estimated 7.8%. Strong capacity growth in 2016 meant that fewer new plants and expansions were required in 2017, while oil refinery closures,



The BRPM concentrator, which was upgraded in 2017 to process 250ktpm

LEADERSHIP REVIEW continued

CHIEF EXECUTIVE OFFICER'S REVIEW continued

particularly in Japan, further reduced demand.

Overall, supply to market increased by 1.2% to 8 million ounces, but leading to excess metal supply from 2017.

Investment in the form of exchange traded funds (ETFs) grew by over 95koz during the year, while platinum bar consumption in Japan was up 140koz over the same period helping to offset some of the oversupply, and ultimately leaving the market close to balance.

Market outlook for platinum

There are prospects of a market improvement for platinum for a number of reasons. Many of the industrial demand capacity closures that we witnessed in 2017 are unlikely to be repeated in 2018. Last year, the oil industry in Japan was reacting to a deadline imposed by the government to consolidate or close out underperforming plants and this led to a net reduction in platinum demand. This year, industrial demand growth in emerging markets could impact the bottom line. Automotive demand should steadily soften again, based on the ongoing decline in diesel car sales. Platinum, being the metal most efficient at removing diesel pollutants, will be affected by this decline. There is, however, always the risk of the diesel share of the automotive market falling faster than forecasting agencies expect.

Jewellery demand is projected to make a steady recovery, with growth from India and a slow turnaround in China as major retailers return to expansionary

strategies in mainland China. As I mentioned previously in this review, to support this growth our industry is investing substantially in the PGI's platinum jewellery marketing programmes in both China and India during 2018.

Meanwhile, more than 300koz of supply capacity was lost in South Africa in 2017, the impact of which should be evident in 2018. On this basis, a market that is close to balance, after investment, is likely.

Palladium review

Palladium prices ended the year by exceeding US\$1 000/oz for the first time in 16 years, an increase of over US\$380/oz since the start of 2017. A strong rally began in May, which saw the price rise by more than US\$140/oz in just a few weeks. A shortage of ingot sparked a spike in metal lease rates to over 16% in June from under 3% in May.

The market remained tight through to the end of the year with lease rates over 7% during the festive period. In terms of supply-demand balance (excluding investment), a deficit in excess of one million ounces is estimated for 2017. Total demand was slightly lower at 10.3 million ounces, but recycling and mine supplies are not growing fast enough to close the gap. The bulk of the primary supply of palladium is produced as a by-product of either platinum or nickel mining and therefore is largely inelastic to price movements.

Market outlook for palladium

A limited change is expected in the palladium market in 2018. A deficit of over one million ounces has again

been forecast so the market will continue to draw down stocks to meet end-user needs. A shortage of ingot is likely to persist as the majority of suppliers provide the metal in sponge form, which is preferred by end-users for manufacturing purposes. Ingots are also required for end-user hedging purposes, trading and investment, so the palladium market remains structurally challenged.

Rhodium review

Rhodium prices achieved a strong recovery during the course of 2017, increasing from just US\$770/oz at the beginning of the year to US\$1 715/oz by year-end. The promulgation of China 5 tailpipe emissions standards nationwide phased through to 2018 has increased metal loadings by around 40 to 50koz. Correspondingly, rhodium imports into China have risen significantly over the last three years and were particularly high during the first half of 2017. During the second half, buying by industrial users outside of China, as well as speculators, continued to ensure strong demand throughout the year. By year-end, buyers from China returned to the market at elevated prices, a sign that there is a need in the market for the metal, but also that buyers are willing to accept the "new normal" of higher rhodium prices.

Market outlook for rhodium

Demand for rhodium is likely to remain strong throughout 2018 and the market is expected to be tighter than in 2017. An excessive amount of metal was, however, purchased during 2017 so stocks

may serve to keep users in China relatively well supplied.

UNDERPINNING OUR ASPIRATION OF ACHIEVING MORE THAN MINING

Our continued support of UNGC of which we are signatories and the achievement of the SDGs underpins our aspiration to achieve *More than mining*. Our application of the UNGC principles and our addressing of the SDGs is indicated through iconography throughout this report.

THE WAY FORWARD

The year ahead is going to be a busy one as we prepare for the ramp-up of Styldrift I and incorporating Maseve into our business. I look forward to reporting to you at the end of 2018 that Styldrift I is no longer a project and that it is producing 150ktpm.

CONCLUSION

I would like to thank our Board and our shareholders for their support during the year, and in particular for their support of our acquisition of Maseve. My thanks also go to the Board for its contribution to our deliberations during a challenging year, its support for the optimisation of our business and the development of a strategy that will ensure the long-term sustainability of our business.

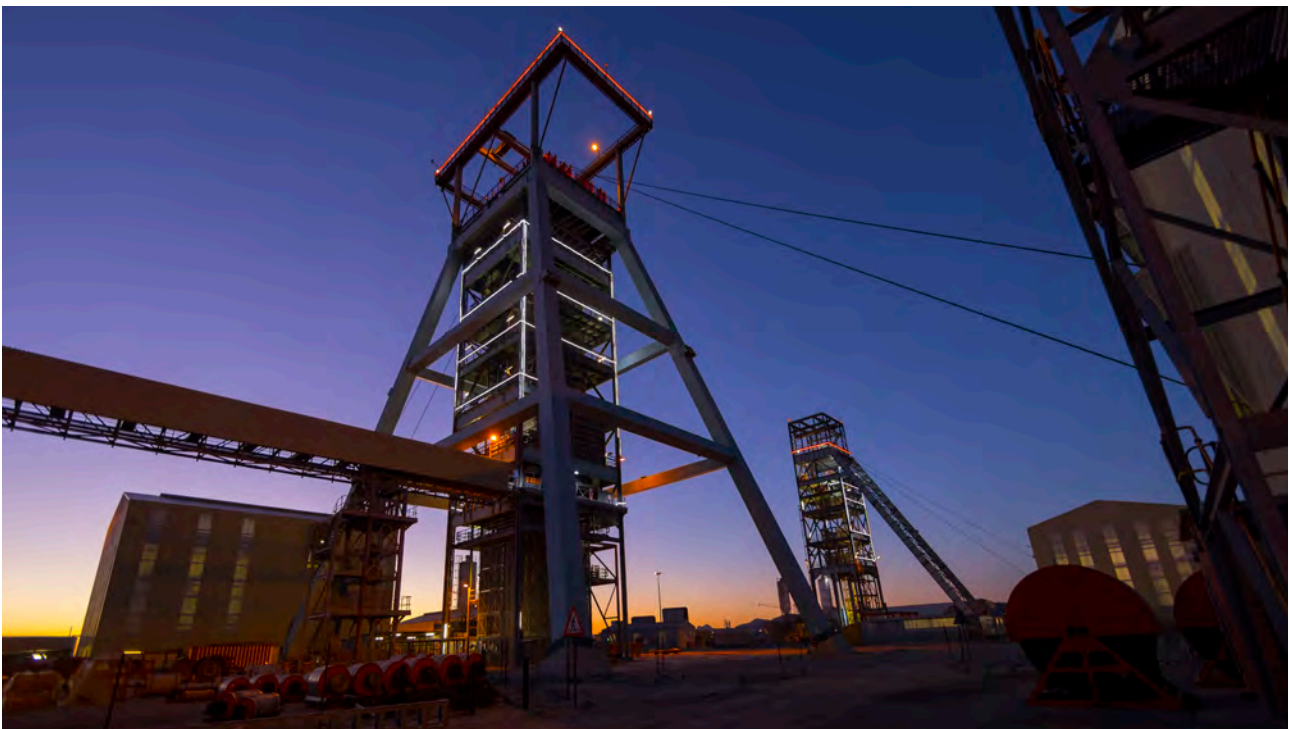
My thanks also go to my executive team and our management team for the excellent work they have done in optimising the business during 2017.

2017 was a difficult year for both the enrolled and contract employees at BRPM. Thank you for your commitment during a challenging time that allowed us to increase our production and our

performance overall. I am hopeful that we will be able to continue the improvement in our safety performance that we achieved in the third quarter of 2017 and keep you all safe.

I recognise that times are tough for the communities in which we operate. We were disappointed that the prevailing economic conditions limited the amount we could invest in our social and labour plan (SLP) during 2017. However, we remain committed to delivering on our SLP and investing in the sustainability of the people and businesses that make up these communities. We were pleased to be able to invest in enterprise and supplier development and portable skills development for 315 community members during 2017.

Steve Phiri
Chief Executive Officer



Styldrift I, our organic growth project, which is scheduled to ramp up to 150ktpm

OUR LEADERSHIP

BOARD OF DIRECTORS AS AT 31 DECEMBER 2017

ROBIN MILLS (71)
(Independent)
*BSc (Eng) (Rand) Mining,
CEng, FIMMM, FSAIMM*

LINDA DE BEER (48)
(Independent)
*CD(SA), CA(SA),
MCom (Tax)*

**ADVOCATE KGOMOTSO
MOROKA SC (63)**
Chairman (Independent)
BProc, LLB

MARTIN PRINSLOO (49)
Financial Director
CA(SA)

STEVE PHIRI (61)
Chief Executive Officer
*BJuris, LLB, LLM,
Dip Corp Law*



LOUISA STEPHENS (41)
(Independent)
CD(SA), CA(SA),
BBusSc (Finance)

7

MIKE ROGERS (73)
(Independent)
BSc (Eng) (Rand) Mining,
PrEng, FSAIMM

6

**THOKO MOKGOSI-
MWANTEMBE (55)**
(Independent)
MSc

5

DAVID WILSON (47)
CA(SA)

8

MARK MOFFETT (58)
(Independent)
CA(SA)

4



OUR LEADERSHIP continued

BOARD OF DIRECTORS AS AT 31 DECEMBER 2017

1 **ADVOCATE KGOMOTSO MOROKA SC (63)** **Chairman (Independent)**

BProc, LLB

Kgomotso joined our Board as Chairman and independent non-executive director on 1 June 2010. A practising senior advocate, she was a member of the Judicial Services Commission for 15 years and has played a leadership role across a range of industries. She is currently a trustee of the Nelson Mandela Children's Fund and the Apartheid Museum. She is Chairman of the Nomination Committee, a member of the combined Remuneration and Nomination Committee and a permanent invitee to all other committee meetings.

2 **LINDA DE BEER (48)** **(Independent)**

CD(SA), CA(SA), MCom (Tax)

Linda joined the RBPlat Board as an independent non-executive director on 1 June 2010. An independent reporting and governance adviser, she has been extensively involved in local and international accounting and audit standard setting. She is also a member of the King Committee and chairs the Financial Reporting Investigations Panel of the JSE Limited. She is Chairman of the Audit and Risk Committee and is a member of the Remuneration and Nomination Committee.

3 **ROBIN MILLS (71)** **(Independent)**

BSc (Eng) (Rand) Mining, CEng, FIMMM, FSAIMM

Robin, who is a partner in a private mining equity fund Appian Capital Advisory LLP, joined our Board as an independent non-executive director on 20 September 2010, following an international career as a mining engineer with the Anglo American/De Beers Group. He is a member of the Audit and Risk and the Social and Ethics committees.

4 **MARK MOFFETT (58)** **(Independent)**

CA(SA)

Mark, who was appointed to our Board on 22 September 2014, currently operates an independent consultancy in South Africa. He has extensive experience in mining finance, having spent over 25 years in senior financial positions in Anglo American plc and the De Beers Group, as Chief Financial Officer of Xstrata Alloys South Africa and Group Controller for Xstrata plc. He is a member of the Audit and Risk Committee.

5 **THOKO MOKGOSI-MWANTEMBE (55)** **(Independent)**

MSc

Thoko, who was appointed to the RBPlat Board in November 2014, is currently the Chief Executive of the Kutana Investments Group. She previously held executive positions at Telkom Limited, Lucent Technologies, Siemens Telecommunications, Alcatel SA and Hewlett Packard SA, where she was the Chief Executive Officer. She became a member of the Remuneration and Nomination and Social and Ethics committees on 19 November 2014 and was appointed Chairman of the Remuneration Committee on 1 May 2015.

6 **MIKE ROGERS (73)** **(Independent)**

BSc (Eng) (Rand) Mining, PrEng, FSAIMM

Mike, who was appointed to the Board as a non-executive director on 7 December 2009, is Chairman of the Social and Ethics and a member of the Remuneration and Nomination Committee. In his former role as Executive Head of Joint Ventures at Anglo American Platinum, Mike gained an in-depth understanding of RBPlat's operations. He became an independent non-executive director of RBPlat in February 2014.

7 **LOUISA STEPHENS (41)** **(Independent)**

CD(SA), CA(SA), BBusSc (Finance)

Louisa joined the RBPlat Board on 29 September 2014. She is currently an independent financial trader at Prime Select Holdings. She was previously Chief Investment Officer of Circle Capital Ventures Proprietary Limited, General Manager Investments and Finance at Nozala Investments Proprietary Limited and a fund manager at the National Empowerment Fund's Corporate Fund (uMnotho Fund) after gaining experience in acquisitions and leverage finance in Rand Merchant Bank's Investment Banking Division. She is a member of the Audit and Risk Committee.

8 **DAVID WILSON (47)** **CA(SA)**

David, who represents RBH, was appointed to our Board as a non-executive director on 29 May 2014. Prior to joining the investment team at RBH, he was a director and Head of Mergers and Acquisitions for sub-Saharan Africa at Deutsche Bank, South Africa. Before joining Deutsche Bank in 2004 he was an Associate Director, Corporate Finance at HSBC South Africa and Vice President, Corporate Finance at ING Barings, South Africa. He is a member of the Social and Ethics Committee.

9 **STEVE PHIRI (61)** **Chief Executive Officer**

BJuris, LLB, LLM, Dip Corp Law

Steve was appointed to the Board as Chief Executive Officer on 1 April 2010. He chairs the Executive Committee and the BRPM Joint Venture Management Committee and attends all committee meetings as an invitee. Steve was CEO of Merafe Resources, a company listed on the JSE, for six years before joining RBPlat.

10 **MARTIN PRINSLOO (49)** **Financial Director**

CA(SA)

Martin was appointed Financial Director and an executive director on 1 March 2009. He attends all Audit and Risk Committee meetings as a permanent invitee and is a member of the Executive Committee and the BRPM Joint Venture Management Committee. Before joining RBPlat, Martin acted as Chief Financial Officer at Anglo American Platinum and was a member of the Executive Committee.

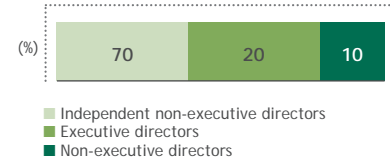
BOARD AND EXECUTIVE COMMITTEE STATISTICS

Board composition

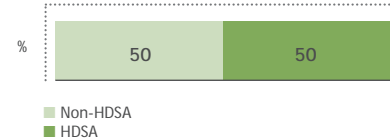
Significant or key directorships held by RBPlat Board members as at 31 December 2017

Kgomotso Moroka	<ul style="list-style-type: none"> > Standard Bank Group Limited (14 years) > Netcare Limited (11 years) > Metmar Limited (4 years)
Linda de Beer	<ul style="list-style-type: none"> > Omnia Holdings Limited (since December 2017) > Sasfin Holdings Limited (3 years) > Sasfin Bank Limited (3 years) > Aspen Financial Proprietary Limited (2 years)
Robin Mills	<ul style="list-style-type: none"> > Roxgold Inc. (Canada) (3 years)
Mark Moffett	<ul style="list-style-type: none"> > Fraser Alexander (3 years) and currently Chairman
Thoko Mokgosi-Mwantembe	<ul style="list-style-type: none"> > Vodacom Group Limited (8 years) > Aveng Group Limited (7 years) > Old Mutual Group Holdings (SA) Proprietary Limited (3 months)
Louisa Stephens	<ul style="list-style-type: none"> > African Bank Limited (2½ years) > African Bank Holdings Limited (2½ years) > Institute of Directors in Southern Africa (NPC) (6 months)
David Wilson	<ul style="list-style-type: none"> > RMB Holdings Limited (September 2017, alternate) > RMI Holdings Limited (September 2017, alternate) > Liquid Telecom Limited (December 2017)

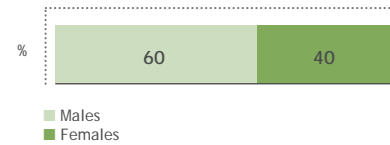
Board independence



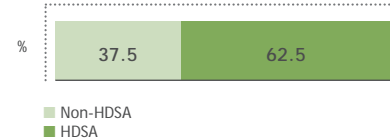
Board racial profile



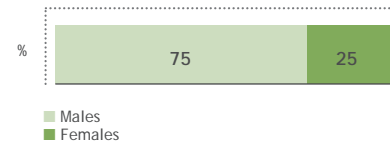
Board gender profile



Executive Committee racial profile



Executive Committee gender profile



ANALYSIS OF THE EXPERTISE AND EXPERIENCE OF THE RBPLAT BOARD AS AT 31 DECEMBER 2017

	% of Board members with these skills
Legal	20
Financial	
Auditing and accounting standards, corporate finance and investments	50
Corporate tax	60
Mergers and acquisitions	70
Risk management and reporting	30
Technical	
Operational, engineering, technical mining knowledge and experience	20
ICT governance	20
Reporting	
Financial and integrated reporting	100
Governance	
Governance, ethics and compliance	100
Strategy	
Business development	30
Commercial and business strategy development	80
Operational mining strategy	20
Sustainability policy development	30
Executive leadership	80
Sub-committees experience	
Including audit, risk, social and ethics and remuneration and nomination committees	100

OUR BOARD GENDER AND DIVERSITY TARGETS

RBPlat has adopted gender and diversity targets for its Board, which have been included in our Group employment equity policy. These targets are based on those applied throughout our business, except that we have increased our target for women at Board level. Our targets for 2018 are:

- > 50% of our board members to be female
- > 50% of our board members to be black

At 31 December 2017

- > 40% of our Board members were female
- > 40% of our Board members were black

OUR LEADERSHIP continued

BOARD INFORMATION

Name of director	Status	Date of appointment	Length of service at 31 December 2017	Board ¹ attendance	Audit and Risk Committee attendance	Remuneration and Nomination Committee attendance	Social and Ethics Committee attendance	Directors to be elected or re-elected
Non-executive Chairman of the RBPlat Board								
Kgomotso Moroka Chairman of Nomination Committee	Independent	1/6/2010	7 years 7 months	8/9	4/4*	3/4	3/4*	
Executive directors								
Steve Phiri	Executive	1/4/2010	7 years 9 months	9/9	6/6*	4/4*	4/4*	For re-election
Martin Prinsloo	Executive	1/3/2009	8 years 10 months	9/9	6/6*			For re-election
Non-executive directors								
Linda de Beer ⁺⁺ Chairman of Audit and Risk Committee	Independent	1/6/2010	7 years 9 months	9/9	6/6	4/4		
Robin Mills ⁺²	Independent	20/9/2010	7 years 3 months	9/9	6/6		4/4	
Mark Moffett ⁺⁺	Independent	22/9/2014	3 years 3 months	9/9	6/6			
Thoko Mkgosi-Mwantembe Chairman of Remuneration Committee	Independent	5/11/2014	3 years 2 months	9/9		4/4	4/4	
Velile Nhlapo ^{***}	Non-executive	18/11/2015	2 years	8/9			3/4	
Mike Rogers ⁺ Chairman of Social and Ethics Committee	Independent	7/12/2009	8 years 1 month	9/9		4/4	4/4	For re-election
Louisa Stephens ⁺⁺	Independent	22/9/2014	3 years 3 months	9/9	6/6			
David Wilson	Non-executive	24/4/2014	3 years 7 months	9/9			4/4	

¹ In addition to the quarterly Board meetings the Board attended an integrated reporting workshop, a strategy workshop and three special meetings held to address the Maseve acquisition and the JIC matter

² Robin Mills resigned from the Board and the Audit and Risk and Social and Ethics committees on 28 February 2018

* Attendee

** Velile Nhlapo resigned from the Board on 9 November 2017

+ Member of the ad hoc Technical Committee ++ Member of the ad hoc Finance Committee, which met three times during the year



8

VICKY TLHABANELO (57)
Executive: Human Resources
MM (Master's in Management),
BCom (Hons), Diploma in
Management and Accounting

5

GLENN HARRIS (56)
Head of Operations for the
BRPM Joint Venture
NHD (Metals), BTech, MDP, MMCC

4

REGINALD HAMAN (43)
Executive: Risk, Assurance and
Sustainability
MBA, PGDBA, EDP, Graduate
Diploma in Company Direction,
NHD, ND

2

MARTIN PRINSLOO (49)
Financial Director
CA(SA)

EXECUTIVE DIRECTORS AND MEMBERS OF THE EXECUTIVE COMMITTEE

1 STEVE PHIRI (61)
Chief Executive Officer

2 MARTIN PRINSLOO (49)
Financial Director

3 NEIL CARR (58)
Executive Head: Operations
BSc (Mechanical Engineering), EDP (INSEAD)
 Neil, who has over 30 years' experience in the platinum mining industry, joined RBPlat as Head of Projects and Engineering in 2010 and was promoted to Executive Head: Operations in 2014. Prior to joining RBPlat he held senior management and leadership positions in Lonmin for 20 years and Implats for nine years.

4 REGINALD HAMAN (43)
Executive: Risk, Assurance and Sustainability
MBA, PGDBA, Graduate Diploma in Company Direction, NHD, ND
 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 King IV development.

5 GLENN HARRIS (56)
Head of Operations for the BRPM Joint Venture
NHD (Metals), BTech, MDP, MMCC
 In his current role Glenn heads up operations for BRPM and the Styldrift I project, collectively known as the BRPM Joint Venture. Before assuming this role, he had been General Manager of BRPM since 2006. He has 33 years' experience in mining, 22 of which have been in platinum mining.

6 LINDIWE MONTSHIWAGAE (46)
Executive: Investor Relations
BCompt (Hons), MCom (Financial Management), MDP
 Lindi, who has over 12 years' experience in investor relations, joined RBPlat from Merafe Resources in June 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.

7 MPUELENG POOE (58)
Executive: Corporate Affairs
BProc, MDP, Certificate in Advanced Corporate and Securities Law
 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.

8 VICKY TLHABANELO (57)
Executive: Human Resources
MM (Master's in Management), BCom (Hons), Diploma Management and Accounting
 Vicky, who joined RBPlat in 2010, has held leadership positions for more than 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.



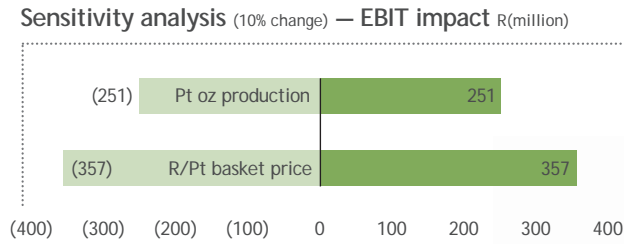
1 STEVE PHIRI (61)
Chief Executive Officer
BJuris, LLB, LLM, Diploma Corporate Law

3 NEIL CARR (58)
Executive Head: Operations
BSc (Mechanical Engineering), EDP (INSEAD)

6 LINDIWE MONTSHIWAGAE (46)
Executive: Investor Relations
BCompt (Hons), MCom (Financial Management), MDP

7 MPUELENG POOE (58)
Executive: Corporate Affairs
BProc, MDP, Certificate in Advanced Corporate and Securities Law

OUR BUSINESS MODEL



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



THE ELEMENTS UNDERPINNING OUR BUSINESS MODEL

1 THE VALUES THAT UNDERPIN OUR BUSINESS MODEL:

Our values are designed to deliver earnings and growth and create shared value for our stakeholders through responsible safe mining.

Safety and people first
Mining is a high-risk business and cannot succeed without total trust, respect, teamwork and an 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 ISSUES IMPACTING OUR ABILITY TO CREATE VALUE:

- > The global economic and market conditions resulting in continuing soft PGM prices
- > Socio-political environment's negative impact on South Africa's investability
- > RBPlat's ability to manage operating costs

See page 54 of *manufactured capital*

- > Impact of regulatory and legislative environment

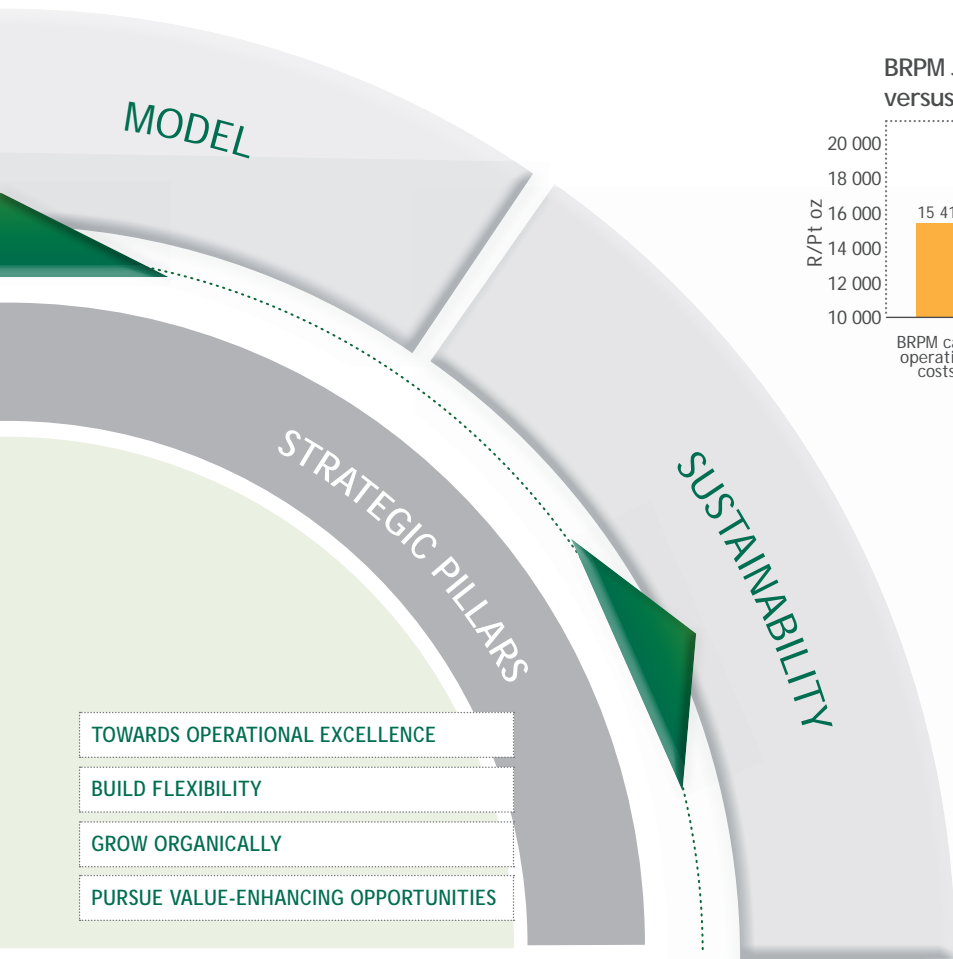
3 OUR REVENUES ARE AFFECTED BY:

- > PGM prices
- > Rand:US\$ exchange rate
- > Grade
- > Recoveries
- > Tonnes milled
- > Tonnes delivered
- > Royalty received from Impala Platinum

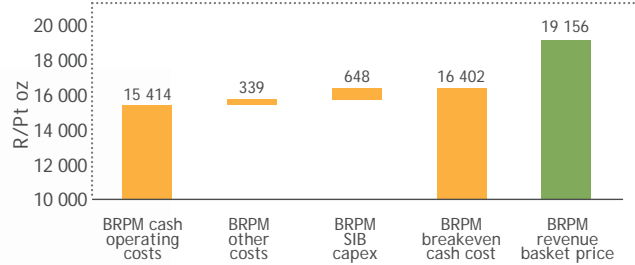
For more information see page 46 of *financial capital*.

4 THE KEY RESOURCES AND RELATIONSHIPS OUR BUSINESS MODEL DEPENDS ON:

- > Prospecting and mining rights from government
- > Our mineral resources and reserves
- > Our social licence to operate
- > Our infrastructure
- > Financial capital from the investment community
- > Human capital that provides the range of skills we need
- > Stable labour and community relationships
- > RBPlat's relationship with our joint venture partner, Rustenburg Platinum Mines (RPM)
- > Key suppliers and service providers
- > Our offtake agreement with RPM



BRPM Joint Venture's breakeven cash cost versus its revenue basket price



OUR BUSINESS

CORPORATE GOVERNANCE THROUGH ETHICAL AND EFFECTIVE LEADERSHIP

5 OUR ACTIVITIES INCLUDE:

- > Exploration – most recently at Styldrift II
- > Mining – extracting platinum group metals (PGMs) in the North West province of South Africa at the BRPM and Styldrift I mines
- > Beneficiation in the BRPM concentrator of the PGMs we mine
- > Selling our PGM concentrate to RPM through an offtake agreement
- > Environmental management and rehabilitation
- > The ongoing review of value-enhancing opportunities

6 OUR COSTS INCLUDE:

- > Enrolled employees
 - > Contractors
 - > Utilities
 - > Capital expenditure (*stay in business, replacement and expansion capital*)
 - > Consumables
 - > Maintenance
 - > Mining
 - > Beneficiation
 - > Taxes and royalties
 - > Social investment
 - > Rehabilitation
- For more information see financial capital on page 42, manufactured capital on page 52, human capital on page 70, social capital on page 100 and natural capital on page 114.*

7 OUR TOP RISKS AND OPPORTUNITIES:

- > Safety performance
- > Potential for operating costs to escalate above CPI
- > Adverse PGM prices
- > Strengthening of rand basket price
- > Inability to deliver capital projects on time and within budget
- > Availability of funding for capital projects
- > Lack of availability of utilities
- > Environmental and climate change management
- > Failure to have available, adequate and appropriate skills (key employees)
- > Potential breakdown in stakeholder engagement and responsiveness
- > Acquisition of Masevu

8 WHAT DIFFERENTIATES US:

- > Black-owned and controlled
- > Shallow mines
- > Our position on the cost curve (see page 34)
- > High grade long-life Merensky producer
- > Proven ability to respond quickly to changes in market conditions
- > Low-cost bord and pillar mechanised mining at Styldrift I
- > Ability to achieve cost reductions in our supply chain
- > Our modular approach to processing capacity

HOW WE USE OUR STOCK OF CAPITALS TO CREATE VALUE

	The stock of capital we had at the beginning of the year	The outputs we achieved from employing our stock of capitals
 <p>Financial capital</p>	<ul style="list-style-type: none"> > R836 million in cash on hand > R500 million available in revolving credit facility > R458 million general banking facilities of which R202 million was used for guarantees > NAV of R11.2 billion 	<ul style="list-style-type: none"> > R1.3 billion in cash on hand > R1.5 billion available in term and revolving credit facilities > R508 million general banking facilities of which R119.4 million was used for guarantees > NAV of R10.7 billion
 <p>Manufactured capital</p>	<ul style="list-style-type: none"> > Mining infrastructure above and below ground at BRPM > Mining infrastructure above and below ground at Styldrift I > BRPM concentrator infrastructure > Stock of natural capital (reserves) 	<ul style="list-style-type: none"> > 2 992kt of ore delivered > IMS flexibility of 1.68 above our target of 1.5 > 6.8km of development at Styldrift I > 3 021kt milled > 212koz Pt metal in concentrate > 328koz 4E metals in concentrate > North shaft Phase III replacement project at BRPM 96% complete at year-end
 <p>Human capital</p>	<ul style="list-style-type: none"> > 7 400 employees** > Effective agile leaders > R62 million invested in training and development > Skilled employees 	<ul style="list-style-type: none"> > 8 372 employees** > R73.5 million invested in training and development > Zero fatalities > Safety leadership improving > Retained the skills we require
 <p>Intellectual capital</p>	<ul style="list-style-type: none"> > Sustainability, risk management, assurance and governance structures > Systems, controls and processes > Geological model > Digitalisation of Styldrift I > Ability to innovate 	<ul style="list-style-type: none"> > Effective decision-making resulting in strong governance, proactive risk management, ability to react rapidly to changing business conditions > Increased understanding of ethical culture in RBPlat > Ability to rapidly identify and address safety risks > Integrated thinking > Innovative ways of working
 <p>Social and relationship capital</p>	<ul style="list-style-type: none"> > Social licence to operate > Investment of R287.1* million in SLP commitments during 2016 > R1.65 billion invested in HDSA discretionary procurement in 2016 > R513.7 million spent on local HDSA discretionary procurement > Effective stakeholder relationships 	<ul style="list-style-type: none"> > R40.5 million invested in SLP commitments > 315 community members trained in portable skills > R2.3 billion in HDSA discretionary procurement > R924.6 million spent on local HDSA discretionary procurement > R2.4 million spent on enterprise and supplier development
 <p>Natural capital</p>	<ul style="list-style-type: none"> > Mineral reserves increased 8% > 40% reduction in potable water consumption as a result of commissioning of a water treatment plant > Energy and water use efficiency targets met at BRPM concentrator 	<ul style="list-style-type: none"> > Effective environmental management > Efficient use of the energy and water we employ in our operations > Effective waste management > Established the vulnerability of our operations and local communities to climate change through the commissioning of a climate change vulnerability assessment > 16.1% increase in potable water usage as a result of increased production

* This amount includes R251.1 million invested in our employee home ownership scheme

** Includes corporate office employees

The outcomes we achieved	Trade-offs and actions to enhance outcomes
<ul style="list-style-type: none"> 46 > Saleable product in the form of PGM concentrate 48 > Cash flow generated by the sale of our concentrate achieved by employing financial, human, manufactured and natural capital 	<p>Issuing of new RBPlat ordinary shares to fund the purchase of Maseve. Due to RBH not participating its shareholding in RBPlat will be reduced. This will increase the free float which is important for the liquidity of the RBPlat stock.</p>
<p>Stock of manufactured capital increased through:</p> <ul style="list-style-type: none"> 56 > 8.4% increase in tonnes delivered 57 > Development at Styldrift I aligned with project progress 116 > Mineable reserves available on a sustainable basis 54 > Mining of unprofitable UG2 at BRPM's South shaft suspended 	<p>The completion of the overland conveyor between Styldrift I and the BRPM concentrator during 2018 will provide a more cost-effective method of transporting ore and reduce the wear and tear on local roads.</p> <p>Suspension of South shaft UG2 mining, which resulted in margin enhancement.</p> <p>The acquisition of Maseve will extend the life of the South shaft Merensky and facilitate the ramping up of Styldrift I to 230ktpm.</p>
<ul style="list-style-type: none"> 79 > R2 billion invested in human capital in the form of salaries, wages and benefits and human resource development provided us with a workforce qualified to mine and process our natural capital 73 > Focus on safety leadership skills training 54 > Reduced size of workforce by means of voluntary severance packages (VSPs) and section 189 retrenchments 	<p>While we achieved a reduction in enrolled employee numbers at BRPM of 17.7% through our restructuring process, there was a 71.7% increase in enrolled employees at Styldrift I as a result of the increase in activity at the mine.</p>
<ul style="list-style-type: none"> 95 > Risks and opportunities identified and responded to 86 > Effective corporate governance 86 > Status of ethical culture assessed 74 > Mechanised mining processes at Styldrift I increase safety 74 > SILO safety, health and environment (SHE) risk database system further developed 95 > Ability to view and immediately correct activities in the mine, if necessary, provided by digitalisation 6 > New strategy development process in place 	<p>The proposed purchase of Maseve will provide a number of options for the further development of our operations.</p>
<ul style="list-style-type: none"> 102 > Poverty alleviation 104 > Enhanced community skills and employability of community members 103 > Improved maths and science results 105 > Increased HDSA, and in particular local HDSA, procurement 104 > Enterprise and supplier development programme provided training for local entrepreneurs 	
<ul style="list-style-type: none"> 120 > Impact of our mining activities minimised > Disturbed land rehabilitated 118 > 1% increase in our Merensky mineral reserves ounce content and 2.5% decrease in UG2 mineral reserves ounce content year-on-year 128 > Waste material treated and correctly disposed of 124 > Energy efficiency targets were met at the BRPM concentrator, but not at the mine 127 > Water efficiency targets were met at the concentrator and Styldrift I but not at BRPM 	<p>Knowledge regarding the vulnerability of the area in which we operate to climate change allows us to put in place a strategy and plans to address its future impact on our operations and communities.</p>

OUR CHANGING BUSINESS CONTEXT

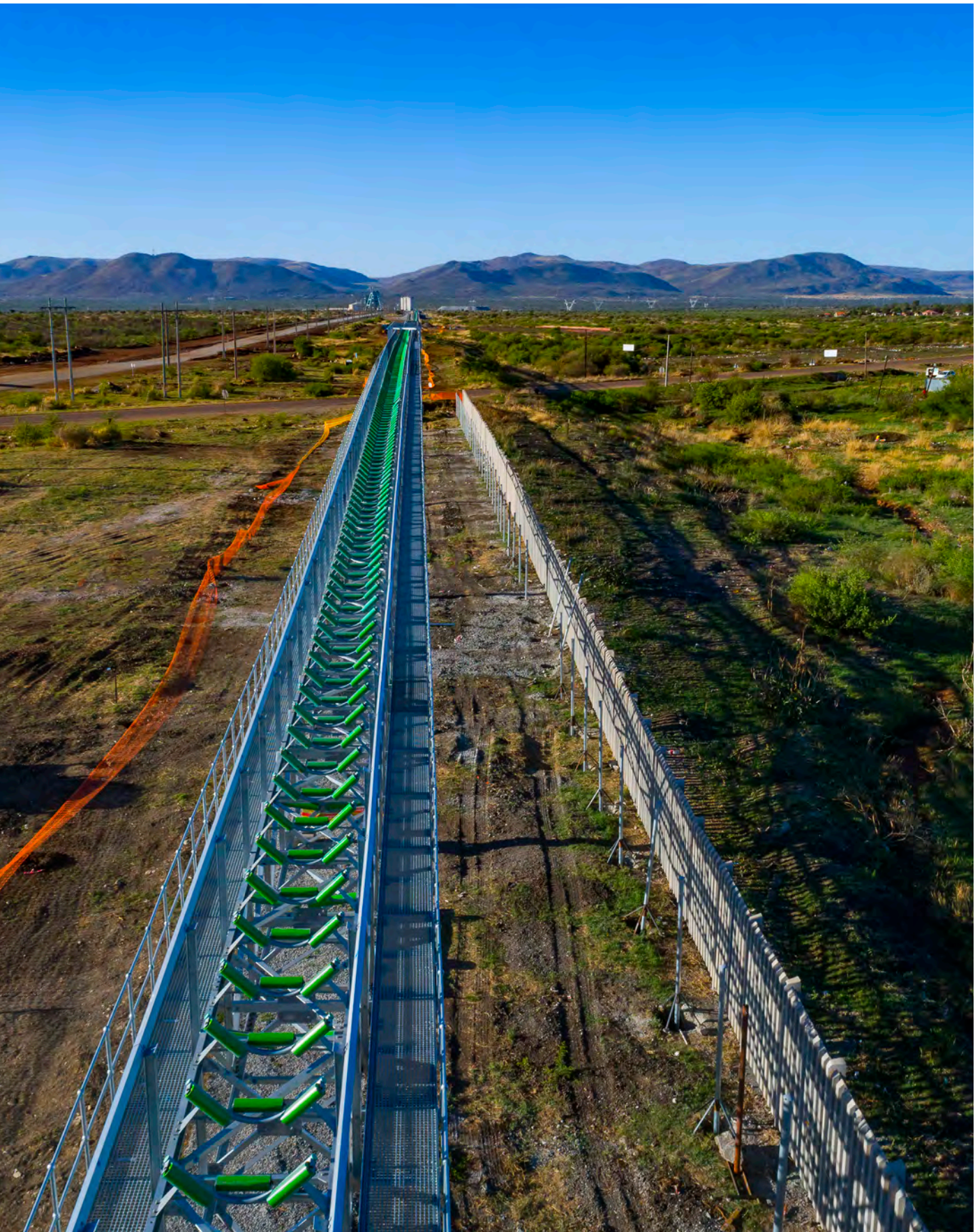
- A wide range of business, social, competitive, financial, political, regulatory and legislative issues impact our operating context. In this section of our report we:
- > review our global and local external environment and our internal environment
 - > identify the issues that have implications for our business model, their impact/possible impact on value
 - > provide you with a brief summary of our strategic response to these issues and guidance as to where you can read more about our response.

We have addressed the issues in our external environment throughout this report. The risks and opportunities our internal environment presents, and our response to these, are covered in detail elsewhere in this report. We have provided you with page references where you will find this information and an indication as to whether these issues are risks, opportunities or both for RBPlat, on the graphic below.



Legend: ▲ Risk ✓ Opportunity





The overhead conveyor that will transport ore from Styldrift I to the BRPM concentrator once its construction is completed

OUR CHANGING BUSINESS CONTEXT continued

The aim of this section of our report is to provide you with information on known, new and changing issues that are impacting and will impact the PGM industry as a whole, our business in particular, and our response to them.

As can be seen in the graphs on this page the demand for platinum is diverse, with both the jewellery market and industrial use of platinum forecast to grow in 2018.

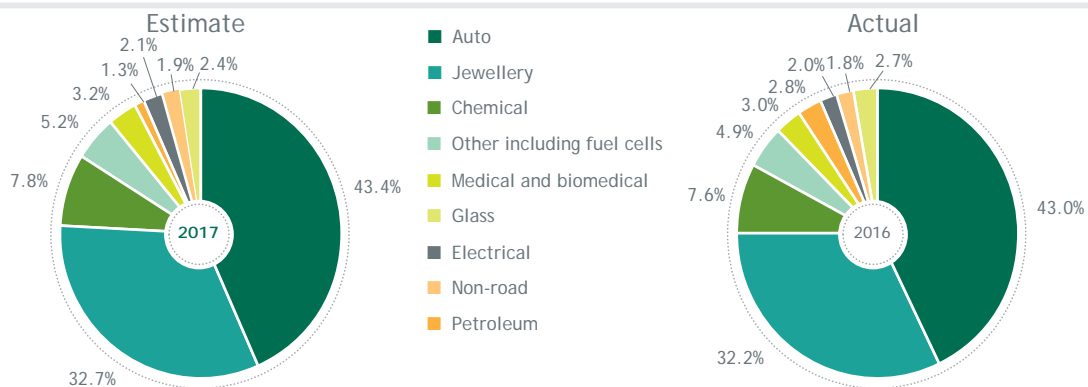
The use of PGMs in autocatalysts still accounts for most of the annual demand for PGMs (see the graphs below and the market review on pages 13 and 14 of the Chief Executive Officer’s review). However, the urgent need to address climate change by reducing the impact of transportation on GHG emission levels is likely to result in vehicles powered by internal combustion engines being replaced by hybrid, electric or fuel cell-powered vehicles.

Some major cities have announced the introduction of legislation banning petrol and diesel cars, but mostly well beyond 2030. However, despite the hype, the combustion engine is likely to be around for a long time, especially in heavy duty vehicles. The introduction globally of increasingly demanding emissions legislation will require the increased use of PGMs in more efficient autocatalysts. Also, the phasing out of vehicles powered by internal combustion engines will not mean the end of the use of PGMs in automotive powertrains. They will still be required in the autocatalysts of hybrid cars and, while battery-powered electric vehicles will not make use of PGMs, hydrogen fuel cell technology, which makes use of platinum and other PGMs, is regarded as an increasingly important technology for use in automotive powertrains. Furthermore, there is significant upside for platinum demand from increased tailpipe emissions standards for commercial vehicles for which full electrification is more difficult and where diesel will more than likely remain the dominant power source.

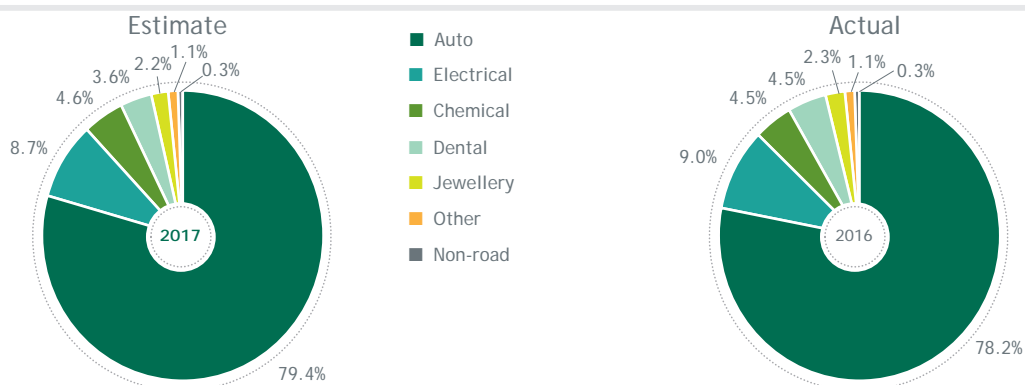
PGM DEMAND

The use of PGMs in key industries

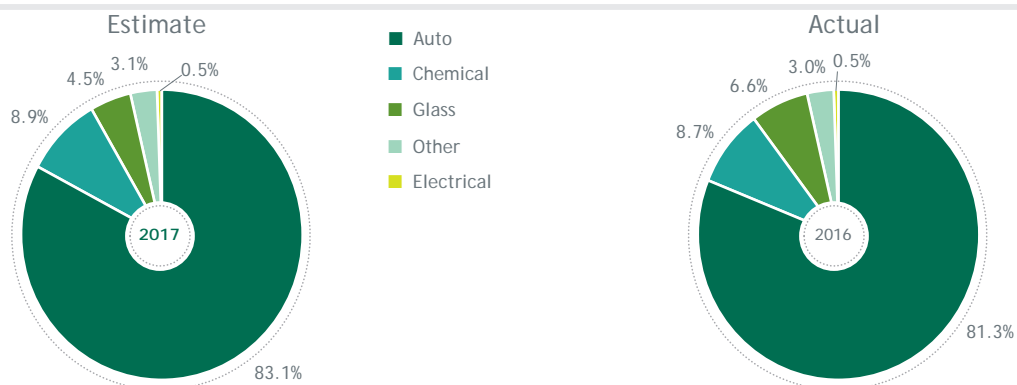
Platinum



Palladium



Rhodium



Source: SFA (Oxford)

Known issues

PGM DEMAND FOR:

Autocatalysts

Challenges/risks:

The use of platinum-rich diesel catalytic converters led to the demand for platinum exceeding 2.0Moz a year in Europe during the mid-2000s. However, the production of diesel passenger cars in Europe has been falling since 2015. As a result, European demand for platinum is also on a steady slide, with an estimated 1.56Moz (including non-road) employed in 2017.

Since the global financial crisis palladium demand in autocatalysts has doubled to 8Moz. The rise of China and recovery in the United States increased the need for the metal in gasoline three-way autocatalysts. The risk to palladium is now an overexposure to autocatalyst demand at approximately 80% of total end use compared to <60% during the financial crisis.

Rhodium suffered a huge fallout during the financial crisis, with autocatalyst demand dropping by 35% year-on-year in 2009. In 2017, autocatalyst demand was still 150koz per annum down on pre-crisis levels.

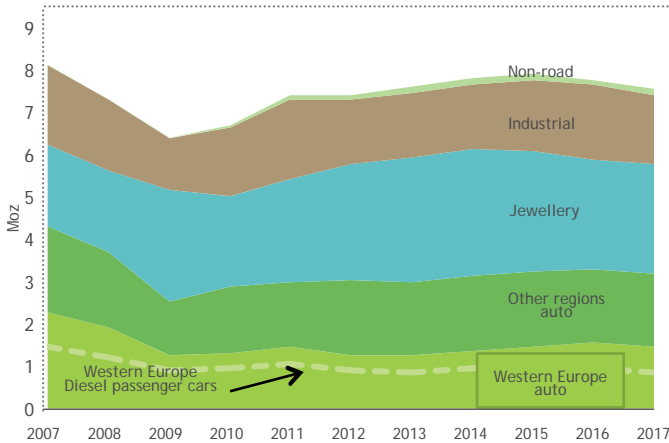
Opportunities:

To put automotive passenger car demand in Europe in context, around 1Moz of platinum is used in European cars every year out of a total market of 7.5Moz (see graph below) a year. This highlights the diversity of platinum demand, which is not wholly reliant on the fortunes of diesel car sales in Europe.

Gasoline overwhelmingly dominates powertrains worldwide, providing a strong end-use market for palladium.

The advent of China 5 tailpipe emissions regulations nationwide in 2018 requires increased loadings of rhodium. Imports have risen accordingly during 2017 leading to a rally in rhodium prices to >US\$1 500/oz.

Platinum demand



Source: SFA (Oxford)

Our response:

Our industry bodies, the IPA, the PGI, supported by the PLF, which is made up of the chief executives of platinum companies, are involved in extensive marketing efforts (see the market review on page 13 and 14 of this report).

Palladium makes up over 25% of the prill split of our Merensky and nearly 30% of the prill split of our UG2 ore, rhodium makes up under 5% of our Merensky ore prill split and 11% of our UG2 prill split. As our production increases with the ramp-up of Styldrift I and our access to increased concentrator capacity so will our palladium and rhodium production.

New and changing issues

Challenges/risks:

Europe continues to be a drag on the platinum market as diesel car sales decline. A further tightening of tailpipe standards to real driving emissions (RDE) limits over the next few years does not guarantee stronger demand for platinum as there is a cocktail of options available to automakers, some of which do not necessarily need additional PGMs.

With palladium at record prices, the threat of substitution with other PGMs grows.

The rapid rise in rhodium prices over the last year and high lending rates for the metal indicate genuine tightness for consumers.

Opportunities:

Diesel cars are not going to disappear overnight. Greater demand for heavier SUVs and more gasoline-powered cars, which produce more CO₂ relative to diesel cars, makes achieving the fleet average limit of 95g/km CO₂ by 2021 increasingly difficult for the majority of car companies leaving them potentially exposed to major financial penalties.

As the world moves increasingly towards electrification, palladium-dominated autocatalysts are set to benefit from a growing use of gasoline hybrid vehicles.

Rhodium, as well as platinum, could act as a buffer to ever-increasing demand for palladium through increased use in gasoline three-way autocatalysts.

Our response:

RBPlat's ramp-up of Styldrift I to 150ktpm in the fourth quarter of 2018 will allow us to increase our production, not only of high grade platinum ore, but also of palladium and rhodium at a time when palladium in particular is in short supply.



OUR CHANGING BUSINESS CONTEXT continued

Known issues

PGM DEMAND FOR:

Jewellery

Challenges/risks:

Jewellery demand for platinum has been problematic over the last 18 months. Demand peaked in China at close to 2Moz. In 2016 there was a major correction there, with just 1.45Moz being recorded at year-end. A further drop of just over 100koz was estimated in 2017.

Jewellery demand for palladium continues its steady decline at 225koz in 2017.

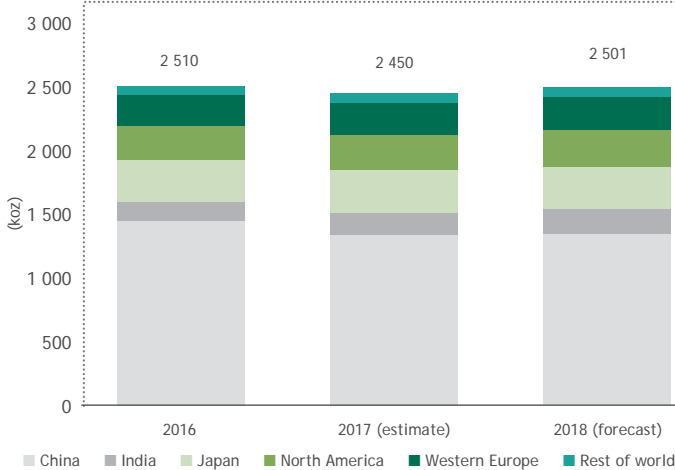
Opportunities:

Green shoots are starting to appear. Chinese jewellery retailer sales have returned to growth after a period of a double-digit fall in sales annually. Retailers are expanding again after closing some stores. Meanwhile, outside China demand continues to grow, limiting the loss in demand to just 50koz.

Platinum jewellery sales increased 12% in the United States in 2017 and the Japanese platinum jewellery market is performing relatively well.

There are limited opportunities for palladium jewellery without concerted marketing support, particularly at current elevated prices.

Platinum jewellery demand



Source: SFA (Oxford)

Our response:

RBPlat is a member of the PGI which, through its marketing efforts, is re-igniting an interest in platinum jewellery in China and exploiting opportunities to grow the market for platinum jewellery in India, which includes capitalising on the appeal of platinum jewellery to men in India.

As a member of PGI we invest in its marketing efforts (see the market review on page 13 of this report).



New and changing issues

Challenges/risks:

Chinese jewellery demand was over 600koz below peak levels during 2017.

Opportunities:

The opportunity exists to increase the sale of platinum wedding bands in China by expanding marketing efforts to cover all Chinese cities and to grow the market for platinum in India.

Opportunity to increase sales of platinum jewellery worldwide through increased marketing efforts tailor-made for specific countries.

Our response:

In order to support its efforts to increase the sales of platinum jewellery, all members of the PGI have committed to increasing their investment in the global and specific marketing campaigns PGI will be rolling out in 2018.



Known issues

PGM DEMAND FOR:

Investment

Challenges/risks:

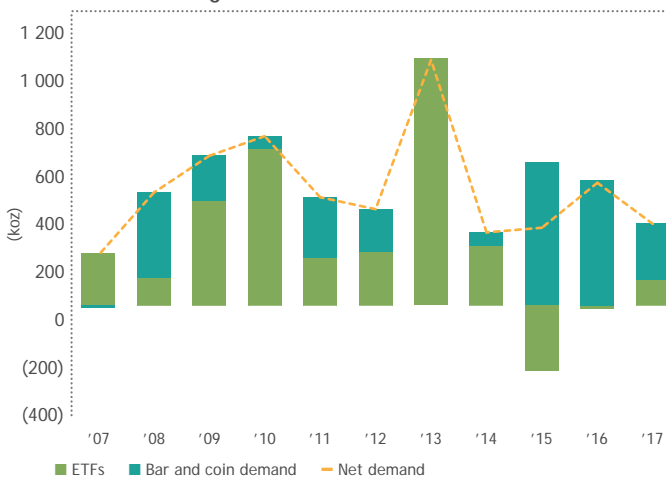
Changes to physical bar and coin investment in platinum peaked at over half-a-million ounces in 2015 and remained above 460koz in 2016. Total investment demand in 2016 was up 165koz on the previous year, as bar investment in Japan remained above 375koz. In 2017, year-on-year changes to investment resulted in platinum being down to 300koz. Palladium ETF holdings fell by 370koz to 1.3Moz through 2017, despite a 57% increase in prices over the same period.

Opportunities:

2018 got off to a strong start with investors adding 31.4koz of platinum to ETF holdings in early January, pushing total holdings to over 2.6Moz.

There are opportunities for investment holdings to recover on significant price dips. However, prices are at record levels, therefore palladium could be deemed too expensive to investors.

Annual change in investment demand



Source: SFA (Oxford)

Our response:

The World Platinum Investment Council (WPIC), of which RBPlat is a member, is focused on promoting investment in platinum. See the market review on page 13 of this report.

New and changing issues

Challenges/risks:

At the time of writing platinum was trading at a US\$100/oz discount to palladium and >US\$300/oz discount to gold.

Further liquidation of palladium ETFs is possible as investors look to profit at peak prices.

Opportunities:

The relatively depressed price of platinum could be seen by investors as a buying opportunity owing to its oversold status.

Should investors start to rebuild physical holdings of palladium there may be a difficulty in acquiring good delivery bars, which may push prices up further. Lease rates are already at elevated levels, indicating a physical shortage of palladium bars.

Our response:

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



OUR CHANGING BUSINESS CONTEXT continued

Known issues

PGM DEMAND FOR:

Industrial

Challenges/risks:

In Japan net demand dropped by 41% to just 54koz as oil refinery closures to comply with a government deadline impacted market needs.

The possibility of industries finding alternatives to replace PGMs due to uncertainty regarding supply is an ongoing risk.

The elevated price of palladium continues to damage non-automotive end uses, with industrial demand falling an estimated 5% in 2017.

Rhodium demand dropped by an estimated 11.1% to 173koz in 2017 owing to a simultaneous drop-off in glass fabrication capacity builds in the US and China.

Opportunities:

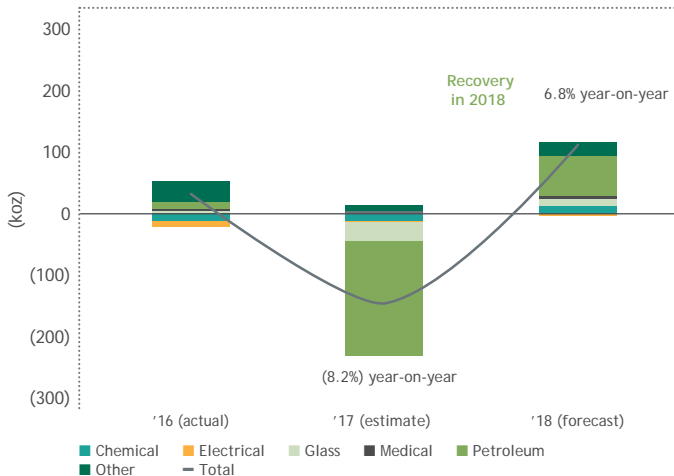
The use of platinum for industrial purposes is on the increase.

The normalisation of the United States and Japanese market requirements, as well as growth in China and the emerging markets, should boost demand in 2018. The development of the fuel cell industry in Japan and North America could also increase industrial demand for platinum.

There are limited growth opportunities for palladium, while buying competition for the metal remains very strong.

Rhodium demand is set to recover back to 2016 levels in 2018 owing to increased capacity in the glass industry.

Industrial Pt demand growth



Source: SFA (Oxford)

Our response:

We are making every effort to assure end-users regarding the stability of the South African PGM industry.

New and changing issues

Challenges/risks:

The industry remains fragmented with pockets of demand growth in certain locations around the world, primarily in Japan where subsidies have boosted purchasing of small stationary fuel cell units, though those subsidies are decreasing. Stationary fuel cell demand has been limited in the United States and elsewhere, but fuel cell vehicle production continues to grow, particularly in China, albeit from a very low base.

Opportunities:

Going forward, the need to capture and store energy from renewable sources and the ability of fuel cells to provide emissions-free transport solutions ensures the technology remains a potentially viable option for the future. Falling system costs are making them more attractive to consumers, while pressure to reduce emissions in China is boosting requirements for heavy-duty fuel cell vehicles and buses.

Our response:

As a member of the platinum industry we have made a substantial investment in research into fuel cell technology and its use in a range of applications. This includes our joint venture partner Anglo American Platinum's (Amplats) support of zero emission hydrogen fuel electric vehicles. As part of the London Hydrogen Network Expansion project Amplats has leased a Hyundai ix35 fuel cell vehicle for use in London for a period of four years.

Known issues

PGM supply

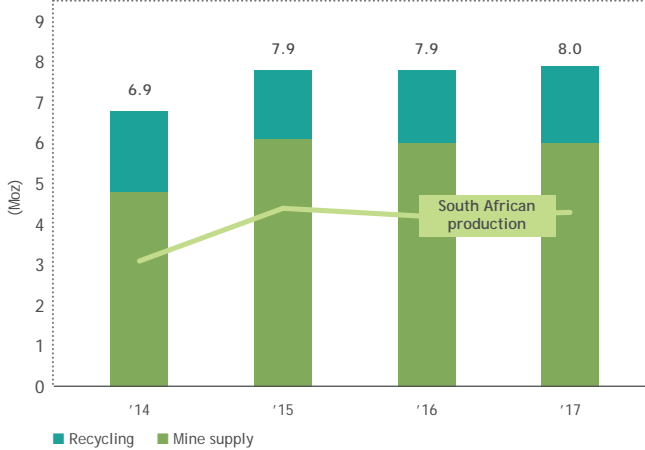
Challenges/risks:

Platinum mine supply was estimated to grow by 0.7% to 6.07Moz in 2017, while secondary supply increased by 3%.
 Total palladium supply grew by an estimated 4% to 9.4Moz, but had a limited impact on market deficits, which exceeded 1Moz.
 Total rhodium mine supply increased by an estimated 1.3% to 777koz. Growth in recycling increased total supply by 3.3% to around 1.08Moz

Opportunities:

Mine closures announced in 2017 should impact 2018 supply, so a reduction in supply is expected.

Global platinum supply



Source: SFA (Oxford)

Our response:

The ramp up of Styldrift I will contribute to PGM supply, including palladium and rhodium in 2019.

New and changing issues

Automotive powertrain alternatives

Challenges/risks:

Electric cars have garnered a huge amount of attention, with major automotive companies committing to invest billions of dollars to bring new electric cars to market. Cars that are powered purely by batteries contain no PGM-based after treatment systems.

Opportunities:

Hybrids are seen as a stepping stone to full electrification, leading to strong demand for palladium over the medium term. Meanwhile larger and heavy-duty diesel vehicles are difficult to fully electrify, indicating that demand for platinum has the potential to grow, particularly in emerging markets. Hybrids use two forms of propulsion, for example, a combustion engine and an electric motor, to power the vehicle. Electrified vehicles can be any vehicle that contains an electric form of propulsion, which includes hybrids and pure battery electric vehicles.



Our response:

Our response as an industry is to make every effort to develop the hydrogen economy and fuel cell technology, which require platinum and other PGMs, to ensure it becomes competitive with battery technology.

OUR BUSINESS

OUR CHANGING BUSINESS CONTEXT continued

Known issues

PGM prices

Challenges/risks:

A strengthening South African rand, and a limited corresponding response in dollar prices for platinum, meant that over the year local prices fell by R865/oz to just R12 324/oz. This is well below the cash operating cost of production for the majority of South African PGM mines.

Palladium and rhodium prices outperformed, rising by 57% and 123%, respectively, through 2017.

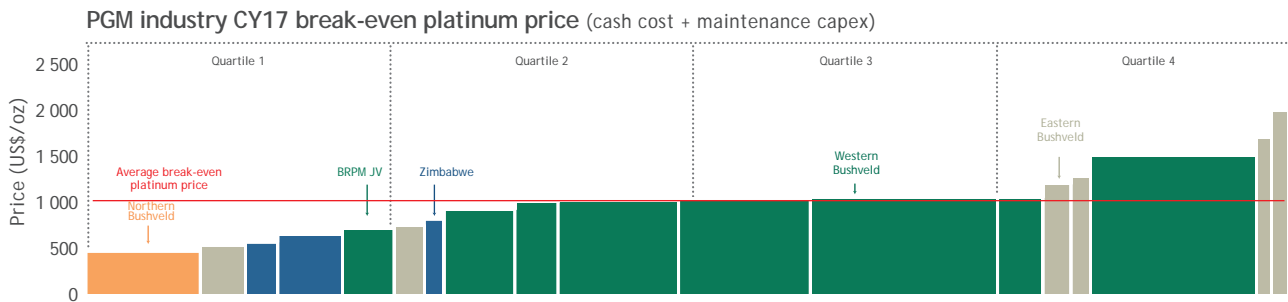
Opportunities:

Based on the cost of production the floor to the platinum dollar price is set firmly at above US\$850/oz. Current prices are still arguably oversold with a significant portion of the industry still loss-making.

Styldrift I at steady state is expected to improve our cost position.

Our response:

Our restructuring process during 2017 has helped to further reduce our operating costs. The ramp-up of our high grade mechanised Styldrift I mine will further reduce cash operating unit costs.



Source: SFA (Oxford)

New and changing issues

Global emissions legislation

Challenges/risks:

The rollout of increasingly stringent emissions standards to the emerging markets presents challenges, as investment in refineries to generate cleaner fuels, which would allow PGM-based catalysts to be fitted, and higher costs of fuel to consumers and industry, have hindered the tightening of standards to date.

Opportunities:

China and India have committed to reach Euro 6 equivalent standards by 2020 nationwide and with those countries accounting for large sales of light commercial and heavy-duty diesel vehicles, there is significant potential upside for platinum demand.

In China the automotive market is predominantly gasoline. China's introduction of tighter standards nationwide in 2018 has benefited palladium and rhodium loadings.

Our response:

The ramp up of Styldrift I in the last quarter of 2018 will provide us with additional production in line with organic growth.

Global emissions legislation

Emissions standards (light-duty vehicles)		2015	2016	2017	2018	2019	2020
China	Beijing	Beijing 5 (Euro 5)			China 6a		China 6b
	National	China 4 (Euro 4)			China 5 (Euro 5)		China 6a
European Union		Euro 6b			Euro 6c/Euro 6d TEMP		
India	Cities	BS 4 (Euro 4)			BS 6 (Euro 6)		
	National	BS 3 (Euro 3)		BS 4 (Euro 4)		BS 6 (Euro 6)	
South Korea		Euro 6b			Euro 6c/Euro 6d TEMP		
Japan					Japan 2018		
US EPA		California LEV III (NMOG+NOx, PM tightening)			Tier 3 Phase-in (NMOG+NOx, PM tightening)		

Source: SFA (Oxford)

MANAGING THE BUSINESS RISK OF MINING

4 The Board of RBPlat assumes responsibility for the governance of risk, 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.

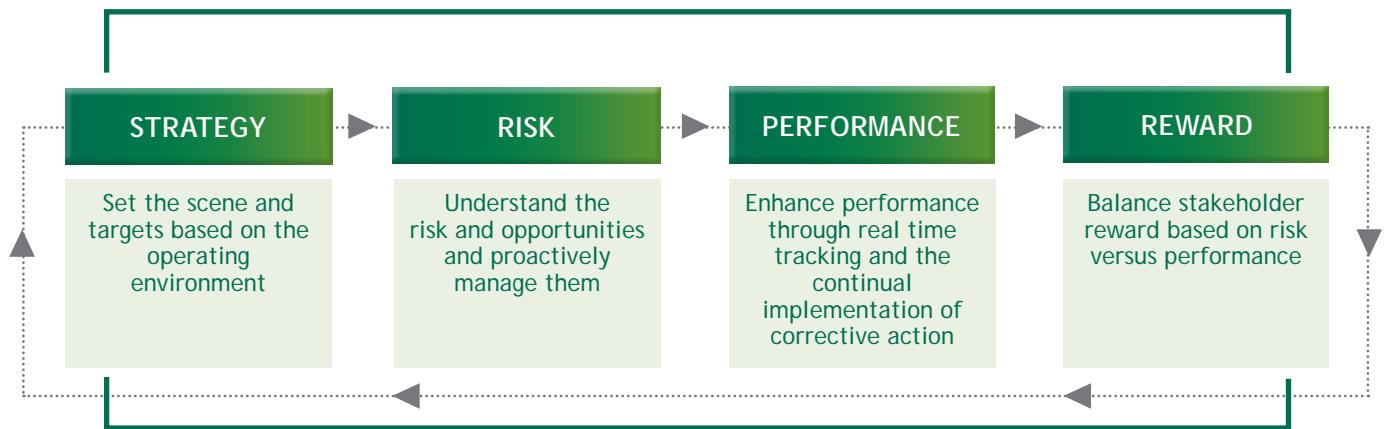
Our enterprise risk management (ERM) framework aligns our strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties we face in protecting and creating shareholder value. Our risk governance structures and processes, which

include the oversight, management and assurance of risk management, are based on the three lines of defence and a combined assurance model. This enables an effective internal control environment and supports the integrity of information used for internal decision-making, strategy

development and planning by management, the Board and its committees.

It is our aim to maintain an optimised level of risk management in RBPlat, which will allow us to take our management of risk to the next level.

Linking strategy, risk, performance and reward



OUR APPROACH TO RISK APPETITE AND RISK TOLERANCES

Our Board’s ultimate responsibility for risk management in RBPlat includes the development of our risk appetite and the setting and monitoring of risk tolerances. Our risk appetite statements are designed to ensure that risk factors are taken into account when any major strategic or tactical decision is made by the Group and the compatibility of a course of action with our risk appetite is always considered.

RBPlat’s risk appetite statements

While it is necessary for business to assume a certain amount of risk there are 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. In an extreme case it could cause the collapse of the business. The failure to contain our risk exposures within acceptable limits could also harm people and jeopardise the




































interests of our stakeholders. It is therefore vital that the Company manages its risk within clearly defined limits.

RBPlat has a low tolerance for an aggregate level of risk that jeopardises the Company’s strategy (see page 6 for details of our strategy). Because our strategy is to sustain asset quality, the Board has set a low appetite for the pursuit of lower-grade assets unless there is strategic synergy.



MANAGING THE BUSINESS RISK OF MINING continued

OUR PERFORMANCE IN TERMS OF OUR CORPORATE RISK APPETITE DASHBOARD AS AT 31 DECEMBER 2017

Strategic pillar	KPI	Primary capitals at risk	Key risk indicators (KRI)
1	Reduce unit costs	 	Cash cost per tonne milled Cash cost (R/Pt oz metal in concentrate) Cash cost (R/4E oz hoisted)
1	Achieve zero harm	   	Fatalities LTIFR/200 000 hours SIFR/200 000 hours Tonnes milled lost due to section 54 stoppages
1	Optimise volumes	 	Rand basket price per Pt oz Rand basket price per 4E oz
3	Complete Styldrift I	 	Capital development (metres)
3	Capital project spend	 	Total Styldrift I capex (Rm)
2	Managing limited resources	 	Production losses (tonnes) due to load curtailments
1, 2, 3 and 4	Managing sustainability – climate change and critical resources	  	Water usage – processing (kl/tonne treated) Water usage – mining (kl/tonne hoisted) Energy usage – processing (kWh/tonne milled) Energy usage – mining (kWh/tonne hoisted) GHG emission carbon intensity (tCO ₂ /000 tonnes)
1	Stable and competitive labour	 	Staff turnover A+B (%) Staff turnover C-D1 (%) Staff turnover D2 and above (%)
1, 2 and 3	Improve production volumes and key ratios	  	Immediately available ore reserves (IMA) – Merensky (BRPM) Immediately available ore reserves (IMA) – UG2 (BRPM) Immediately stopable reserves (IMS) – Merensky (BRPM) Immediately stopable reserves (IMS) – UG2 (BRPM)
1, 2 and 3	Leveraging BRPM UG2 mining platform	  	Pt – metal in concentrate (koz) 4E – metals in concentrate (koz) 4E built-up head grade (g/t) – concentrator
1, 2, 3 and 4	Addressing processing capacity	  	Tonnes milled – Merensky (kt) Tonnes milled – UG2 (kt)
1, 2, 3 and 4	Continually improve stakeholder relationships	  	SLP expenditure (Rm) Human resource development (Rm) Community economic development (Rm) Tonnes milled lost due to unrest
1	Managing sustainability – employee health	 	Noise-induced hearing loss (NIHL) (Number)
1	Managing sustainability – transformation	 	HDSAs – senior management (%) (enrolled employees) HDSAs – middle management (%) (enrolled employees)

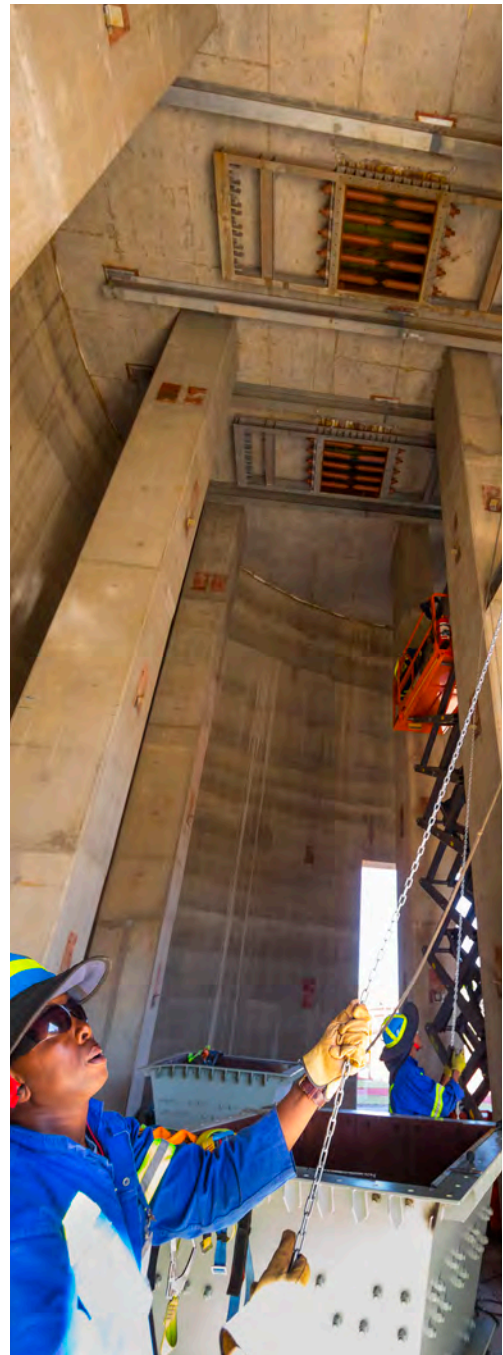
Risk tolerance	Actual	Variance %	Performance	Page references for more information
1 255	1 149	8.4	■	
17 024	15 414	9.5	■	62 >
10 936	9 941	9.1	■	
0	0	0.00	■	
0.260	0.562	(116.2)	■	74 >
0.110	0.287	(161.1)	■	
102	72	29.2	■	
19 602	19 156	(2.8)	■	46 >
11 354	12 354	8.8	■	
7 895	6 834	(13.4)	■	64 >
3 176	2 005	(36.9)	■	65 >
0	0	0.00	■	
0.42	0.37	11.9	■	
0.231	0.263	(14.0)	■	
51.0	46.2	9.4	■	115 >
58.6	58.3	0.5	■	
0.113	0.124	(9.5)	■	
0.68	0.68	0.00	■	
0.78	0.78	0.00	■	72 >
1.71	1.71	0.00	■	
22.00	24.17	9.8	■	
33.00	41.19	24.8	■	57 >
1.50	1.55	3.3	■	
2.00	2.80	40.0	■	
211	212	0.5	■	
327	328.3	0.3	■	59 >
4.05	3.94	(2.7)	■	
2 396	2 464	2.9	■	
568	557	(1.9)	■	59 >
45.69	40.46	(11.4)	■	
34.34	30.35	(11.6)	■	103 >
9.25	8.37	(9.5)	■	
0.00	0.00	0.00	■	
12	6	50.0	■	78 >
40.00	61.54	53.8	■	78 >
40.00	54.44	36.1	■	

Legend

Meets risk appetite ■

Within limits ■

Risk appetite breached ■



A new silo being constructed at the BRPM concentrator which will be used to handle the ore from Styldrift I

MANAGING THE BUSINESS RISK OF MINING continued

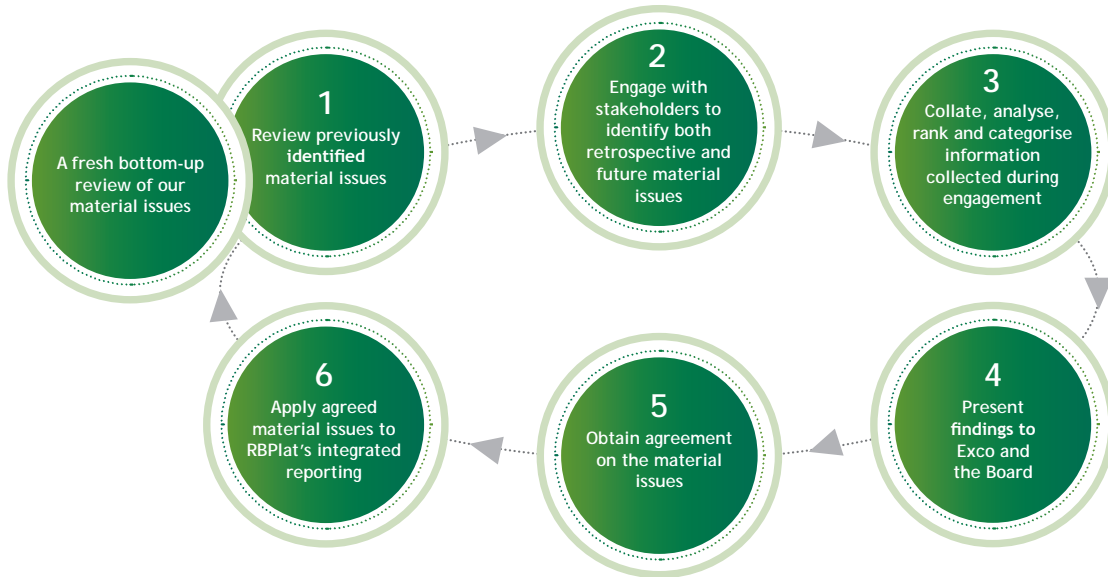
OUR RISKS, OPPORTUNITIES AND MATERIAL ISSUES

Linking strategy and risk is key to integrated thinking and the creation and protection of stakeholder value over the short, medium and long term. During 2017 we reviewed our risk universe and key risk indicators to ensure they remain relevant in our ever-changing business context and the achievement of our business strategy. Our materiality determination process is also an integral part of our efforts to embed integrated thinking in RBPlat and to identify the issues that form the basis of our internal and external reporting.

Our risks and opportunities are identified through our proactive ERM process, which is an integral part of the second line of defence in the three lines of defence model applied in our business.

This year, to further improve our materiality determination process, which is both retrospective and forward-looking, we introduced an additional level of engagement with our employees and changed our approach. Instead of starting with a review of previously identified material issues we started afresh, which meant that those with whom we engaged, both internally and externally, were not influenced in any way by being presented with previously identified issues, but started from scratch. We then compared the issues identified through this process with those we had previously identified.

Our materiality process in 2017



Our risk identification and evaluation process



We have also changed our approach to our presentation of our top strategic risks and our material issues, which are now presented in the same table together with our response to the risks and opportunities they present.

Strategic pillars affected	Potential risks and opportunities	Inherent risk ranking		Material issues related to the risk and opportunities	Our response to risks, opportunities and material issues
		2017	2016		
Growing organically	Inability to deliver the Styldrift I project on time and within budget	1	4	Styldrift I ramp-up	<ul style="list-style-type: none"> ➤ Flexible approach to investing available cash in Styldrift I ➤ Successful funding of the capital requirements for the Styldrift I project through a convertible bond listing (see page 47 of financial capital) ➤ Business plan and implementation of investment proposal change of scope ➤ Opportunity to leverage technology and mechanisation to increase productivity and profitability ➤ Flexible mine design and ore handling infrastructure
Towards operational excellence	Unsatisfactory safety performance resulting in injuries, fatalities and/or section 54 stoppages may impact RBPlat's ability to meet production and financial targets	2	2	Safety performance	<ul style="list-style-type: none"> ➤ Zero harm and resilient organisation philosophy, cross audits and internal shaft audits ➤ Investigation to determine the root cause of all safety incidents ➤ Revised safety turnaround strategy implemented ➤ Safety leadership training
Towards operational excellence	The risk of a deterioration in South Africa's sovereign political and economic environment having a negative impact on RBPlat's profitability and funding plan	3	Emerging risk	Political and country risk Impact of regulatory and legislative environment Governance and ethical conduct	<ul style="list-style-type: none"> ➤ To mitigate the resultant negative investor sentiment, we enhanced our stakeholder management and our investor relations strategy ➤ Addressed our concerns to government directly and through the Chamber of Mines, our advocacy body ➤ Participated in industry bodies and other forums to raise our concerns regarding sovereign, political and regulatory risk and to try and restore the relationship between the Department: Mineral Resources (DMR) and the mining industry



MANAGING THE BUSINESS RISK OF MINING continued

OUR RISKS, OPPORTUNITIES AND MATERIAL ISSUES continued

Strategic pillars affected	Potential risks and opportunities	Inherent risk ranking		Material issues related to the risk and opportunities	Our response to risks, opportunities and material issues
		2017	2016		
Towards operational excellence	Adverse PGM price fluctuations and/or strengthening of the rand (basket price risk), driven by global economic and market conditions, could result in significant financial exposure including impairment risk	4	1	Global economic and market conditions resulting in continuing soft commodity prices Overall profitability Political and country risk	<ul style="list-style-type: none"> ➤ Continual monitoring of the PGM market ➤ Focus on cost optimisation strategies and maintaining a low cost base (see page 10 of the CEO's strategic review and page 54 of the manufactured capital section of this report) ➤ Detailed impairment models prepared annually
Towards operational excellence	Potential breakdown in stakeholder engagement and responsiveness could result in a deterioration in stakeholder relationships, particularly with employees, unions and doorstep communities (community unrest). This could lead to unprotected industrial action and/or RBPlat not receiving support from the communities where we operate and resultant disruptions to our operations	5	5	The communities in which we operate	<ul style="list-style-type: none"> ➤ Continued engagement in accordance with a stakeholder engagement framework to ensure stable stakeholder relations ➤ Task teams with the community leaders regarding recruitment and entrepreneurial development ➤ Monthly discussions with doorstep small, medium and micro-enterprises (SMMEs) to explore business opportunity partnerships ➤ Update/upgrade strike management plan (protection of employees during a strike) ➤ Detailed stakeholder analysis with the aim of customising our engagement with specific community groups ➤ Increase engagement with our employees to ensure we understand their concerns
Towards operational excellence	Inability to contain operational costs will negatively impact profitability and ability to fund growth strategy and service our debt. Potential for operating costs to escalate (power and potable water supplies) may force RBPlat to halt or curtail business operations, which may lead to business interruptions and delays in expansion projects. Increased power costs may place further pressure on our financial performance	6	3	Operating costs	<ul style="list-style-type: none"> ➤ Increased focus on improving productivity and cost reduction across our operations and corporate office ➤ Continuous monitoring of costs to ensure savings ➤ Maximising volumes – IMS face length available ➤ Mechanised mining at Styldrift I will be more cost effective due to increased productivity ➤ Focus on redirecting fixed costs to variable costs to improve our cost structure and ultimately our profitability ➤ Commissioning of water treatment plant at BRPM



Strategic pillars affected	Potential risks and opportunities	Inherent risk ranking		Material issues related to the risk and opportunities	Our response to risks, opportunities and material issues
		2017	2016		
Towards operational excellence	Ineffective environmental and climate change management could result in non-compliance with key legislation, which may lead to the withdrawal of mining-related licences (mineral rights/water, etc.) negatively impacting mining operations and costs and/or social licence to operate	7	10	Environmental and climate change Impact of regulatory and legislative environment	<ul style="list-style-type: none"> ➤ Implement Board-approved sustainability and stakeholder engagement framework, climate change, water and energy management strategies to enhance our compliance ➤ Upgrade to the ISO 14001:2015 environmental management system and maintain certification ➤ Ongoing monitoring of licence requirements ➤ Climate change vulnerability assessment conducted ➤ Contribute towards the SDGs
Build flexibility to ensure sustainability	Failure to have available adequate and appropriate skills could negatively impact RBPlat achieving operational efficiencies	8	7	Availability of adequate and appropriate skills	<ul style="list-style-type: none"> ➤ Human resource development strategy to meet operational requirements, develop talent and retain key skills ➤ Skills development programme in place ➤ Investigate specific minimum requirements for different specific types of employees ➤ Simplified onboarding constraints
EMERGING RISKS					
Build flexibility to ensure sustainability	Termination of the largest volume contractor (JIC) could create instability and negatively impact BRPM's operation and financial performance	Materialised and managed		Political and country risk Availability of adequate and appropriate skills	<ul style="list-style-type: none"> ➤ RBPlat arranged for the transfer of ABMS employees to volume contractor Reagentswe Rasimone
Pursue value-enhancing opportunities (mergers and acquisitions)	Failure to execute the Maseve transaction could negatively impact RBPlat's processing strategy and potential closure of South shaft in 2018	Ongoing		Acquisition of Maseve	<ul style="list-style-type: none"> ➤ Formal offer submitted and accepted by PTM ➤ Advisers appointed to conduct technical, legal and financial due diligence ➤ Due diligence completed with no fatal flaws ➤ Addresses concentrator capacity ➤ Extends life of South shaft Merensky and preserves jobs ➤ Potential early access to Frischgewaagd ore body from Maseve ➤ Applied for Competition Commission approval which was received in December 2017 and Competition Tribunal approval was obtained in January 2018

Financial capital



Our financial capital represents how successful we have been at creating value through the sustainable development of our capitals

Achievements



- > **5.7% increase in cash generated by operating activities to R618.4 million** (2016: R585.3 million)
- > **R2 billion debt funding package**
- > **Successful issue of R1.2 billion convertible bond**
- > Closed the year with **R1.3 billion cash and cash equivalents**

Improvements



- > **2.6% reduction of our fixed cost base**
- > **19% improvement in operating profit**
- > **57.4% increase in Styldrifft on-reef development revenue to R571.8 million** (2016: R363.3 million)

Challenges



- > Industry mining **inflation pressures**
- > **Strengthening rand** against the US dollar

Disappointments



- > **Political and social instability**
- > **Rand basket price** remained **relatively flat**

FINANCIAL CAPITAL continued

2017 has, undoubtedly, been a year of two different halves. By 30 June 2017 the headline loss in the business reflected the results of a constrained average revenue basket price (R17 745 per platinum ounce) combined with the impact of the restructuring costs prior to the restructuring delivering any meaningful cost-saving benefits. During the second half the fruits of the restructuring, together with a much improved average revenue basket price (R19 156 per platinum ounce for the full year) helped the business to achieve a remarkable recovery into solid headline earnings for the full year.


From a financial capital point of view, 2017 was characterised by enhanced levels of activity and reaching closure on a number of key fronts:

- conclusion of the R1.2 billion convertible bond
- negotiation and conclusion of R2 billion in debt facilities
- completion of the organisational redesign and restructuring resulting in a 1.4% reduction in year-on-year unit costs and a 2.6% reduction in fixed cash costs
- negotiation and conclusion of the value-enhancing Maseve acquisition.

FINANCIAL SUMMARY AND STATISTICS

Summary consolidated statement of financial position at 31 December 2017

	2017 R (million)	2016 R (million)
Non-current assets	18 448.3	17 614.3
Property, plant and equipment	11 912.2	10 587.2
Employee housing loan receivable, benefit and other	638.4	248.7
Mineral rights	5 686.5	5 729.3
Goodwill	—	863.3
Environmental trust deposits and guarantee investments	164.7	147.0
Deferred tax asset	46.5	38.8
Current assets	3 697.1	2 703.6
Employee housing asset and benefit	591.1	381.5
Inventories and trade and other receivables	1 772.9	1 486.6
Cash and cash equivalents	1 333.1	835.5
Total assets	22 145.4	20 317.9
Equity and liabilities		
Total equity	14 423.9	14 813.9
Non-current liabilities	5 837.7	4 165.0
Deferred tax liability	3 774.3	3 635.3
Convertible bond liability	932.4	—
PIC housing facility	975.0	434.0
Restoration, rehabilitation and other provisions	156.0	95.7
Current liabilities	1 883.8	1 339.0
Total equity and liabilities	22 145.4	20 317.9
Net asset value per share (cents per share)	55.3	58.0

 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 2017 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.

Summary consolidated statement of comprehensive income for the year ended 31 December 2017

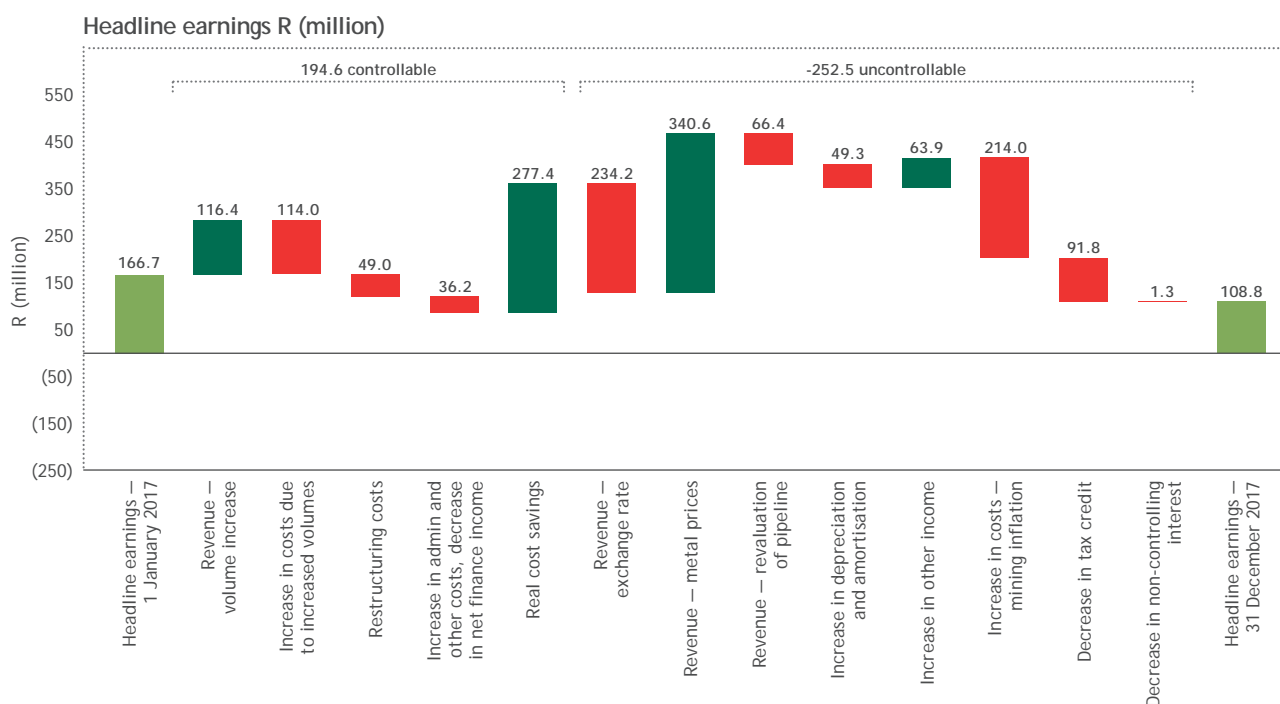
	2017 R (million)	2016 R (million)
Revenue	3 498.5	3 342.2
Cost of sales	(3 186.5)	(3 101.5)
Gross profit	312.0	240.7
Other income	150.5	88.1
Administration expenses	(256.2)	(155.6)
Corporate office	(189.4)	(138.4)
Housing project	(17.8)	(17.2)
Restructuring costs	(49.0)	—
Impairment of non-financial assets	(864.3)	(2.6)
Net finance income	85.1	84.4
(Loss)/profit before tax	(572.9)	255.0
Tax (expense)/credit	(84.1)	7.7
Non-controlling interest	(95.7)	(94.4)
Net (loss)/profit attributable to owners of the Company	(752.7)	168.3
Headline earnings	108.8	166.7
Basic (loss)/earnings per share (cents per share)	(390.6)	87.6
Diluted (loss)/earnings per share (cents per share)	(390.6)	87.5
Basic headline earnings per share (cents per share)	56.4	86.7
Diluted headline earnings per share (cents per share)	56.4	86.6
Dividend per share (cents per share)	—	—

Headline earnings variance analysis

Headline earnings recovered remarkably during the second half of 2017 from a headline loss of R29.4 million for the first six months of 2017 to headline earnings of R108.8 million for the full year of 2017.

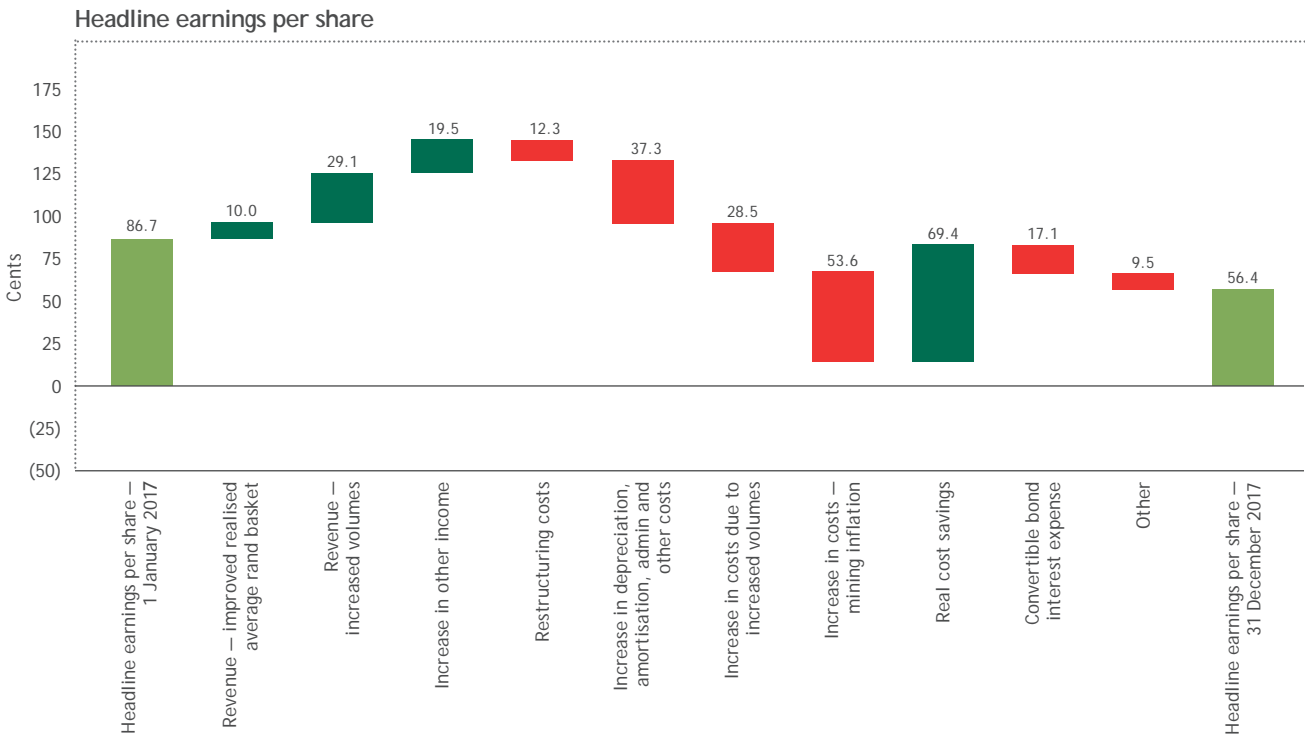
The headline earnings for 2016 of R166.7 million included an attributable R46.9 million once-off deferred tax credit relating to the tax effect of the housing capitalisation. This is compared to headline earnings for 2017 of R108.8 million, which includes the after tax attributable effect of a restructuring charge of R23.6 million. Excluding the once-off tax credit in 2016 and the restructuring charge in 2017, on a comparable basis, our headline earnings in 2017 improved by R12.6 million or 11% from R119.8 million to R132.4 million.

The graph below shows the main reasons for the movement in headline earnings:



FINANCIAL CAPITAL continued

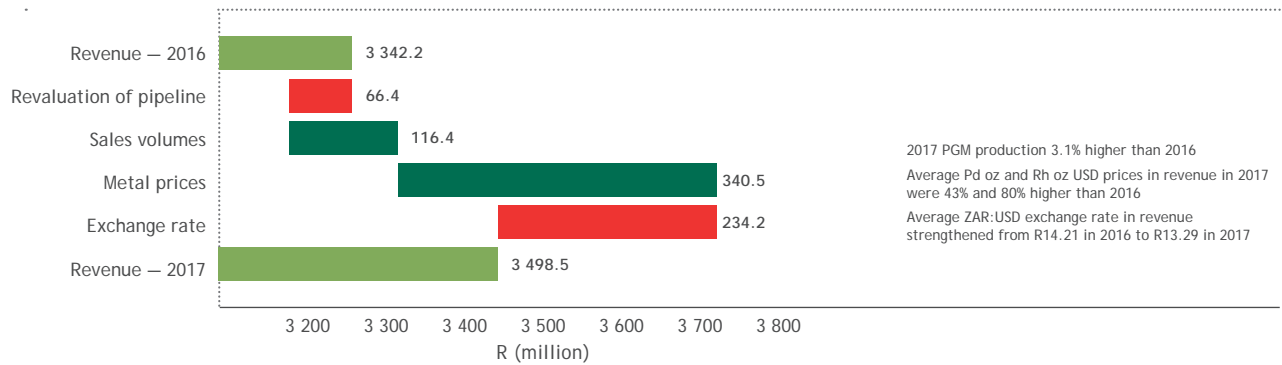
Headline earnings per share



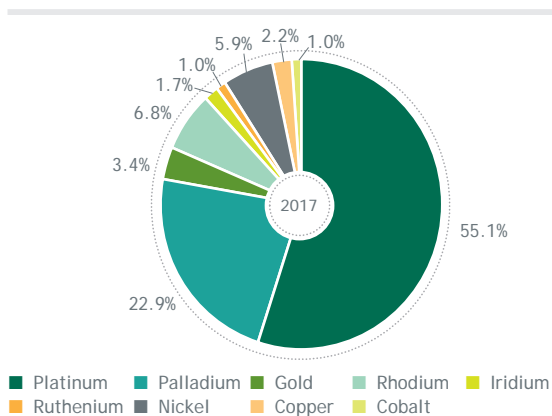
Excluding the once-off tax credit in 2016 and the restructuring charge in 2017, on a comparable basis, headline earnings per share increased from 62.3 cents per share to 68.7 cents per share, a 10% improvement.

Revenue

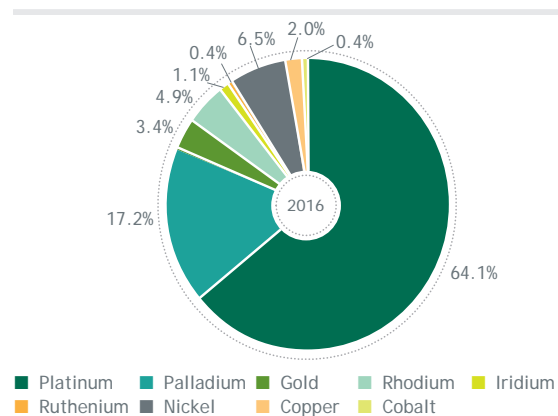
Our revenue of R3 498.5 million for 2017 was 4.7% higher than our revenue of R3 342.2 million for 2016. This increase in revenue is due to a 1.3% higher realised average rand basket price and a 3.3% increase in BRPM’s platinum production. Details of the movement in revenue from 2016 to 2017 are shown in the chart below:



Revenue contribution 2017

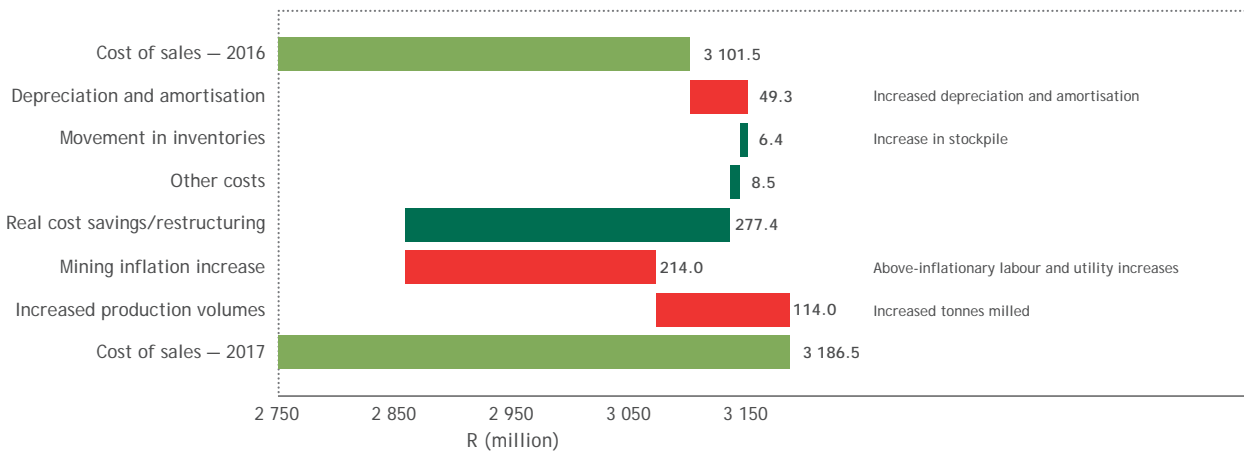


Revenue contribution 2016



Cost of sales

Our cost of sales increased from R3 101.5 million in 2016 to R3 186.5 million in 2017. Details of the movement in cost of sales from 2016 to 2017 are shown in the chart below:



Other income

Other income increased by R62.4 million or 71%, mainly due to a R20.2 million increase in our royalties from Impala Platinum (Implats) and a R19.5 million profit on the fair value gain in the derivative liability from the date of issue of the convertible bond on 15 March 2017 to the date that shareholder approval was obtained on 8 May 2017.

Administration costs

Administration costs increased by R100.6 million mainly due to restructuring costs of R49 million incurred in 2017 relating to the suspension of South shaft UG2, salary increases and bonuses paid of R24 million to senior management in 2017 compared with no increases or bonuses paid in 2016 and R9 million Maseve transaction costs incurred in 2017.

Finance income and finance costs

Finance income increased by R45.6 million due to the increase in cash on hand as a result of the R1.2 billion convertible bond proceeds received on 15 March 2017. Finance costs increased from R7.4 million to R52.3 million due to the interest expense on the convertible bond included from March 2017 onwards. As the convertible bond was issued to fund the Styldrift I project, a qualifying asset, the borrowing costs are eligible for capitalisation under IFRS. In determining the amount of borrowing costs eligible for capitalisation during the period, all investment income earned on such funds was deducted from the borrowing costs incurred and therefore only the net interest expense was capitalised.

Taxation

The income tax charge increased to R31.5 million from R24.7 million in 2016 due to increased interest income and increased non-mining income received from Implats royalties. Deferred tax increased from a R32.4 million credit in 2016 to a R52.6 million expense in 2017 mainly due to increased mining income. The deferred tax credit in 2016 of R32.4 million included a R70 million once-off deferred tax credit relating to the tax effect of the housing capitalisation.

Impairment of goodwill

Goodwill was assessed for impairment taking into account the recent volatility in the ZAR:USD exchange rate and the impact thereof on our short to medium-term Rand basket price. Robust discussions were held with the external auditors and the Audit and Risk Committee. Consequently, as a result of the apparent structural strengthening of the ZAR:USD exchange rate, it was decided to be prudent and to impair the goodwill of R863.3 million on RBPlats' balance sheet.

FINANCIAL CAPITAL continued

Summary consolidated statement of cash flows for the year ended 31 December 2017

	2017 R (million)	2016 R (million)
Net cash flow generated by operating activities	618.4	585.3
Net cash flow utilised by investing activities	(2 231.0)	(921.6)
Net cash flow generated by financing activities	2 110.2	254.2
Net increase/(decrease) in cash and cash equivalents	497.6	(82.1)
Cash and cash equivalents at beginning of year	835.5	917.6
Cash and cash equivalents at end of year	1 333.1	835.5

The cash generated by operations, included in cash generated by operating activities, increased from R528.8 million in 2016 to R569.5 million in 2017.

Forty-eight percent of capital expenditure of R2.1 billion for 2017 was funded from cash generated by operations and revenue receipts from Styldrift I on-reef development.

RBPlat had cash and cash equivalents on hand at 31 December 2017 of R1 333.1 (2016: R835.5 million). Included in this

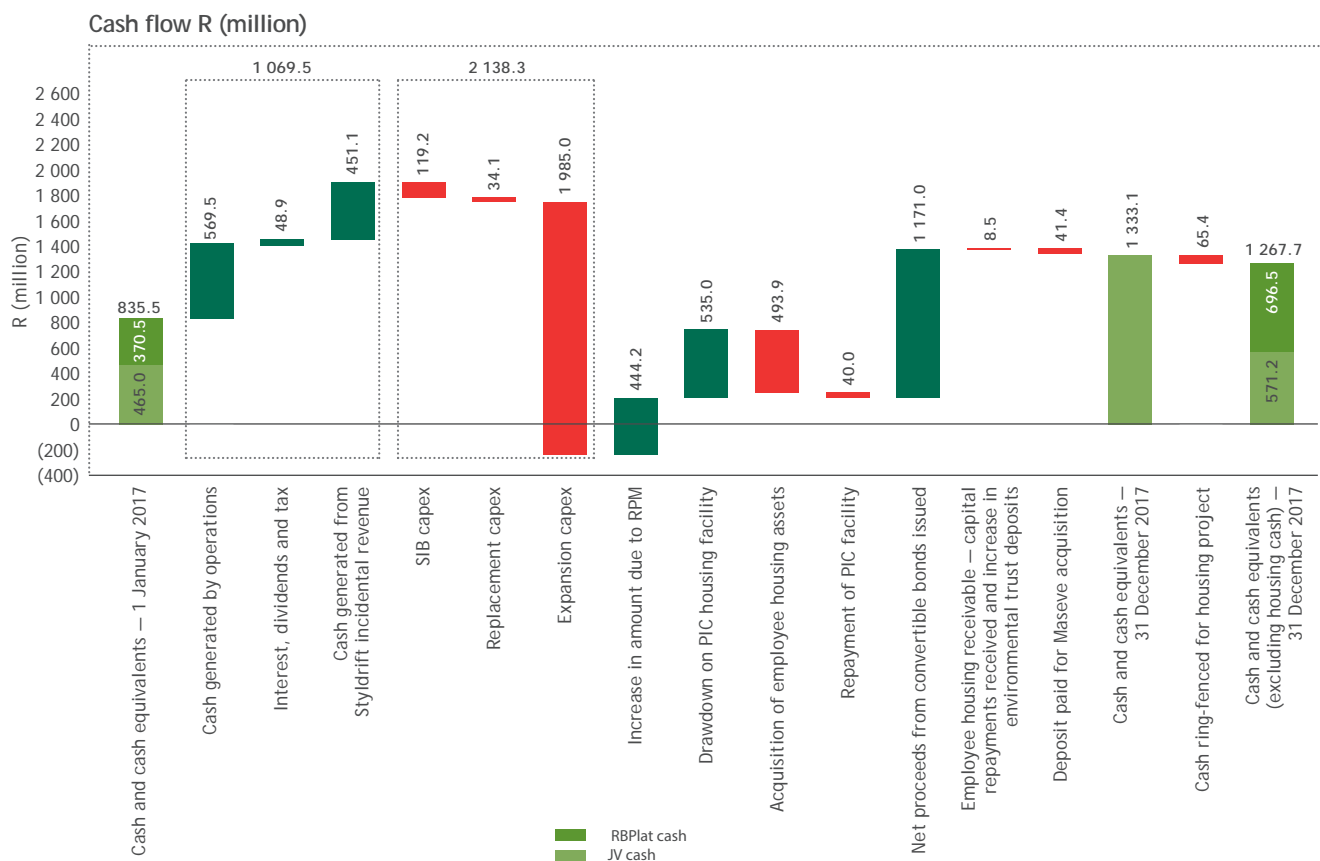
cash balance is restricted cash of R65.4 million ring-fenced for the RBPlat housing project and R84 million earmarked for the payment of the convertible bond coupon payable in March 2018.

RBPlat issued the 120 000 7% senior unsecured convertible bonds for R1.2 billion on 15 March 2017. The bonds are convertible into ordinary shares of RBPlat at the option of the holder at an initial conversion price of R42.9438. Interest on the bonds is payable semi-annually in arrears on 16 March and

16 September of each year for five years ending 16 September 2022.

In addition, the Company concluded R2 billion debt facilities in March 2017. The debt facilities consist of a seven-year term debt facility of R750 million, a five-year revolving credit facility of R750 million and one-year general banking facilities of R508 million. The term debt and revolving credit facilities remain undrawn at 31 December 2017. R119.4 million of the general banking facilities was utilised for guarantees at 31 December 2017.

An analysis of our cash flows for the year is shown below:



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 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
Summary segmental statement of comprehensive income – for the year ended 31 December 2016						
Gross profit/(loss)	213.0	(0.3)	212.7	—	28.0	240.7
Profit/(loss) before tax	298.0	7.7	305.7	13.3	(64.0)	255.0
Summary segmental statement of financial position – as at 31 December 2016						
Non-current assets	5 270.7	11 349.1	16 619.8	251.7	742.8	17 614.3
Current assets	1 461.3	105.2	1 566.5	420.5	716.6	2 703.6
Non-current liabilities	81.7	12.5	94.2	435.5	3 635.3	4 165.0
Current liabilities	3 331.5	77.9	3 409.4	16.6	(2 087.0)	1 339.0
Summary segmental cash flow statement – as at 31 December 2016						
Cash and cash equivalents at end of year	370.5	—	370.5	39.0	426.0	835.5

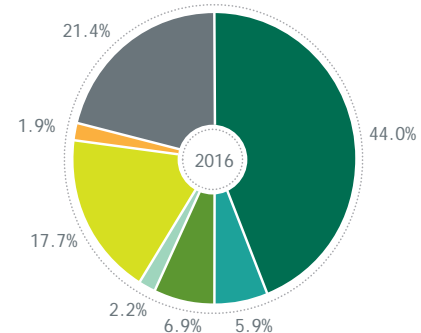
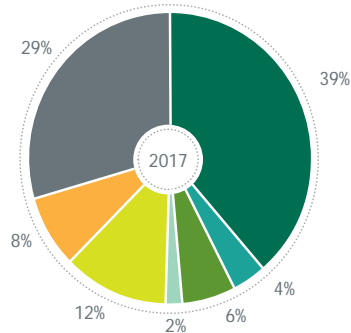
* Segment non-current assets include mineral rights allocated to the relevant segment

FINANCIAL CAPITAL continued

Beneficiaries of value distributed by the RBPlat Group

The RBPlat Group distributed value of R5.9 billion in 2017 and the beneficiaries of this value distribution are shown in the diagram below:

Beneficiaries of value distributed by the RBPlat Group



■ RBPlat employees, contractors and communities*
 ■ Water and electricity
 ■ Government
 ■ Providers of capital
 ■ Suppliers of materials and services
 ■ Investment in employee housing assets
 ■ Capital expenditure

* Included is R40.5 million invested in social and labour plan for 2017.

Funding for Styldrift I secured in 2017

During 2017 the Company secured its robust funding plan for its 67% of the Styldrift I project with the successful issue of R1.2 billion convertible bonds and the conclusion of R2 billion debt facilities. This funding plan will secure the next phase of the ramp-up of Styldrift I to 150ktpm which, together with the acquisition of Maseve (as discussed below), will position the project well for its ultimate ramp-up to a 230ktpm Merensky operation.

Styldrift I accounting treatment

Styldrift I is still in the development phase and accounting standards require all costs directly attributable to developing the mine to be capitalised. Styldrift I expenditure for 2017 was capitalised to capital work in progress.

The decision of when to stop capitalising development costs and start expensing costs at Styldrift I requires judgement, taking into account commercial production indicators such as the level of expenditure incurred compared

to the total capital cost to date, pre-production output has reached a nominated percentage, the internal project management team has transferred the mine to the operational team, the majority of the assets necessary for the mining project are substantially complete and ready for use and the project's ability to sustain commercial levels of production. These commercial indicators are continually monitored by management and, based on our current assessment, it is likely that Styldrift I will move to the production phase midway through 2018, which would result in some of the Styldrift I expenditure being capitalised in 2018 and some of it being expensed. Amortisation of the Styldrift I mining right will commence once the project moves into the production phase and is therefore expected to start midway through 2018.

Maseve acquisition

The Company announced terms for the acquisition of Maseve Investments 11 Proprietary Limited (Maseve) on 6 September 2017. The transaction is structured in two phases:

► Phase 1 – The acquisition of the concentrator plant (the plant),

related water and power allocations, surface rights in respect of the immovable property owned by Maseve which may be required by RBPlat for purposes of accessing and operating the plant and access to tailings infrastructure, for consideration equal to the ZAR equivalent of US\$58 million

► Phase 2 – The acquisition of 100% of the shares in and shareholder claims owing by Maseve for consideration equal to the ZAR equivalent of US\$12 million.

The transaction provides RBPlat with immediate access to an operational concentrator plant to treat ore in respect of Styldrift I and the strategic flexibility to extend the life-of-mine of the South shaft Merensky operations. This may accelerate the date on which Styldrift I ore in excess of 150ktpm can be treated, while reducing both the capital outlays and the technical risk associated with the construction of a new plant. Furthermore, it provides RBPlat with early access to its Frischgewaagd ore body at Styldrift I.

RBPlat has completed a comprehensive due diligence of Maseve and the parties have signed detailed and legally binding agreements to give effect to the transaction.

The South African Competition Tribunal approved the Maseve transaction on 16 January 2018. Phase 1 closed on 14 February 2018 while Phase 2 will only be implemented when Department: Mineral Resources (DMR) approval for the section II transfer is obtained.

A deposit of US\$3 million (R41.4 million) was paid in October 2017 for Phase 1 of the transaction. Following the Competition Tribunal approval on 16 January 2018, forward cover was taken out for the settlement of the remaining US\$55 million Phase 1 acquisition price at a ZAR:US\$ rate of 12.46. RBPlat shareholders approved the issue of ordinary shares for the purpose of funding the transaction in November 2017.

Restructuring and improved cost performance

In our 2016 integrated report, we indicated that cost containment will remain a key focus for 2017 with efforts specifically directed towards converting some of our fixed costs into variable costs that are linked to output and actual utilisation. During the period under review the Group embarked upon a process to restructure and rightsize the overhead and operational structure of the business to be appropriate

for the current and future market environment. A two-pronged approach was followed:

1. Reduction in fixed cost base

A sustainable reduction of approximately R118 million per annum predominantly through a reduction in labour.

2. Enhancement of the quality of the revenue stream and processing by ca. R37 million per annum

- All non-profitable UG2 mining was suspended at BRPM's South shaft
- 60% of the previously South shaft UG2 labour complement were retained and redirected to superior margin Merensky and North shaft UG2 production to retain the production profile
- This resulted in an enhanced effect from the base metals revenue that accompany Merensky production
- The processing arrangements at the BRPM concentrator were optimised without the burden of previously incurred UG2 ore transport costs.

Restructuring costs of R49 million was incurred during the first half of the year as a result of the suspension of the South shaft UG2.

The restructuring discussed above together with some other cost-

saving initiatives have resulted in a 2.6% reduction in the fixed component of our cash costs from 74.4% in 2016 to 71.8% for the 2017 year.

OUTLOOK

Our efforts in 2018 will be focused on bedding down the Maseve acquisition. Cost containment will remain a key focus with efforts specifically directed towards further reducing our fixed cash cost base. The conscious pursuit of strategic value-enhancing transactions and our strategic objective of creating and maintaining optimal flexibility will continue. There should be a significant increase in operational activity as Styldrift I is expected to ramp up to its phase one steady-state production of 150ktpm by the end of 2018. This should result in increased revenue and operating costs being processed through the income statement during the second half of the year.

Manufactured capital



This section of our report provides you with information on how we have used our mineral resources and our infrastructure to create value

Operational flexibility through:

- > Shallow long-life Merensky-based operations supplemented by UG2 mining
- > Modular approach to processing of PGMs

Organic growth through Styldrift I:

- > High-margin mechanised operation
- > Sufficient concentrator capacity to process 150ktpm from Styldrift I at the BRPM concentrator
- > Maseve acquisition will provide sufficient concentrator capacity to increase production to 230ktpm

Achievements



- > **2.4% reduction in cash operating cost** per tonne milled
- > **1.3% reduction in cash operating cost** per 4E ounce
- > **5.7% increase** in stoping efficiency
- > **11% increase in overall productivity** per tonne milled

Improvements



- > **8.4% increase** in tonnes delivered
- > **9.4% increase** in tonnes milled
- > **7.9% increase** in 4E ounce production

Challenges



- > **DMR stoppages** and associated production losses
- > **13% below** capital development target




MANUFACTURED CAPITAL continued

OVERVIEW

In 2017 our key operational focus areas were:

- > achieving a stable, sustainable and productive working environment by creating a resilient safety culture
- > securing our position as a stable low-cost platinum producer in a challenging and at times, volatile PGM market.

While there has been a notable improvement in the risk attitude and safety-related decision-making of our employees, which allowed us to achieve two million fatality-free shifts in July 2017 and to complete the year with no fatal accidents, performance in our key safety frequency rates were disappointing.

 See pages 73 to 75 of the human capital section of this report for details. We will continue to work towards achieving a resilient safety culture, remaining fatality-free and improving our key safety metrics in 2018.

To optimise our operating costs, maximise BRPM ounce margins, and ensure the ramp-up of Styldrift I within the constraints of the current low-price environment:

- > we restructured our overhead and operational structures
- > deferred non-critical path project work at Styldrift I that did not impact our ability to achieve the 150ktpm ramp-up during the fourth quarter of 2018.

Our restructuring process not only allowed the business to reduce its fixed cost base, it also presented us with an opportunity to increase the contribution of higher margin-bearing ounces and improve efficiencies by suspending unprofitable UG2 mining at BRPM's South shaft.

Nine of our 15 South shaft UG2 crews were redeployed to the

superior margin North and South shaft Merensky sections and the North shaft UG2 stoping sections. Overall, our restructuring process resulted in a year-on-year reduction of 580 people, or 9.2%, in BRPM working cost labour, through a combination of natural attrition, redeployment from BRPM to Styldrift I, where appropriate, voluntary separation, and section 189 processes.

During September 2017, after a detailed evaluation, RBPlat announced its intention to purchase the Maseve operations from Platinum Group Metals Limited. This acquisition has the potential to enhance the value of our business by providing us with the flexibility to bring forward the date on which we have the capacity to treat 230ktpm of ore from Styldrift I, extend the life-of-mine of BRPM's South shaft Merensky operations and avoid the risks associated with the construction of a new plant. In addition, it provides us with the opportunity of early access to our Frischgewaagd ore body.

Overview of our operational performance

Our operational performance for the period under review was encouraging in terms of production volumes, cost management, the effectiveness of our cost containment initiatives, project progress and the associated capital expenditure.

The tonnes we delivered to concentrators increased by 8.4% year-on-year to 2 992kt, with our production of tonnes milled and 4E metals in concentrate increasing by 9.4% to 3 021kt and 7.9% to 328koz, respectively, year-on-year. The increase in production volumes can be attributed to an improvement in BRPM's operating performance and increased on-reef development tonnages from Styldrift I, in line with the project's infrastructure development and ramp-up schedule.

Our cash operating costs increased by 1.8% year-on-year. Our restructuring process, combined with the increased BRPM production volumes, yielded year-on-year cost reductions of 2.4% in rand per tonne milled and 1.4% in rand per platinum ounce. The rand per tonne milled cost for the period under review was R1 149 compared to R1 177 in 2016. While the rand per platinum ounce was R15 414 compared to R15 639 in 2016.

Development and construction activities at Styldrift I progressed steadily with 6.8km of development completed and 561kt of ore delivered to the BRPM concentrator by year-end. The project remains on target to meet its 150ktpm ramp-up milestone by the fourth quarter of 2018.

Our capital expenditure increased 91.8% to R2 160 million, in line with the Styldrift I construction and development activities.

The impact of section 54 notices on our production during 2017

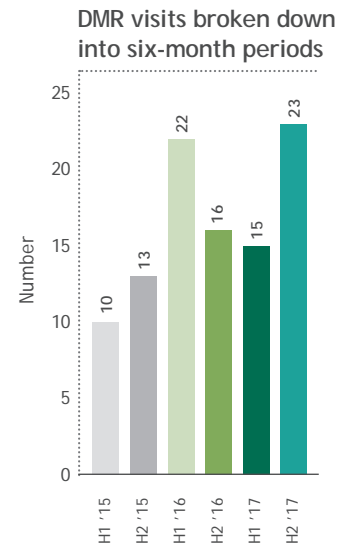
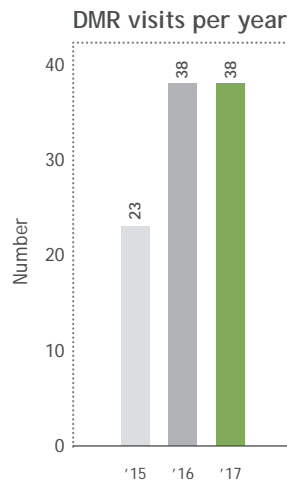
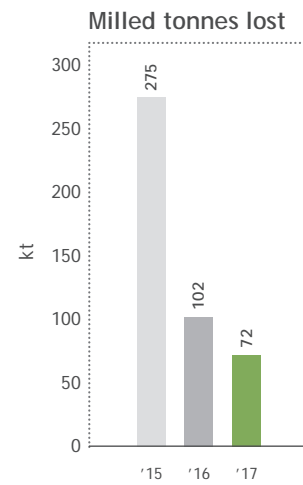
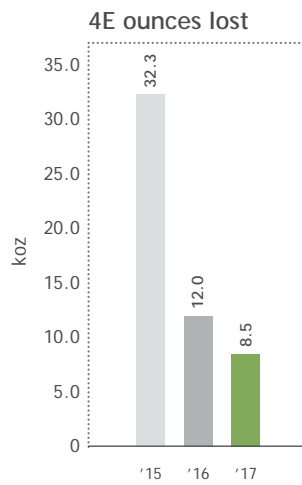
Description	Unit	% change year-on-year	2017	2016	2015
Section 54 notices issued	Number	0	11	11	16
Production shifts affected	Number	(35.7)	57	42	75
Milled tonnes lost	kt	29.4	72	102	275
4E ounces lost	koz	29.2	8.5	12.0	32.3



MINING

Operational disruptions

- ▶ Section 54-related stoppages amounted to 72kt milled tonnes lost and 8.5koz 4E
- ▶ In H1 2017 a total of 29 inspectors visited the operations during 15 separate DMR inspections
- ▶ In H2 2017 a total of 84 inspectors visited our operations during 23 separate DMR inspections
- ▶ 17 of the H2 2017 inspections were post our SENS announcement related to the termination of our contract with Oakbay-linked Westdown Investments Proprietary Limited, trading as JIC Mining Services, with approximately 10 inspectors participating in each inspection



MANUFACTURED CAPITAL continued

Mining production

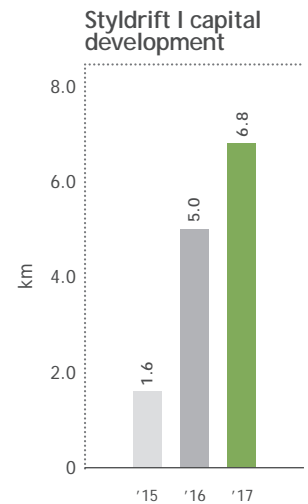
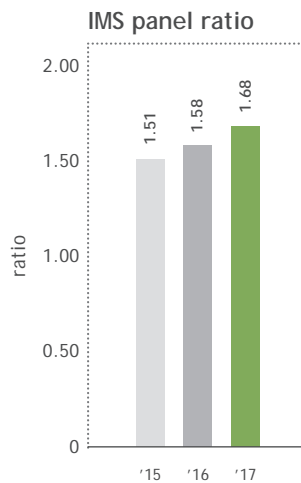
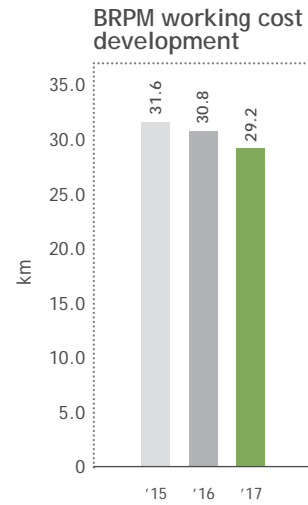
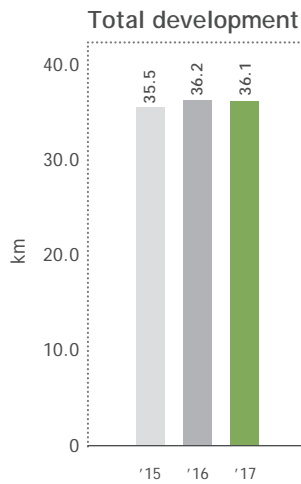
Description	Unit	% change year-on-year	2017	2016	2015
Total development	km	(0.3)	36.1	36.2	35.5
BRPM	km	(5.8)	29.3	31.1	33.9
Working cost development	km	(5.2)	29.2	30.8	31.6
Capital development	km	(50.0)	0.1	0.2	2.2
Styl drift I	km	36.0	6.8	5.0	1.6
Capital development	km	36.0	6.8	5.0	1.6
IMS panel ratio (BRPM)	ratio	6.3	1.68	1.58	1.51
Total stoping square metres	000m ²	9.4	510	466	460
Merensky	000m ²	14.4	420	367	365
UG2	000m ²	(9.1)	90	99	95
Total tonnes delivered	kt	8.4	2 992	2 759	2 457
BRPM	kt	3.5	2 431	2 349	2 382
Styl drift I	kt	36.8	561	410	75
Merensky	kt	12.0	2 437	2 176	1 872
UG2	kt	(4.8)	555	583	585
UG2 %	%	9.5	19	21	24
Delivered head grade (4E)	g/t	(2.7)	3.97	4.08	4.08
Merensky	g/t	(3.6)	3.96	4.11	4.17
UG2	g/t	3.1	4.05	3.93	3.80
BRPM	g/t	(1.9)	4.17	4.25	4.12
Styl drift I	g/t	1.3	3.13	3.09	2.85



North shaft Phase III hybrid mining area

Development

- Total development decreased by 0.3% to 36.1km
- 5.2% reduction in working cost development at BRPM commensurate with South shaft Merensky depletion and UG2 deferment
- BRPM flexibility maintained with IMS panel ratio of 1.68 exceeding the 1.50 target
- Styldrift capital development increased by 36.0% to 6.8km in line with project infrastructure development progress

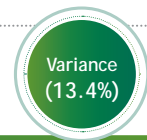
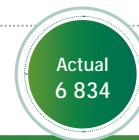


Risk appetite breaches in 2017

KPI owner: Executive Head: Operations

Key risk indicator

Styldrift capital development (metres)



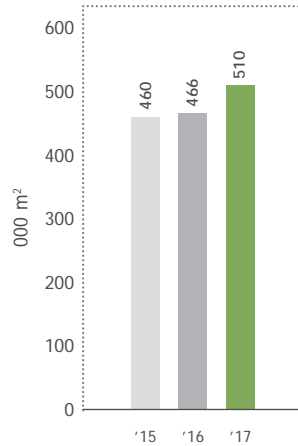
Reasons for deviation	Management action plan
<ul style="list-style-type: none"> ➤ Intersection of the Shaft fault <ul style="list-style-type: none"> — Poor ground conditions in the Southern declines — Reassigning of development resources to stoping to mitigate impact on grade ➤ Structurally complex geology associated with the transition from central to normal reef facies which impacted the Northern declines ➤ 642 level <ul style="list-style-type: none"> — Prolonged onboarding process of development crews and equipment — Additional secondary support ➤ Late start of vent #3 	<ul style="list-style-type: none"> ➤ Safely re-established through shaft fault ➤ Reassign more experienced crews and supervision to geologically complex areas ➤ Increased focus on project schedule requirements to more effectively align development, construction efforts and resources ➤ Vent #3 will be executed on a six-day work week cycle at 4.5 metres per day (planned on five-day work week at 3.5 metres per day)

MANUFACTURED CAPITAL continued

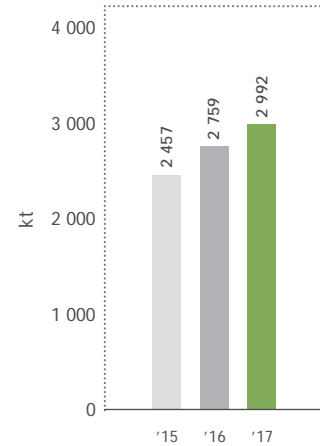
Ore production

- ▶ Stopping square metres increased by 9.4% for the joint venture, with BRPM's contribution increasing by 3.3% to 469 000 square metres and Styldrift by 215% to 41 000 square metres
- ▶ Total tonnes delivered increased by 8.4% to 2 992kt
- ▶ BRPM tonnes delivered increased by 3.5%, with Merensky tonnes delivered increasing by 6.2% to 1 876kt. UG2 tonnes delivered reduced by 4.8% to 555kt
- ▶ Reduction in UG2 tonnes delivered attributable to the suspension of UG2 mining at South shaft
- ▶ Styldrift tonnes delivered increased by 36.8% to 561kt in line with ramp-up schedule requirements

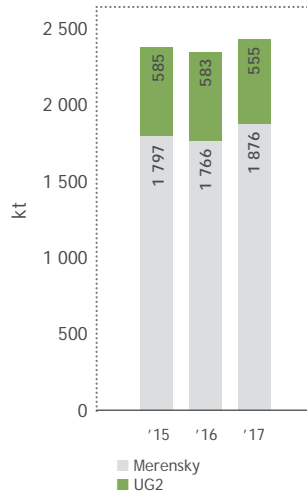
BRPM JV stopping square metres



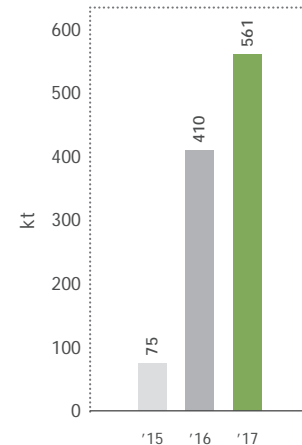
BRPM JV tonnes delivered – total



BRPM tonnes delivered by ore type



Styldrift I tonnes delivered



Settler 1 clarifier collar construction

PROCESSING

Description	Unit	% change year-on-year	2017	2016	2015
Total tonnes milled	kt	9.4	3 021	2 762	2 461
BRPM	kt	4.3	2 449	2 348	2 389
Styldrift	kt	38.2	572	414	72
Merensky	kt	13.0	2 464	2 180	1 874
UG2	kt	(4.3)	557	582	587
UG2 % milled	%	14.3	18	21	24
BRPM concentrator tonnes milled	kt	10.1	2 701	2 453	2 044
Merensky	kt	13.0	2 464	2 180	1 874
UG2	kt	(13.2)	237	273	170
UG2 % milled	%	18.2	9	11	8
Tonnes milled – UG2 toll	kt	3.6	320	309	417
Built-up head grade (4E)	g/t	(2.2)	3.94	4.03	4.11
BRPM	g/t	(0.5)	4.16	4.18	4.14
Styldrift	g/t	(4.2)	2.99	3.12	3.06
Merensky	g/t	(3.7)	3.93	4.08	4.20
UG2	g/t	4.5	3.99	3.82	3.79
Recovery – 4E (total concentrating)	%	0.9	85.71	84.98	85.68
Recovery – 4E BRPM concentrator	%	0.8	86.28	85.59	86.58
4E metals in concentrate	koz	7.9	328	304	278
4E metals in concentrate – BRPM	koz	2.9	283	275	272
4E metals in concentrate – Styldrift I	koz	55.2	45	29	6
Pt metal in concentrate	koz	8.2	212	196	180
Pt metal in concentrate – BRPM	koz	3.4	183	177	176
Pt metal in concentrate – Styldrift I	koz	52.6	29	19	4

Grade

- ▶ 2.2% reduction in overall head grade to 3.94g/t (4E)
- ▶ Reduction attributable to increase in on-reef development tonnes from Styldrift I – in line with guidance and expectation
- ▶ Marginal reduction of 0.5% in BRPM head grade – attributable to higher off-reef dilution at South shaft Merensky due to geological complexity being experienced in current mining areas

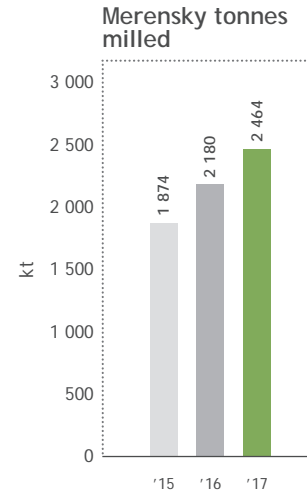
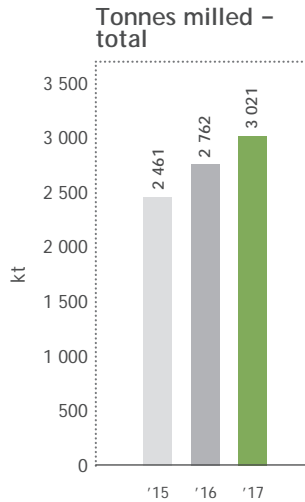


Conveyor belt between Styldrift I and BRPM concentrator under construction

MANUFACTURED CAPITAL continued

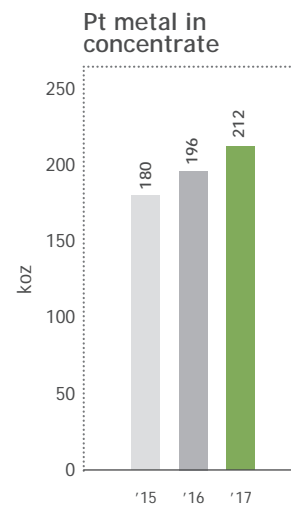
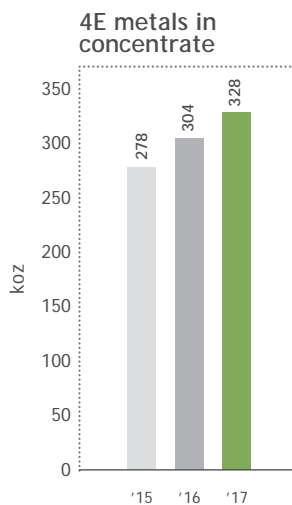
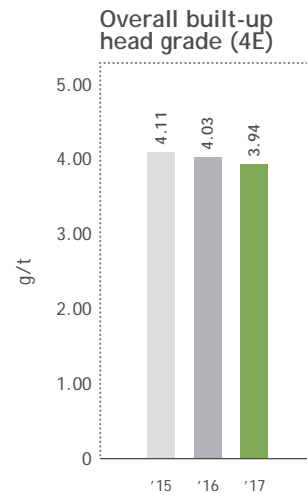
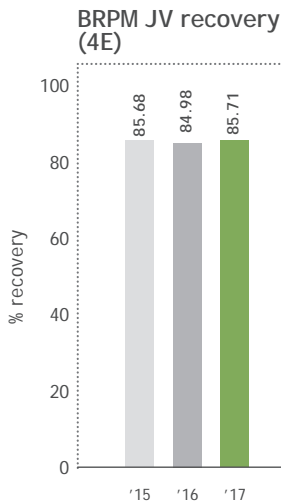
Tonnes milled

- ▶ 9.4% year-on-year increase in tonnes milled
- ▶ Merensky tonnes milled increased by 13.0%, in line with increased production volumes from Styldrift I and BRPM
- ▶ UG2 tonnes milled decreased by 4.3% to 557kt in line with suspension of South shaft UG2 production during H2
- ▶ UG2 % of total tonnes milled reduced from 21% in 2016 to 18% in 2017



Metals in concentrate

- ▶ Overall JV and BRPM recoveries (4E) improved by 0.9% and 0.8%, respectively, year-on-year
- ▶ Recovery improvement attributable to improved consistency of mill feed and other ongoing metallurgical improvement initiatives
- ▶ Improved volumes and recoveries offset lower built-up head grade to yield a 7.9% and 8.2% increase in 4E and Pt metals in concentrate, respectively



LABOUR

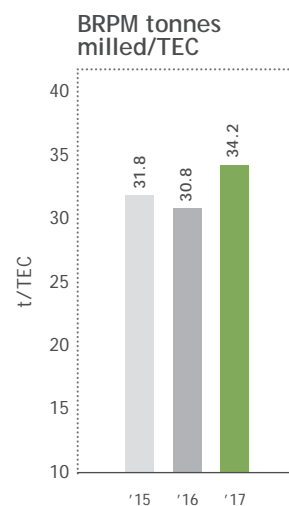
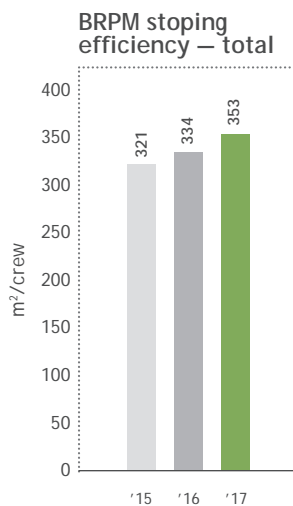
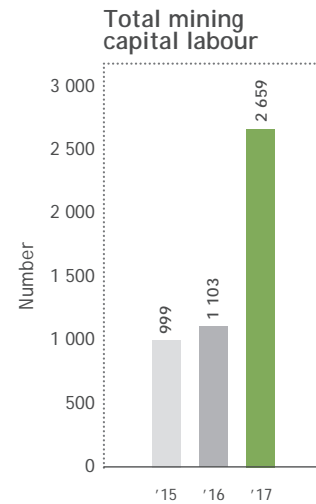
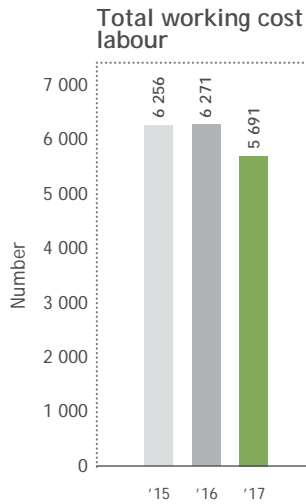
Description	Unit	% change year-on-year	2017	2016	2015
Total labour*	Number	(13.2)	8 350	7 374	7 255
Working cost labour	Number	9.2	5 691	6 271	6 256
Capital labour	Number	141.1	2 659	1 103	999
BRPM stoping efficiency – total	m ² /crew	5.7	353	334	321
Stoping efficiency – enrolled	m ² /crew	6.6	341	320	296
Stoping efficiency – contractor	m ² /crew	5.3	355	337	327
Tonnes milled/total employee costed (TEC)	t/TEC	11.0	34.2	30.8	31.8**

* Excludes corporate office – labour numbers are as at year-end and efficiencies are calculated on average labour numbers

** Tonnes milled per TEC restated on the basis of a revised calculation methodology to align efficiencies with an average 23 shift roster

Labour complement and efficiency

- ▶ Total labour increased by 13.2% year-on-year to 8 350 people due to an increase in Styldrift I capital project labour
- ▶ 9.2% year-on-year reduction in working cost labour. Reduction attributable to restructuring process initiated in H1 2017
- ▶ 5.7% improvement in BRPM stoping efficiency
- ▶ BRPM tonnes milled per TEC improved by 11% to 34.2 tonnes per employee



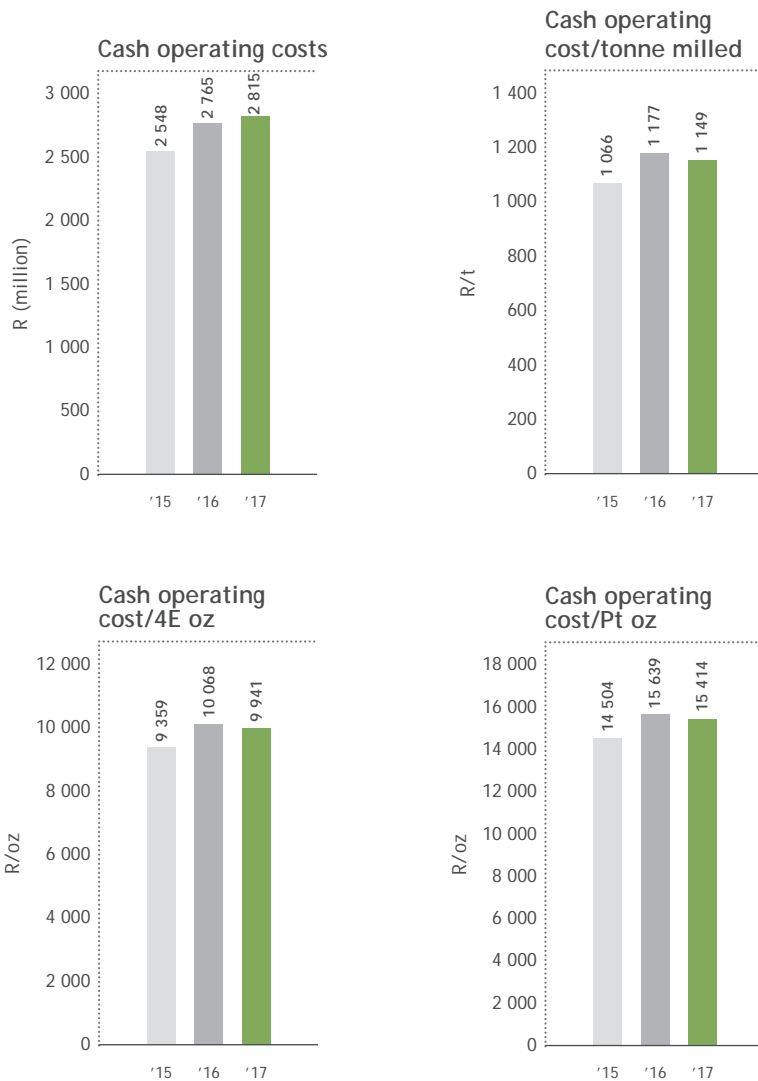
MANUFACTURED CAPITAL continued

OPERATING COSTS

Description	Unit	% change year-on-year	2017	2016	2015
Cash operating costs	R (million)	(1.8)	2 815	2 765	2 548
Cash operating cost/tonne milled	R/t	2.4	1 149	1 177	1 066
Cash operating cost/4E oz	R/oz	1.3	9 941	10 068	9 359
Cash operating cost/Pt oz	R/oz	1.4	15 414	15 639	14 504

Cash operating costs

- ▶ Cash operating costs were contained to R2 815 million, a 1.8% increase year-on-year
- ▶ Cash cost per tonne milled reduced by 2.4% due to the 4.3% increase in the BRPM milled volumes compared to 2016
- ▶ Cash cost per 4E and platinum ounce reduced by 1.3% and 1.4% year-on-year, to R9 941 and R15 414 per ounce, respectively. This reduction is directly attributable to the respective 2.9% and 3.4% increase in BRPM 4E and platinum ounce production
- ▶ Key drivers of the increase in costs in excess of CPI (6.1%) were enrolled labour at 3.3%, contract labour at 3.4% as per our wage agreement and utilities at 6.0%

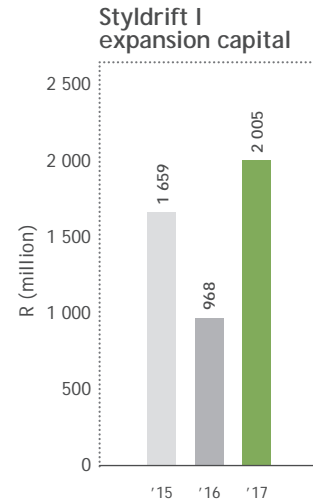
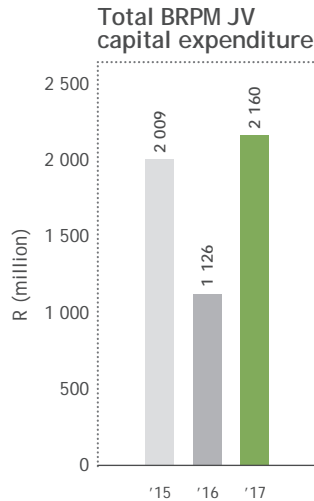


BRPM JV CAPITAL EXPENDITURE

Description	Unit	% change year-on-year	2017	2016	2015
Stay-in-business capital (SIB)	R (million)	7.3	118	110	112
SIB % of operating cost	%	5.0	4.2	4.0	4.4
Replacement capital	R (million)	(22.7)	34	44	205
Phase III	R (million)	(25.0)	33	44	203
BRPM optimisation	R (million)	0.0	—	—	3
BRPM UG2	R (million)	100.0	1	—	—
Expansion capital	R (million)	106.6	2 008	972	1 692
Styl drift I	R (million)	107.1	2 005	968	1 659
Styl drift exploration drilling	R (million)	200.0	3	1	15
Styl drift II	R (million)	(100.0)	—	3	18
Total capital expenditure	R (million)	91.8	2 160	1 126	2 009

Capital expenditure

- Total capital expenditure amounted to R2 160 million, equating to a 91.8% year-on-year increase in capital expenditure
- Expansion capital expenditure increased by 106.6% to R2 008 million. The increased expenditure is in line with the schedule for the Styl drift I ramp-up to 150ktpm
- Replacement capital expenditure reduced by 22.7% to R34 million in line with reduced BRPM Phase III project activities as the project nears completion. Progress remains aligned with project completion schedule
- SIB capital expenditure for the year amounted to R118 million, equating to 4.2% of operating expenditure



New flotation pumps at the BRPM concentrator

MANUFACTURED CAPITAL continued

PROJECTS

North shaft Phase III replacement project

This project involves the extension of the North shaft Merensky decline system and associated infrastructure from 10 level down to the mining boundary at 15 level. The project at year-end was 96% complete with only engineering-related construction work on 14 and 15 level remaining. Project progress remains aligned with production requirements.

Project expenditure for the 2017 year amounted to R34 million, bringing expenditure for the project to date to R1 070 million. Our cost estimate at completion remains at R1.2 billion, indicating a saving of approximately R200 million.

Styldrift I project

As we communicated in our 2016 report, given the improvement in the basket price we achieved during the second half of 2016 and project progress at the time, the Company committed to expanding mining and

construction activities to enable the next phase of expansion to 150ktpm.

Project activities for the reporting period focused on progressing development, construction and the operational resourcing required to establish the infrastructure and stoping face length to support the initial 150ktpm expansion phase.

Given the persistent PGM market volatility, our approach remained one of prudently aligning capital spend and its timing with project progress requirements, in order to maintain a healthy balance sheet without impacting our ability to meet the ramp-up schedule. Where possible, non-critical path project work has been deferred. This includes items such as additional access roads, surface parking, stores, the training centre, change house upgrades and non-critical store items, etc. Lower annual capital escalation and contingency expenditure also contributed to capital expenditure being less than originally forecast.

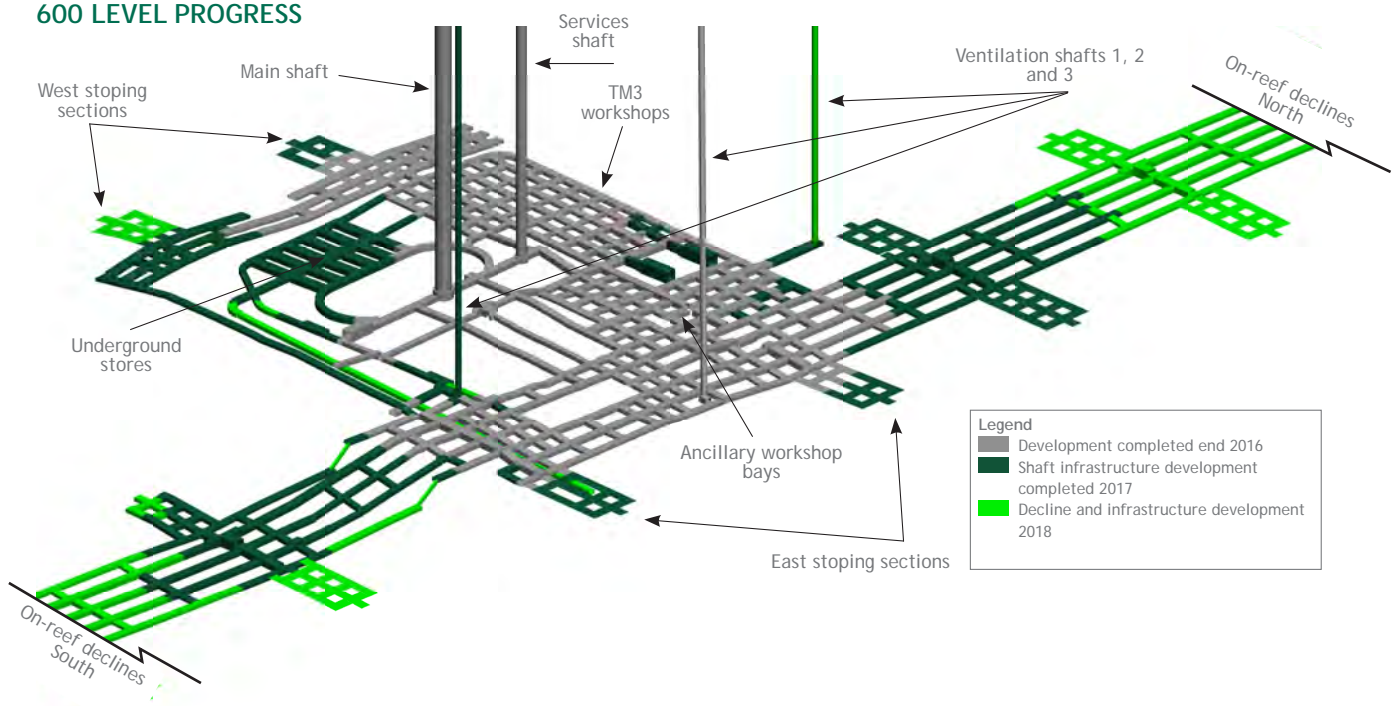
During the reporting period, a total of 6.8km of development was completed,

equating to a 36% increase year-on-year. Tonnes delivered to the concentrator for the period under review amounted to 561kt, at an average built-up head grade of 2.99g/t (4E). In line with guidance, the 4E built-up head grade improved to 3.33g/t (4E) during H2 2017 compared to the 2.53g/t (4E) achieved during H1.

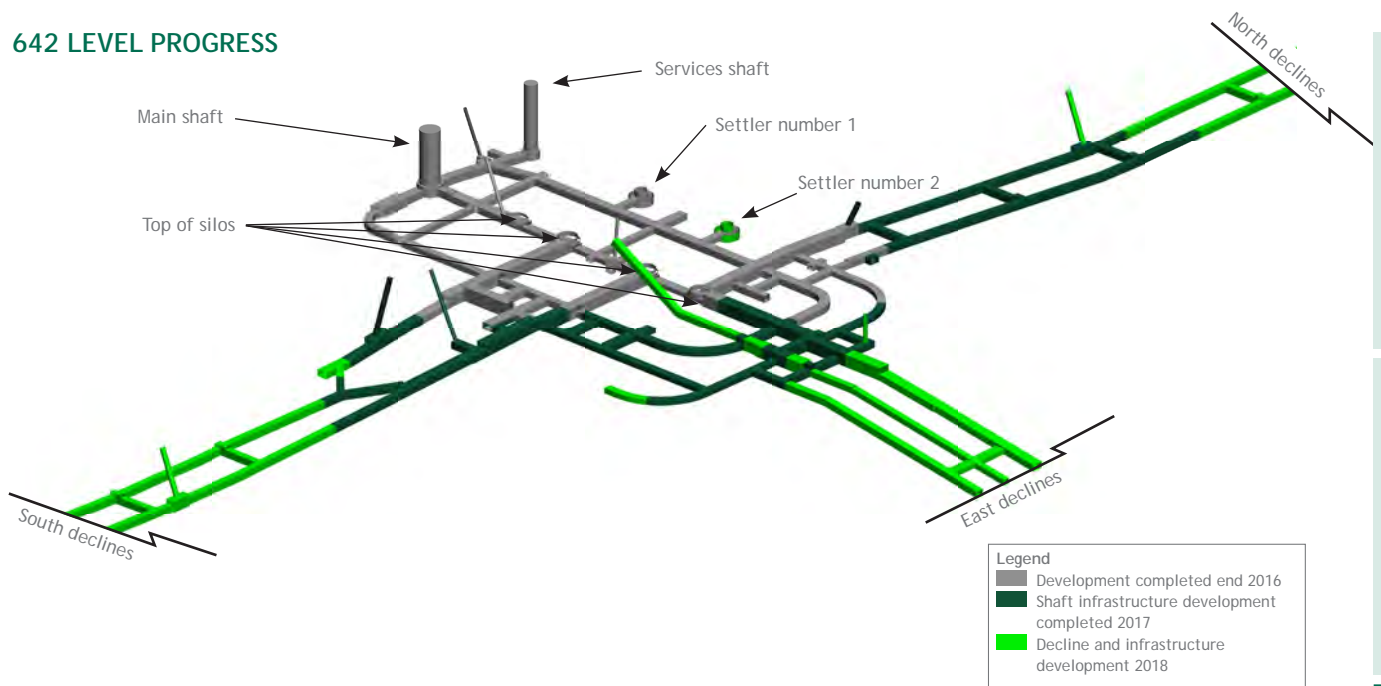
The inherent flexibility that exists within the project execution environment from a design, management and control perspective, remains key to ensuring successful project ramp-up and sustainable production. The main elements are:

- dedicated project and operational management environments
- temporary decoupling of the ore handling capability during the construction of the life of mine reef silos through the introduction of on-reef dip belts and haul trucks
- the introduction of twin footwall declines to ensure production activities do not impact on construction in anticipation of trackless machinery collision avoidance-related regulations.

600 LEVEL PROGRESS



642 LEVEL PROGRESS



- production section ore handling buffer capacity as a result of section ore passes
- multi-shift construction
- additional temporary water handling capacity while settler construction is being completed
- inherent section IMS panel ratio of 1.4.

We have made steady progress on all key construction activities during the reporting period. This included:

- permanent trackless workshop and ancillary service bays constructed on 600 level
- conveyor belt construction on 600 and 642 levels
- permanent piping installations on 600, 642 and 708 levels
- Services shaft equipping
- Ventilation shaft No 3 raiseboring
- Silos No 3 and 4 construction
- Settler No 1 slipe and line activities
- overland belt construction

Geotechnical challenges encountered subsequent to the completion of Silo No 3 raiseboring resulted in the project team having to revise its silo construction methodology to adequately cater for the conditions and to ensure that Silos 3 and 4 are completed in time to support our steady state ore handling requirements.

As at year-end a total of 26 mining and construction crews were operational underground, with specialised construction works outsourced:

- nine trackless crews on 600 level – dedicated to the on-reef infrastructure and decline development
- three trackless crews on 642 and 708 levels – dedicated to footwall development for ore handling infrastructure and declines
- fourteen infrastructure construction crews – for

workshop, conveyor belt, piping, silo, bulkhead construction, Services shaft equipping and settler and silo construction

- specialised outsourced construction work includes raiseboring activities, workshops, piping, settler, conveyor belt, Silo No 4 and section bulkhead construction.

The overland belt and concentrator ROM feed silo construction also progressed well during the course of the year and we anticipate that the overall overland ore handling facility will be completed and commissioned during the first quarter of 2018.

Capital expenditure on the project for the period under review amounted to R2 005 million, bringing total capital expenditure for the Styldrift I project to date to R8.46 billion.

PROPOSED ORE HANDLING INFRASTRUCTURE BETWEEN STYLDRIFT I AND MASEVE



OUTLOOK

Our key focus for 2018 will be on achieving our strategic objectives in order to deliver earnings and growth and create sustainable value for all our stakeholders through safe, responsible cost-effective mining and project execution.

The ramp-up of Styldrift I is expected to reach 150ktpm during the fourth quarter of 2018, delivering between 1.2Mt and 1.4Mt for 2018 as its production footprint is developed. The increasing contribution from stoping teams, as they are brought into production, will lead to an improved and more consistent delivered grade. The grade will,

however, continue to be impacted in the short term by limited face flexibility, crew learning curves and the continued contribution of low grade on-reef development as part of the ore stream.

The contribution of UG2 mining at BRPM will reduce to approximately 15% during 2018 as UG2 from the thicker North shaft Central High Facies, which is characterised by a stable footwall, limited rolling and thicker UG2 band is mined, while the more challenging South shaft UG2, which is characterised by a thinner UG2 band, will remain suspended.

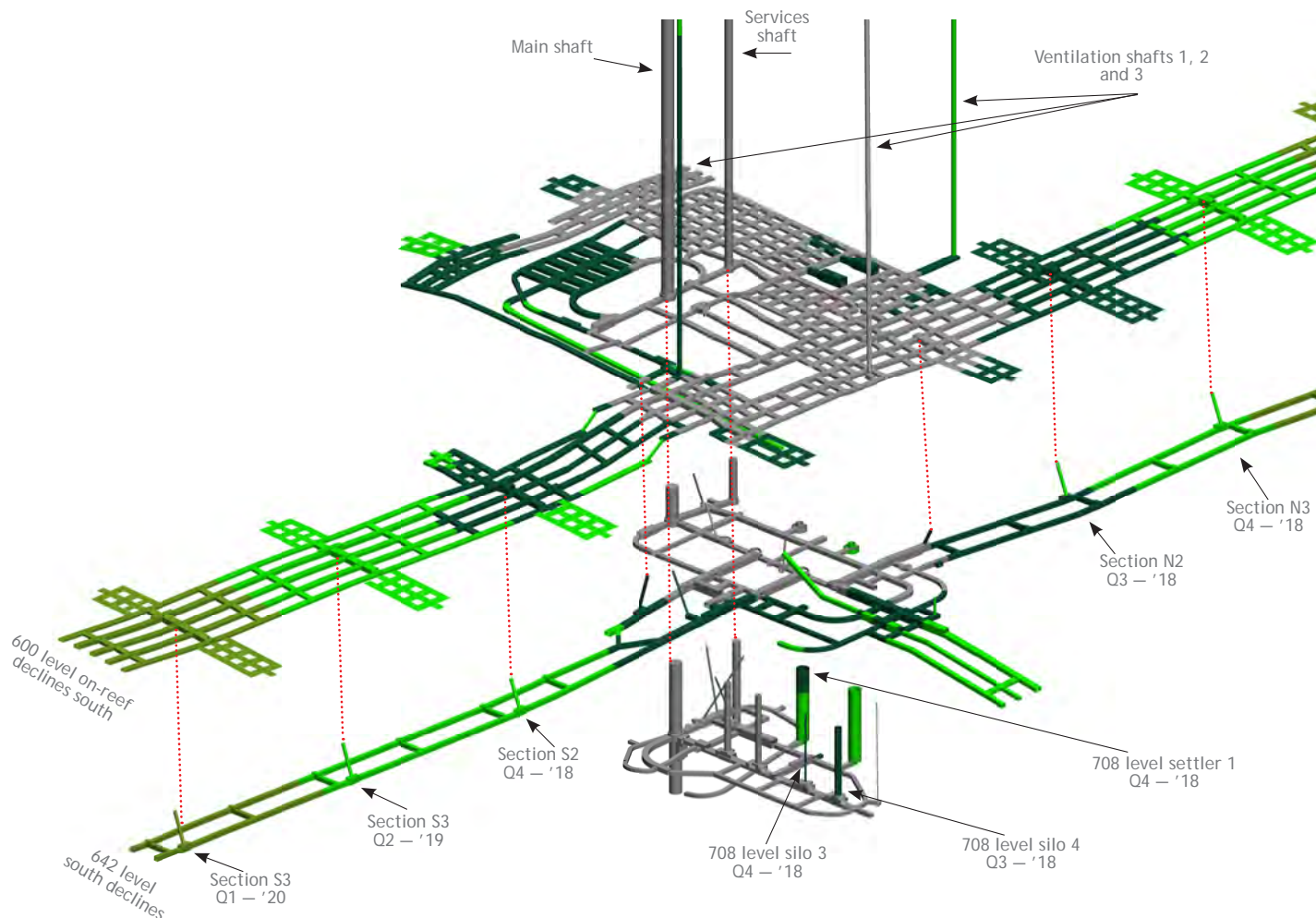
Joint venture production for 2018, subject to any unforeseen operational disruptions, is forecast

to increase to between 3.35Mt to 3.50Mt at a 4E built-up head grade of 3.95g/t to 4.04g/t. The built-up head grade is directly attributable to the high percentage of on-reef development that Styldrift I will contribute to our overall production. 4E ounce production for 2018 is forecast to be between 370 and 387koz.

The total joint venture capital expenditure for 2018, including escalation and contingency, is forecast to be approximately R2.3 billion with the main driver being the Styldrift I project construction programme. SIB expenditure is expected to be between 5% and 6% of operating expenditure.

MANUFACTURED CAPITAL continued

KEY STYLDRIFT RAMP-UP MILESTONES



600 level

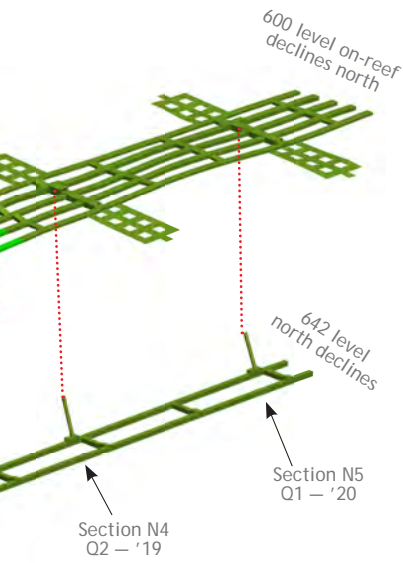
Represents the main ore production level, with the majority of mining being on reef. Key infrastructure will constitute (i) two five-barrel decline clusters to the north and south, (ii) eighteen equipped stoping sections, (iii) thirty-two trackless workshops, (iv) associated ancillary trackless bays (refuelling, emulsion, tyre and wash bays), (v) mining and trackless stores, (vi) supervisory offices and (vii) three ventilation shafts.

642 level

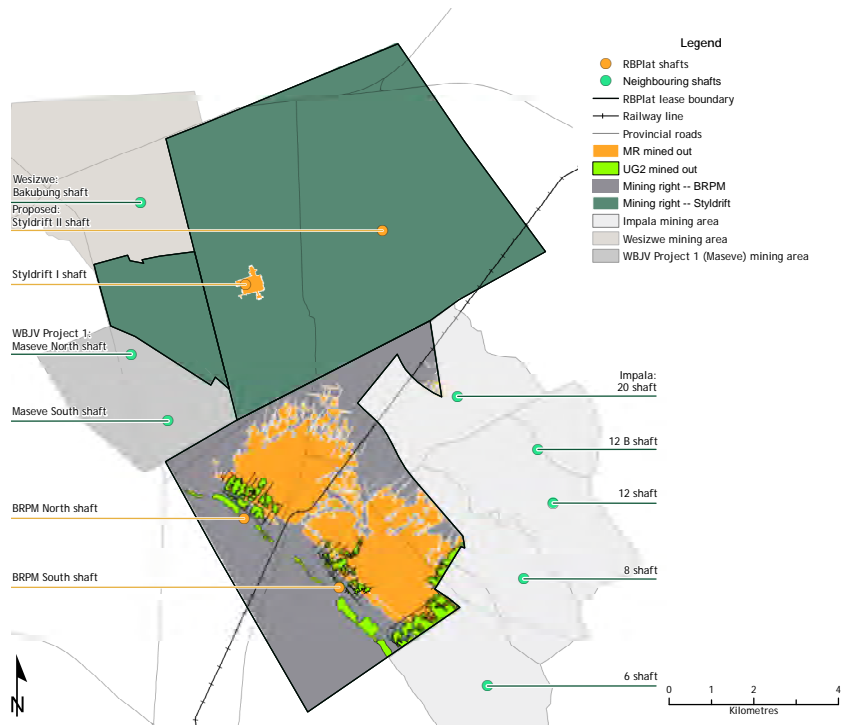
Represents the main production section ore handling, with all ore production reporting to the level and being transported by conveyor to the top of the shaft reef silos. Key infrastructure will consist of (i) three two-barrel decline clusters to the north, south and east, (ii) three footwall conveyors to the north, south and east, (iii) four trackless workshops, (iv) mining and trackless stores and (v) top of silo infrastructure.

708 level

Represents the main shaft ore and water handling infrastructure, approximately 70m below 642 level. Key infrastructure consist of (i) four ore handling silos, (ii) two settlers, (iii) main pump station and filter press.



Ore pass discharge on 642 level



Location of Maseve in relation to BRPM and Styldrift I



Silo 3 bulkhead construction

In order for Styldrift I to continue to ramp up beyond the 150ktpm level, additional processing capacity over and above the 250ktpm BRPM treatment plant would be required. A new treatment plant to remove this constraint would require approximately two years to complete construction, which would require Styldrift I to remain at 150ktpm for a significant period of time. This would commit Styldrift I to ramping up to 230ktpm at a time when expansion is not necessarily the optimal course, and a new treatment plant would also require us to develop a substantial stockpile ahead of the plant for commissioning.

The Maseve acquisition, however, provides us with an alternative processing solution, which not only enhances the operational flexibility of BRPM and Styldrift I, but will

also be more capital efficient. Styldrift I can be progressively ramped up from 150ktpm to 230ktpm without building a significant stockpile. BRPM can also opportunistically expand or reduce the contribution of its UG2 to match market conditions. Our flexibility is further increased by our agreement with Sibanye to treat UG2 in excess of what we can treat in our own processing facilities.

The Maseve concentrator plant was commissioned in 2016. Its current 110ktpm capacity has the potential to be upgraded to improve recoveries and throughput.

We expect the completion of the Maseve transaction and consequent transfer of operational control of the Maseve concentrator to RBPlat to be concluded during the first quarter of 2018.

The acquisition of the Maseve plant provides RBPlat with the:

- opportunity to expand Styldrift I from 150ktpm to 230ktpm
- capacity to continue to mine the available Merensky reserves at the BRPM South shaft at between 50 and 60ktpm, which will address the challenge of maintaining operational flexibility at BRPM as its South shaft Merensky reserves are depleted
- future enhancement of the Maseve concentrator to complement BRPM's transition to a more UG2-biased operation as Merensky reserves are depleted
- opportunity to access the Frischgewaagd ore body earlier than planned.



Styldrift I 708 level – skip ore loading control

Human capital



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

Achievements



- > **2 million fatality-free shifts** on 20 July 2017
- > **No fatalities** in 2017
- > **780 homes sold and occupied** in our home ownership scheme by year-end

Improvements



- > **Women in mining** make up **15.9%** of our enrolled employees (including fixed term contractors)
- > **18.5% improvement** in our learning and development **spend** (R73.5 million)


Challenges



- > **A resilient safety culture**

Disappointments



- > **Increased serious injury frequency rate and lost time injury frequency rate** (see page 74) 



HUMAN CAPITAL continued

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

We incorporate the United Nations Global Compact's (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)
- eliminating discrimination in respect of employment and occupation (UNGC principles 5 and 6).

Our support of the UN Sustainable Development Goals (SDGs) is explained on our website at <http://www.bafokengplatinum.co.za/sustainability.php> and highlighted in this report by means of icons.

OUR WORKFORCE

	% change year-on-year	2017	2016	2015	2014
BRPM	(8.7)	5 324	5 833	6 177	6 252
Contractors*	(1.1)	3 128	3 164	3 497	3 586
Enrolled employees	(17.7)	2 196	2 669	2 680	2 666
BRPM concentrator	(9.9)	265	294	336	260
Contractors	(33.3)	64	96	120	74
Enrolled employees	1.5	201	198	216	186
Styldrift I project	146.3	2 574	1 045	562	2 182
Contractors	793.5	965	108	314	2 098
Enrolled employees	71.7	1 609	937	248	84
Shared services	(7.4)	187	202	180	179
Contractors	44.4	13	9	19	15
Enrolled employees	(9.8)	174	193	161	164
Corporate office	(15.4)	22	26	26	27
Total number of employees**	13.1	8 372	7 400	7 281	8 900

* Includes fixed-term contractors, labour hire and volume contractors

** These numbers exclude trainees who were part of our SLP commitments

Employee turnover

	% change year-on-year	2017 %	2016 %	2015 %
Voluntary employee turnover (including fixed-term contractors and labour hire employees and excluding volume contractors)	125.9	6.1	2.7	5.9
Management turnover	235.6	19.8*	5.9	14.3

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

Absenteeism rate

	2017 %	2016 %	2015 %	% change
Total absenteeism rate for full-time employees	6.1	5.6	6.2	8.9

KEEPING OUR PEOPLE SAFE



Our health and safety management systems and structures are designed to help us achieve our

aspirational goal of zero harm in our operations.

Accountability for safety

Our governance structure clearly indicates that ultimate responsibility for safety rests with our Board and its subcommittees and every enrolled employee and contractor working at our operations.

The Social and Ethics Committee, in terms of the mandate it received from the Board, oversees and monitors our safety performance against agreed targets every quarter and reports to the Board

in this regard. Operational accountability lies with the Executive Head: Operations and the Head of Operations for the BRPM Joint Venture.

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

Our approach to 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 are: leadership, design, systems and behaviour. The main pillars are: leadership, design,

systems and behaviour. These pillars are based on a foundation of teamwork, discipline and our Safety Code of Conduct. An internal safety culture survey was again conducted at our operations during November 2017.

While we have made progress in the area of personal priority to safety, we still have a long way to go to achieve a resilient safety culture. During 2018, we will be continuing with emotional fitness training (how to be a good safety leader), back to basics training and risk training, which focuses on developing supervisors' understanding of risk and how to respond to it.

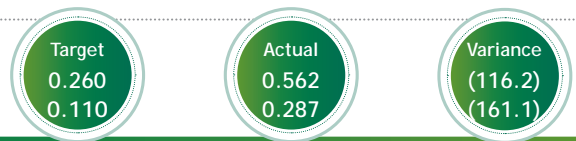
In addition, we will be introducing the care and growth model training in 2018 through which focus is placed on the legitimate leadership relationship.

RISK APPETITE BREACHES IN 2017

KPI owner: Head of operations for the BRPM Joint Venture

Key risk indicator

Lost time injury frequency rate (LTIFR)/200 000 hours
Serious injury frequency rate (SIFR)/200 000 hours



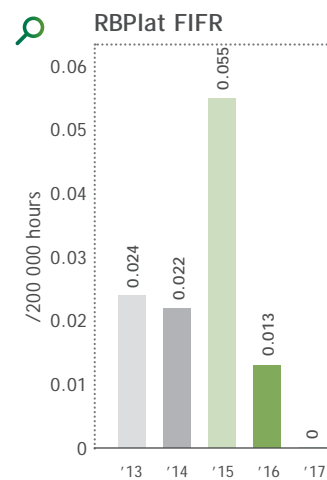
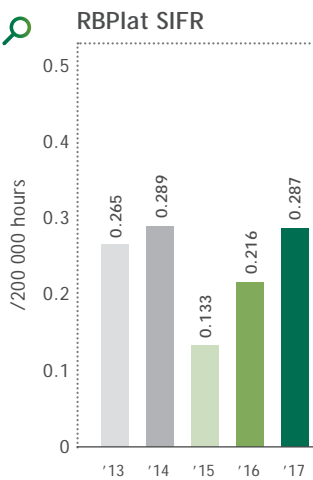
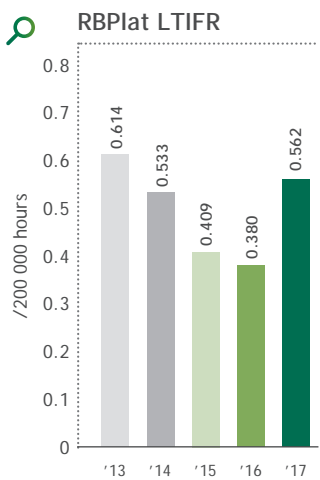
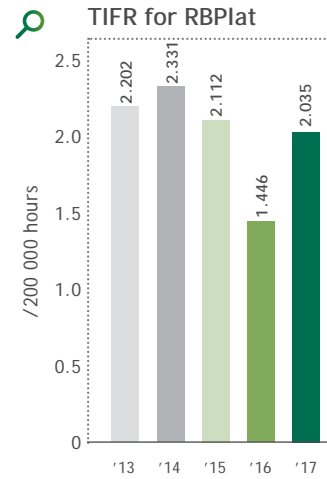
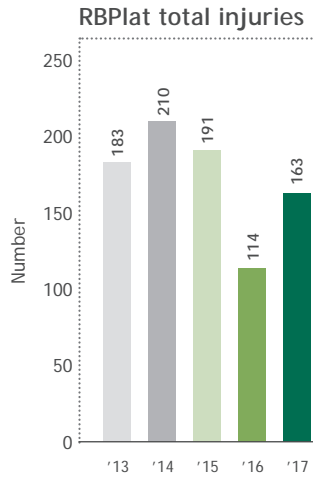
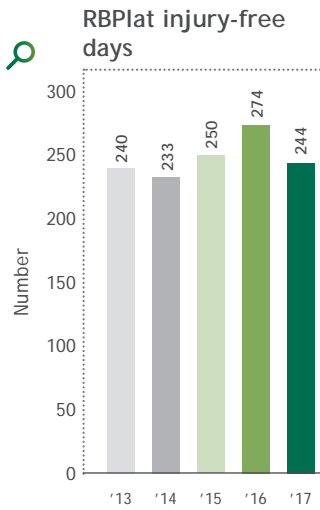
Reasons for deviation	Management action plan
<ul style="list-style-type: none"> BRPM went through a section 189 in June 2017, which created uncertainty among all stakeholders South shaft was destabilised as a result of the section 189 and the termination of the JIC (ABMS) contract Increase in the Styldrift I project risk profile as development, construction and stopping production activities are accelerated in line with the project ramp-up schedule 	<ul style="list-style-type: none"> Section 189 completed and constant communication with South shaft employees has stabilised the workforce From January 2018, JIC employees joined the workforce of volume contractor Reagentswe Rasimone Action plans were put in place in all operational areas to keep the workforce focused and to minimise injuries



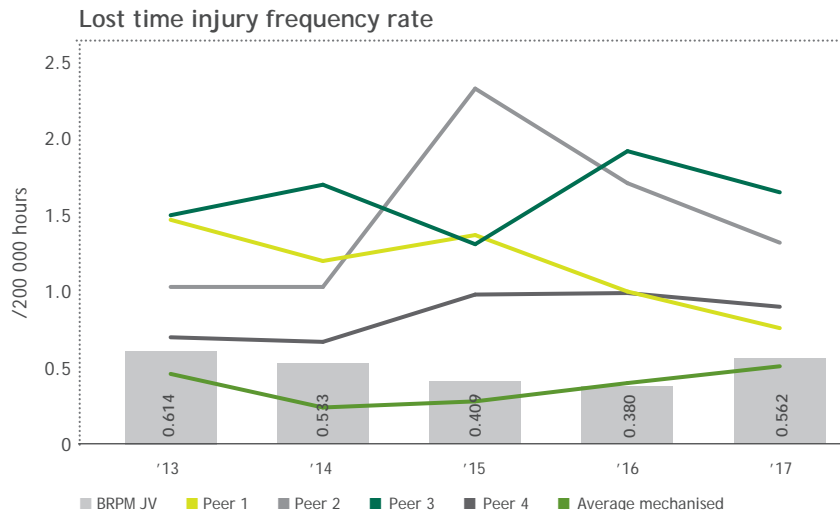
Safety messages in the partially mechanised hybrid mining section of North shaft

HUMAN CAPITAL continued

Our safety performance



A comparison of the LTIFR performance of PGM companies and the average performance of mechanised mines



RBPlat achieved two million fatality-free shifts on 20 July 2017.

In order to address safety issues effectively we need to understand the basic cause of unwanted events. Our SILO SHE electronic database for incident reporting and events capturing automatically analyses the data recorded in the system and allows us to identify and address incident trends and take action to prevent accidents.

The data used to compile this graph was taken from the annual reports, quarterly reports and interim reports of these companies.

For information on our safety training and development initiatives during the year see page 80.

We have also introduced the integrated risk management assessment (IRMA) software, which we will be using to assist us with designing improved risk profiles, once we have determined the hazards, the risks they present, and the associated controls that need to be in place to keep people safe in a particular area. We will be starting with Styldrift I, where we still have work to do in terms of developing a deeper understanding of the safety risks involved in a mechanised mining environment.



Having identified the main health issues that can affect our workforce

and the communities in which we operate, we address them by monitoring and testing for the identified issues.

Occupational health issues

The most prevalent occupational health issue in our operations is noise-induced hearing loss (NIHL), which is one of the four non-fatal conditions listed among the leading causes of the global burden of disease.

As a member of the mining industry we are committed to making every possible effort to ensure that no employee's standard threshold shift exceeds 25dB from the baseline when averaged at 2 000, 3 000 and 4 000HZ in one or both ears.

Safety performance

Key features

We finished 2017 without having a fatal accident. We are, however, concerned about the worsening of our SIFR and LTIFR. There was a period during 2017 when there was movement of people and labour reductions took place. These changes caused instability and resulted in people losing focus, which in turn led to a spike in injuries. We did, however, put controls in place to minimise the effect of the changes.

During the last two months of 2017 there was a marked reduction in injuries as labour movement stabilised.

THE HEALTH AND WELLNESS OF OUR PEOPLE

In accordance with its mandate the Social and Ethics Committee, which is accountable to the Board, reviews and reports on the occupational health and wellness of our workforce against agreed

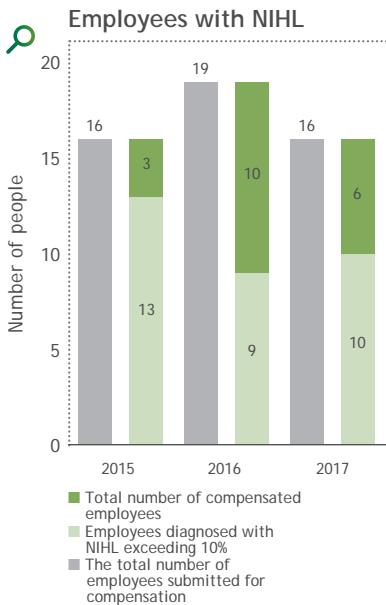


An employee having an impression made for her custom-made hearing protection device. These devices are made to fit each individual's ear to ensure they provide the best possible protection from noise

HUMAN CAPITAL continued

In July 2016 we began recording a new hearing capability baseline for employees during regular audio screenings, which measure a specific frequency of noise that people are exposed to at work, in accordance with the industry’s 2014 to 2024 milestones requirement for noise. Going forward we will measure any shift in employees’ hearing against this baseline.

Our NIHL performance



Reducing the impact of fossil fuels on health

RBPlat uses low sulphur diesel in its machines underground, which burns cleaner and reduces emissions. We will be investigating diesel fuel, which is claimed to achieve a further reduction in CO₂ emissions and diesel particulate matter in 2018.

Provision of health, wellness and emergency care services for our employees and contractors

Platmed provides occupation-related medical surveillance and emergency care for our employees and contractors. Our newly acquired ambulance service provider is the Royal Bafokeng Emergency and Rescue Services.

Most of our employees and volume contractors are members of the Platinum Health Medical Aid, which is our service provider for wellness and non-work-related medical conditions. Platinum Health, in conjunction with our Wellness Coordinator, provides our workplace wellness programme, which includes disease prevention, diagnosis, treatment management, rehabilitation and TB and HIV/Aids management.

Our peer educators are members of our workforce who have volunteered for this role. They support our wellness programmes and play an important role in wellness communication.

Our priority wellness issues in 2017 were improved viral load suppression, fewer antiretroviral treatment (ART) defaulters, prophylaxis treatment with the antibiotic Isoniazid (INH) and non-communicable diseases. They will remain our priority wellness issues in 2018. It should be noted that we placed 455 people on INH prophylaxis in 2017.

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

RBPlat’s efforts to reduce and prevent HIV/Aids and TB are on track to meet the December 2024 milestones set by the mining industry, which are that the TB incidence rate should be at or below the national TB incidence rate and that 100% of 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



The Royal Bafokeng Emergency Services’ ambulance transports an injured employee from the BRPM clinic

National Strategic Plan (NSP), which outlines the strategic framework for a multi-sector partnership to accelerate progress in reducing the illness and death associated with HIV, TB and sexually transmitted infections (STIs).

To reduce and prevent TB and build on the progress already made, members of the mining industry agreed to screen all employees (enrolled and contractors) over a three-year period (2016 to 2018). According to the World Health Organisation's Global Tuberculosis Report 2017 the estimated TB

incidence rate in South Africa is 438/100 000. Our current incidence rate at 765/100 000. This is presently above the national incidence rate, but we are making good progress with reducing our incidence rate to be below the national TB incidence rate by 2024. We have certainly achieved the industry's goal of screening all employees as the table below demonstrates.

We continue to administer INH, which is used as a first line agent in the prevention and treatment of TB.

99.9% of our employees and contractors were counselled for HIV/Aids in 2017 and 94.6% know their HIV status.

TB statistics

38 employees and contractors were on TB treatment at year-end.

	% change year-on-year	2017	2016	2015
Number of screenings conducted of enrolled employees and contractors	13.9	49 360	43 344	47 165
Employees and contractors who tested positive for TB	8.9	61	56	77
Employees and contractors on INH	100	455	—	—
TB incidence rate*	(0.3)	765/100 000	767/100 000	937/100 000
Number of employees and contractors who completed the TB treatment programme at the BRPM clinic	145.8	59	24	73

* Our TB incidence rate is calculated using the average monthly labour figure.

HIV/Aids statistics

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

	% change year-on-year	2017	2016	2015
Number of counselling sessions	14.6	11 545	10 072	11 461
Number of employees and contractors who agreed to be tested for HIV/Aids	17.2	10 924	9 319	10 488
New cases that tested positive for HIV	(3.2)	181	187	118
Employees who started ART this year*	63.9	241	147	—
Number of employees who stayed on ART	(5.5)	622	658	572
Number of ART defaulters this year*	(5.3)	36	38	19
Employees and contractors known to be HIV-positive**	8.6	2 347	2 162	2 258
HIV prevalence rate	(5.6)	23.13	24.5	24.25

* 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

HUMAN CAPITAL continued

Healthcare of the communities in which we operate

We assist the Department: Health, which is responsible for the public healthcare delivery system, when requested. The Rustenburg Health Forum facilitates health projects in our neighbouring communities and the larger Rustenburg subdistrict.



(see page 103 of the social and relationship capital of this report for information on our contribution to community healthcare).

We hope to sign a memorandum of agreement with the Department: Health, which will formalise our community health commitments and allow us to proceed with our project of tracking TB in our neighbouring communities. The project will assist the Department: Health to identify TB hotspots in the community, which will help the department to address the disease more effectively. Unfortunately, as the memorandum has not been signed, we are currently unable to proceed.

UPHOLDING AND PROTECTING 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.

We met and, where possible, exceeded our commitment in our SLPs for the period 2010 to 2014 to provide:

- human resource development
- education support



(see page 102 of the social and relationship capital section of this report)

- community skills development



(see page 104 of the social and relationship capital section of this report)

and we continue to meet our commitments in this regard.

Our human resource teams at our operations are responsible for implementing our human resource strategy and policies.

Workforce planning, which is the responsibility of our strategic 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 106 to 113).

Addressing inequality



Our Board-approved employment policies 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 Social and Ethics Committee reviews and reports on our performance against our Mining Charter II employment equity commitments every quarter (see the Social and Ethics Committee report on page 138).



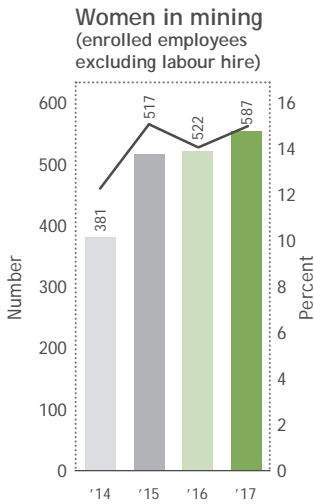
Our progress with creating equal opportunities

Skill level	2017		2016			2015			Final target of 2010 – 2014 Mining Charter %
	Number of HDSAs	%	Number of HDSAs	% HDSAs	Number of HDSAs	% HDSAs	% change		
Board level	5	50.0	6	54.5	6	54.5	(16.7)	40.0	
Senior management	8	61.5	5	55.6	6	66.7	60.0	40.0	
Middle management	92	54.4	108	57.1	91	58.3	(14.8)	40.0	
Junior management	1 025	81.3	958	80.6	773	82.5	7.0	40.0	
Core skills	4 091	98.7	4 105	99.1	3 735	99.3	(0.3)	40.0	
Total	5 221	93.3	5 182	93.5	4 611	94.6	0.8	40.0	

Our efforts to achieve gender equality, empowerment for women and reduce inequalities in our workplace include:

- actively recruiting and developing women to work at mining in our workplace through our focused development programme for women
- working to eliminate inequalities and ensure our workforce is suitably rewarded.

Women in mining



Labour relations



We uphold the rights of our employees to freedom of association and collective bargaining.

In 2017, 90% of our enrolled employees were members of NUM (2016: 86%)

We have a five-year wage agreement in place, which was signed with the National Union of Mineworkers (NUM) on 1 July 2014, in accordance with our employee relations recognition agreement (ERRA).

In 2016 NUM, the majority union at BRPM, held a ballot during which employees had the opportunity to vote for or against having a closed shop agreement. Over two-thirds of the workforce voted in favour of a closed shop agreement at RBPlat, which means that all our employees benefit from the role NUM plays in negotiating on behalf of employees, and protecting employees' rights.

Employee benefits and remuneration



Please refer to the remuneration review on pages 132 to 137 for information on our employee benefits and remuneration.

Women in mining made up 15.9% of our enrolled employees and fixed term contractors (2016: 14.1%)

Our vision of providing young people from the communities in which we operate with the opportunity to be the best they can be, begins with their first years at school and continues through to tertiary education and the continuous development of those employed at RBPlat. It also ties in with the goals of the Royal Bafokeng Nation's (RBN's) Plan 35, which has set targets to help it achieve its goals which include building a base of human capital for the future through an educated community.



See pages 102 to 104 of the social capital section of this report for information on our community education and skills development initiatives.

Developing and retaining talent

Our Board-approved education and development strategy is a key element of our commitment to achieving *More than mining* by creating economic value for all our stakeholders.

Total training spend:

- 2017: R73.5 million
- 2016: R62.0 million
- 2015: R83.9 million



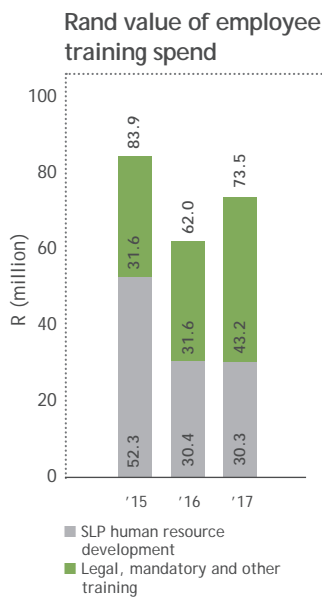
An adult education class at BRPM

HUMAN CAPITAL continued



An adult training session which took place in the BRPM training centre

OUR TRAINING INVESTMENT



Our education and development strategy focuses on equipping our employees with appropriate skills and providing them with opportunities to acquire competencies that will allow them to develop and progress. The development of the core mining skills of our employees is ongoing.

The development of safety leadership skills at supervisory and managerial level has been a major focus of our training this year and it will continue to be so in 2018 with a



Adult education and training (AET)

We offer part-time AET to our employees and members on our doorstep communities. This year 149 of our employees participated (2016: 79) of which 18 completed their training, 79 are still in training and 52 dropped out. A total of 181 community members participated in AET in 2017 (2016: 127) of which 42 completed their training, 73 are still in training and 66 dropped out.



Our total training spend represented 6% of our payroll in 2017 of which 2% was SLP training spend.

There were 13 501 training interventions in 2017 of which 528 were part of our SLP human resource spend. These interventions included induction training, training in mining, mandatory on-mine training, supervisory, engineering, concentrator and management, and leadership training. Our training investment also included 21 engineering learnerships.

Our SLP human resource development spend provided:

- AET training to 181 community members
- Portable skills training to 315 community members (see page 104)
- Bursaries for tertiary education to 24 community members
- Internships to 11 community members

focus on the improvement of the nine latent defects in the barriers in place to keep our people safe (the barriers being leadership, design, systems and behaviour).

The culture-based behavioural safety programme we introduced in 2016 to address the organisational culture of our major contractors in terms of caring for the business, trusting the leaders and supporting

the vision of zero harm has achieved a substantial improvement in the safety performance of our major contractors in 2017.

The back to basics interactive training we introduced to improve the observation skills and inspection techniques of mine overseers, shift supervisors and miners resulted in at least a 50% improvement in their observation skills.



EXPLORING WHAT HOME OWNERSHIP HAS MEANT TO SOME OF OUR EMPLOYEES

The first 422 80m² homes in our home ownership scheme in the Waterkloof Hills Estate, a suburb of Rustenburg, were completed in late 2014. We are currently busy with the second phase of the scheme (734 houses) which will increase the

number of homes in the estate to 1 156. The homes we built in 2017 included additional 80m² homes and larger 140m² homes. As at 31 December 2017, 358 houses in Phase II had been purchased.

We interviewed two families who have lived in the estate since its inception to get feedback from

them on what it has meant to purchase a home and live in the estate since 2014. We also spoke to a new homeowner who recently purchased one of the larger homes on the estate. Two of these homeowners are women working at core functions in mining at our operations.



Edwin and Dorcas Phokela relax in the living room of their three-bedroom home in Waterkloof Hills Estate, which they purchased through the RBPlat home ownership scheme in 2014

Edwin and Dorcas Phokela and their two sons, who are now eight and 11, were one of the first families to purchase a home in RBPlat's newly established employee home ownership scheme, Waterkloof Hills Estate, Rustenburg, in late 2014.

They have taken such good care of their home that nearly three years later it still looks as good as new. Edwin, a load haul dump (LHD) operator who has worked at BRPM for 17 years, explained that his wife Dorcas was the one who chose the style of house they wanted and she

also chose the position of their home in a quiet cul-de-sac where it is safe for the children to play.

For Edwin, being able to purchase a good quality three-bedroom home that someone else had built and to have the finance arranged for him, was a big plus. It meant he avoided the pitfalls of building his own house, being let down by contractors and struggling to finance it. He also appreciates that the estate office attends to any maintenance required on his home (at the homeowner's cost) and that he can report any wrongdoing, such as someone speeding, to the homeowners committee and they will address it.

Before moving into their home, they were living in a one-bedroom RDP house. Dorcas enjoys feeling safe in her home and commented on the very good security at the estate and how nice it is that she does not have to worry about her children playing outside because she knows they are safe.

Their sons go to school in Rustenburg and there is transport available that takes them to and from school. Now that the number of homes in the estate has increased we are hopeful that we will be able to provide schooling on the estate.

HUMAN CAPITAL continued

22% of our home owners are women

TWO SIDES TO EVERY STORY

Single mother Miriam Mpitso and her son Kamogolo were sharing a bedroom in a shack in Phokeng before she purchased their three-bedroom home in our employee home ownership scheme.

She is delighted with her home, but was rather surprised when her son Kamogolo, a 16-year-old, complained that he misses the friends he left behind in Phokeng. He raises an important point. Both the Mining Charter and RBPlat's agreement with the trade union required that we build homes for our employees near a town or city, not near our mine.

This requirement is intended to avoid mine employees owning homes that could become worthless when a mine closes down. While our employees' homes near Rustenburg are more likely to increase in value over time than they might have had they been built near BRPM, it does mean people are moving away from friends and family and community members are losing rental income. Miriam previously worked at BRPM as a chair lift operator. She is now working at Styldrift I as an onsetter on night shift, transporting people and material underground and back up to surface in a 27m² cage.



Miriam Mpitso and her son, Kamogolo



Miriam Mpitso and her son Kamogolo entertain visitors. Miriam has painted the walls of her home a vibrant red to match her furnishings



Ouma Peele preparing a meal in her new kitchen

HER OWN HOME FOR THE FIRST TIME

Ouma Peele, an occupational hygiene assistant in the BRPM concentrator, recently moved into one of the new 140m² three-bedroom homes we built in the Waterfall Hills Estate in 2017.

This is the first time Ouma has had her own home so she is absolutely delighted. She has three children, a daughter and two sons, who she tells us are also loving the space when they come home for the weekends. They will move in permanently once the school term is over and they start at their new school in Rustenburg in the new year.



Children arriving home from school at our employee home ownership scheme

Intellectual capital





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

Our economic value depends on how we manage and use these assets to extract value and make the best possible use of them.

The execution of our strategy is more important than the strategy itself and leveraging our intellectual capital allows us to implement it in the most effective and efficient way possible.

Achievements



- > The **integration** into our integrated report of our application of **King IV** and the outcomes we have achieved
- > **Ethics climate** survey completed
- > **Successful implementation** of the collision avoidance system into our mechanised Styldrif I operation

Improvements



- > Increased **technology and information governance focus**
- > **Linking strategy, risk performance and reward**

Challenges



- > **Successfully digitalising** our business

INTELLECTUAL CAPITAL continued



ASSESSING THE EFFECTIVENESS OF OUR APPROACH TO CORPORATE GOVERNANCE

RBPlat is proud of its application of the King Code of Governance Principles (King III) since its inception and the recognition we received for our efforts when we were included as a Top Performer on the JSE Socially Responsible Investment (SRI) Index. King IV presents us with an opportunity to assess whether our approach to corporate governance, an essential element of our intellectual capital, is facilitating:



- ethical and effective leadership and establishing an ethical culture (see page 9 of the leadership review and page 86 of this section of the report)
- responsible corporate citizenship
- accountability and effective control
- the governance of risk
- transparency that ensures stakeholders are provided with the information they need to make an informed assessment of our performance
- value creation for all our stakeholders.



TOWARDS ACHIEVING AN ETHICAL CULTURE

By our application of:

		For more information on our application of these principles
Principle 1	The governing body should lead ethically and effectively	
Principle 2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	
Principle 3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	

The contribution establishing an ethical culture makes to our stock of intellectual capital

RBPlat’s commitment to ensuring that the governance of ethics in our organisation supports an ethical culture including commissioning an independent survey by Nkonki to assess the effectiveness of our efforts to establish an ethical culture and establish a roadmap for the way forward. The approach taken in the survey was in line with the King IV Report on Corporate Governance principles regarding the management of ethics, and was further aligned to the practice notes of the King III Report with specific reference to ethics risks assessments.

Assessing the effectiveness of our efforts to establish an ethical culture

We sought to establish:

- are our employees aligned with leadership?
- is our ethics management programme working?
- what is not working and likely to cause problems in the future?

To gain a broad view of our ethical climate, individual interviews were conducted under the conditions of protected anonymity, with specifically selected members of the executive and randomly selected members of management at our operations. The aim of these interviews was to gain insight in the level of ethical leadership at RBPlat and to guide the formulation of Company-specific survey questions, which were used to design an anonymous online survey.

The seven dimensions of an ethical climate tested were:

- **Clarity of ethical expectation:** Is it clear to employees exactly what is expected of them in terms of ethical behaviour?
- **Consistency of ethical expectations:** Is what RBPlat expects of employees in line with what employees experience in terms of the expectations that their seniors and colleagues have of them?
- **Achievability of ethical expectations:** Do employees feel that RBPlat’s ethical expectations are reasonable, realistic and achievable?

- **Supportability of a healthy ethical climate:** Does the environment support a healthy ethical climate through trust, fairness and good leadership example?
- **Visibility of misconduct:** Perceptions about the ease of hiding misconduct and awareness of current misconduct
- **Two-way discussion of ethics and misconduct:** Adequacy of two-way communication and ease of reporting misconduct
- **Corrective action:** How is ethical behaviour rewarded and how is unethical behaviour treated?

The survey also asked employees to rate how well they thought RBPlat is living its values.

Regarding:

- *Being transparent, responsible and accountable:* 63% rank RBPlat's performance as very well or well and 33% rate our performance as fair
- *Putting safety first:* 84% believe we perform very well or well and 15% rate our performance as fair, with only 1% rating our performance as poor or very poor
- *Achieving mutual goals and interests:* 60% believe we perform very well or well in this regard and 33% rate our performance as fair, leaving 7% rating our performance as poor or very poor
- *Diversity and inclusion:* 60% believe we perform very well or well in this regard and 28% rate our performance as fair, leaving 11% who believe our performance in this regard is poor or very poor.

Ninety-five percent of those surveyed said that they believed that behaving in line with the organisation's code of ethics has a positive effect on the organisation and its stakeholders.

Our plans to improve the ethical culture in RBPlat

The survey established that the general health of RBPlat's ethical climate and organisational culture is positive and there was no indication of pervasive systemic issues that required immediate intervention. There are, however, certain issues that do require attention in our operations, with *Consistency of ethical expectations* being identified as a high-risk area needing special focus. To address the issues requiring attention we will be:

1. Sharing the results of the survey with leadership in our operations and working with leadership to ensure we achieve an improvement in RBPlat's ethical climate and culture
2. Increasing awareness of our code of ethics and our commitment to an ethical culture to achieve a unifying vision for RBPlat and ensuring the code becomes a living document for the organisation
3. Ensuring management communication:
 - a. makes it clear that contravening RBPlat's values and rules will not be tolerated
 - b. encourages employees to report any instances of values and rules being contravened
 - c. informs employees of the consequences of victimisation
 - d. manages fears about job security that may discourage employees from reporting the contravention of the rules
4. Highlighting the channels employees can use to report unethical behaviour or to check their understanding of what is and what is not ethical behaviour
5. Sharing information on hotline statistics and the outcome of disciplinary procedures with employees with the aim of being transparent, responsible and accountable and ensuring employees see that while misconduct does not go unpunished employees are treated fairly
6. Taking decisive corrective action against any employees found guilty of contravening values and rules.

INTELLECTUAL CAPITAL continued

ACHIEVING GOOD PERFORMANCE

By our application of:

		For more information on our application of these principles
Principle 4	The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process	6 – 7 8 – 9 11 – 12 22 24 – 25 41
Principle 5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance and custodian of corporate governance in the organisation	1

Our application of Principle 4

RBPlat recognises that its activities and outputs can have both positive and negative impacts on the triple context (the 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.

When we set our strategic objectives (see page 35) we assess the risks and opportunities they present in relation to our risk appetite and risk tolerance, which considers the triple context, establish our key performance indicators (KPIs), the key risk indicators (KRIs) for each KPI, and measure our performance against these KRIs (see our performance in terms of our corporate risk appetite dashboard on pages 36 and 37). The business model we use to create economic value (see pages 22 to 23) also incorporates the triple context and explains how we use our stock of the six capitals to create value (for details of our performance in terms of our financial, manufactured, human, intellectual, social and relationship and natural capital, see pages 42 to 51, 52 to 69, 70 to 83, 84 to 99, 100 to 113 and 114 to 130).

Our commitment to creating social value resulted in the establishment of a home ownership scheme for our employees, which for many provided them with the first opportunity they have had to own an asset, which is likely to appreciate over time (see pages 81 to 83).



RBPlat employees returning to their homes after work

Our investment in the Styldrift I project has provided us with an opportunity to achieve profitable organic growth, create employment, ensure the future sustainability of our business and create value for our stakeholders (see pages 50 and 51). Our acquisition of Maseve will further increase stakeholder value by providing the concentrator capacity that will allow us to ramp up Styldrift I to 230ktpm (see pages 64 and 69).



Digitalisation is key to improved underground surveying

Towards operational excellence

In order to further develop our ability to efficiently and effectively manage projects, a key area of expertise for our business, we are establishing a project support function, supported by a project management framework, which will use digitalisation to assist with the identification of the interdependencies/links between projects to ensure project integration and communication, standardisation and the elimination of the duplication of resources and processes. The framework will also have the requisite assurance and auditing capabilities.

The technologies we selected have been implemented, part of which was the earned value management (EVM) system which was implemented using Prism software and we are currently in the support phase. We will be recruiting the human capital resources to support the implemented technologies in 2018.

Our application of Principle 5

We engage with our stakeholders throughout the year to provide them with information on our performance, any challenges we are facing and our view of the future. We do this through both our quarterly, interim and annual reporting, presentations, one-on-one conversations and face-to-face meetings. We also make every effort through our engagement to address stakeholder concerns and their requests for information as transparently as possible.

➤ The rigorous materiality process we follow (see the section on our risks, opportunities and material issues on pages 38 to 41) helps us to identify and address the matters material to our stakeholders in our reporting.






➤ Our efforts to achieve integrated reporting, which provides our management with an integrated view of our business throughout the year and allows for integrated thinking, are ongoing. Our combined assurance model, which includes both internal and external assurance services, provides our Board and our stakeholders with the comfort that they can rely on the integrity of the economic, social and environmental information in our reports. The Board of RBPlat also assumes responsibility for the integrity of our integrated reports (see page 1 of this report) and plays an important role in its preparation.

➤ We would refer you to the relationship capital section of this report for information on the process we follow to identify our stakeholders and the matters of concern to them (see pages 106 and 113).

INTELLECTUAL CAPITAL continued

ACHIEVING EFFECTIVE CONTROL AND LEGITIMACY

By our application of:

		For more information on our application of these principles
Principle 6	The governing body should serve as the focal point and custodian of corporate governance in the organisation	
Principle 7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	
Principle 8	The governing body should ensure 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	
Principle 9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness	
Principle 10	The governing body should ensure that the appointment of and delegation to management contributed to role clarity and the effective exercise of authority and responsibilities	

Our application of Principles 6, 7, 8, 9 and 10

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.

Our Board performs its duties within a framework of policies and controls, which 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.

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. In addition, the Board delegates authority to the Executive Committee, which in turn delegates authority to heads of department, who in turn delegate authority to members of their leadership team.



OUR BOARD AND COMMITTEE ACTIVITIES IN 2017

What kept our Board busy this year	What will keep the Board busy in 2018
<ul style="list-style-type: none"> ➤ Raising funding for Styldrifft project, the acquisition of Maseve and decisions regarding the 230ktpm ramp-up of Styldrifft I ➤ Management of stakeholder risk as an integral part of organisation-wide risk management ➤ Succession planning 	<ul style="list-style-type: none"> ➤ Succession planning with regard to Board committees, its Chairman and the CEO ➤ Ongoing in-depth review of RBPlat's strategic direction
<ul style="list-style-type: none"> ➤ In-depth review of RBPlat's strategic direction ➤ South shaft/rightsizing the business ➤ Profitability of the business ➤ Cost reduction and containment 	<ul style="list-style-type: none"> ➤ Management of stakeholder risk as an integrated part of organisation-wide risk management ➤ Profitability of the business ➤ Bedding down the Maseve acquisition ➤ Pursue value-enhancing opportunities

What kept our Audit and Risk Committee busy this year	What will keep the committee busy in 2018
<ul style="list-style-type: none"> ➤ Assessing various fundraising options and strategies and implementation plans ➤ Terms and conditions of the Maseve acquisition and key risks and opportunities associated with this acquisition ➤ Assessing the internal audit appointment of KPMG and the way forward given the allegations around their role as auditors of the Oakbay group of companies and their involvement in the SARS report ➤ Reviewing risks connected to cancellation of the JIC contract at BRPM ➤ Cost structures and the outcome of cost reduction programmes ➤ Technology and information governance structures ➤ Impairment review ➤ Profitability review 	<ul style="list-style-type: none"> ➤ Reviewing the Styldrifft I accounting policy with regard to capital and operating expenditure ➤ Ongoing ERM implementation ➤ Technology and information governance structures and controls ➤ Progress with cost reduction programmes to improve fixed and variable costs ➤ Treasury and investment performance

The Audit and Risk Committee Report is available on page 3 of the annual financial statements and the social and ethics committee report is on page 138.



What kept the Social and Ethics Committee busy this year	What will keep the Social and Ethics committee busy in 2018
<ul style="list-style-type: none"> ➤ Safety, occupational hygiene and occupational wellness ➤ Stakeholder engagement with regard to community engagement and engagement on the Mining Charter 	<ul style="list-style-type: none"> ➤ Safety performance ➤ Sustainability focus areas including: <ul style="list-style-type: none"> — water, energy and climate change strategy plans implementation ➤ Ethics intervention
<ul style="list-style-type: none"> ➤ 2017 sustainability focus areas ➤ Climate change vulnerability assessment ➤ Water and energy management strategy implementation plans ➤ Update on the BRPM closure rehabilitation trust obligations and closure assessment for BRPM and Styldrifft I ➤ BRPM UG2 rehabilitation study ➤ BRPM ground water update model 	

What kept our Remuneration and Nomination Committee busy this year	What will keep the committee busy in 2018
<ul style="list-style-type: none"> ➤ Monitor and review the Group's voluntary severance and section 189 processes ➤ Talent management and succession planning 	<ul style="list-style-type: none"> ➤ Finalise revamped long-term incentive plans ➤ Monitor and review resources planning and organisational structure for Styldrifft I
<ul style="list-style-type: none"> ➤ Formal assessment of succession candidates ➤ Review revamp of long-term incentive plans 	


What kept the ad hoc Technical Committee busy this year	What will keep the committee busy in 2018
<ul style="list-style-type: none"> ➤ Assisted with review of overall business and operational strategies 	<ul style="list-style-type: none"> ➤ Support the executive, operational and project team with the achievement of further operational improvement and ensuring the achievement of the Styldrifft I ramp-up
<ul style="list-style-type: none"> ➤ Styldrifft I project progress analysis ➤ Review of key business plan technical inputs ➤ Review of technical aspects of the Maseve transaction 	

What kept the ad hoc Finance Committee busy this year	What will keep the committee busy in 2018
Reviewed: <ul style="list-style-type: none"> ➤ Details around the R2 billion debt funding package ➤ R1.2 billion convertible bond issue ➤ Maseve transaction valuation metrics and funding solution 	<ul style="list-style-type: none"> ➤ Review of proposed financial transactions

INTELLECTUAL CAPITAL continued

The diagram below looks at how we are using our governance structures to provide direction and leadership, set and steer strategy, establish an ethical culture, effective control and legitimacy through accountability, delegation, monitoring and oversight and ultimately create value for our stakeholders.

THE BOARD PROVIDES DIRECTION

 Setting, steering and overseeing strategy and business plans, risk and opportunity management, performance and sustainable development with the aim of creating sustainable value for all our stakeholders (see the Chairman's review on page 8 for more information).

AS GOVERNANCE CUSTODIAN BY ESTABLISHING ACCOUNTABILITY, DELEGATION, MONITORING AND OVERSIGHT IT:

 6

► facilitates the establishment of an ethical culture by demonstrating ethical leadership, approving an appropriate code of ethics, fraud and corruption prevention policy and ensuring management's accountability for establishing an ethical culture

 3  11  12  15  16

► ensures appropriate strategies, policies, charters, terms of reference, etc. and assurance services and functions are in place to achieve compliance with relevant laws and regulations; effective control at Board, committee, executive and management level; effective risk management and technology and information governance; and facilitates responsible corporate citizenship and a stakeholder-inclusive approach that will help us achieve *More than mining*. See the capitals for information on their application

 6  10

► puts in place arrangements for delegation of authorities that promote independent judgement, a balance of power, and leads to the effective discharge of duties within the Board and its committee structures as well as at executive and management level

► our MOI 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

► established that the appointed Company Secretary maintains an arm's length relationship with the RBPlat executive team; the Board does not interfere with the performance of his corporate governance responsibilities and, as required in terms of section 3.84 (h) of the JSE Listings Requirements, having assessed his abilities based on his qualifications, experience and levels of competence over the past eight years, endorsed and confirmed his appointment as Company Secretary at its meeting held in February 2018.

DELEGATION TO BOARD COMMITTEES

8 **Accountability, monitoring and oversight**

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.

BOARD COMMITTEES

SOCIAL AND ETHICS COMMITTEE

Members are all non-executive directors and the majority are independent non-executive directors – see pages 18 to 20. The committee’s report is available on page 138 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 to 20.

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 of our financial reporting
- > ensuring appropriateness of financial reporting procedures and their application
- > risk governance
- > technology and information governance
- > internal and external audit oversight
- > funding-related matters.

REMUNERATION AND NOMINATION COMMITTEE

Members are all independent non-executive directors – see pages 18 to 20. The remuneration report is available on page 132 of this report.

The committee:

- > reviews key human resources practices, policies and strategies to ensure the organisation remunerates fairly and responsibly
- > ensures transparent, accurate and complete remuneration disclosure
- > ensures talent management and executive succession planning

Ad hoc Technical and Finance committees made up of members of RBPlat’s executive management and Board who address specific technical and financial matters such as the acquisition of Maseve and fundraising projects.

ACCOUNTABILITY AND DELEGATION TO EXECUTIVE AND OPERATIONAL MANAGEMENT

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.

Using corporate governance to create sustainable value for our stakeholders

INTELLECTUAL CAPITAL continued



ACHIEVING EFFECTIVE CONTROL

By our application of:

		For more information on our application of these principles
Principle 11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	35

THE CONTRIBUTION RISK GOVERNANCE AND TECHNOLOGY AND INFORMATION GOVERNANCE MAKE TO OUR INTELLECTUAL CAPITAL

Risk governance



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 the risk of mining on page 35 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 and mine managers, 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 outsourced to KPMG 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. PwC as external auditors 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.



ACHIEVING EFFECTIVE CONTROL continued

By our application of:

		For more information on our application of these principles
Principle 12	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	

Technology and information governance

Technology and information governance is a focus area of the Audit and Risk Committee, responsibility for which was delegated to it by the Board. Executive responsibility for technology and information governance lies with the Financial Director who heads up the Information Management Steering Committee (a subcommittee of the Executive Committee), which oversees the implementation of the information governance framework and the management of related risks, and reports to the Audit and Risk Committee through the Executive Committee.

The technology and information governance focus for 2017 was on the reorganisation and repositioning of RBPlat’s information technology support, developing and implementing new policies and procedures and formalising the architectural process. A re-evaluation of our network and systems with the aim of improving performance was also undertaken.

Key initiatives that RBPlat will be focusing on in 2018, some of which are already in progress, include:

- ongoing development and implementation of formal policies and procedures for key processes
- information technology organisational restructure to ensure effective management of key information technology infrastructure (ITIL) processes
- a review of our IT tools to ensure the proactive monitoring and evaluation of the IT environment
- reorganising and repositioning the RBPlat IT support function.

Doing what we do better by applying technology, digitalisation and organisational knowledge

The mechanisation of Styldrift I presents us with a number of opportunities to make innovative use of technology and digitalisation. Our aim is to ensure we have access to quality data in real time to support rapid and accurate decision-making.

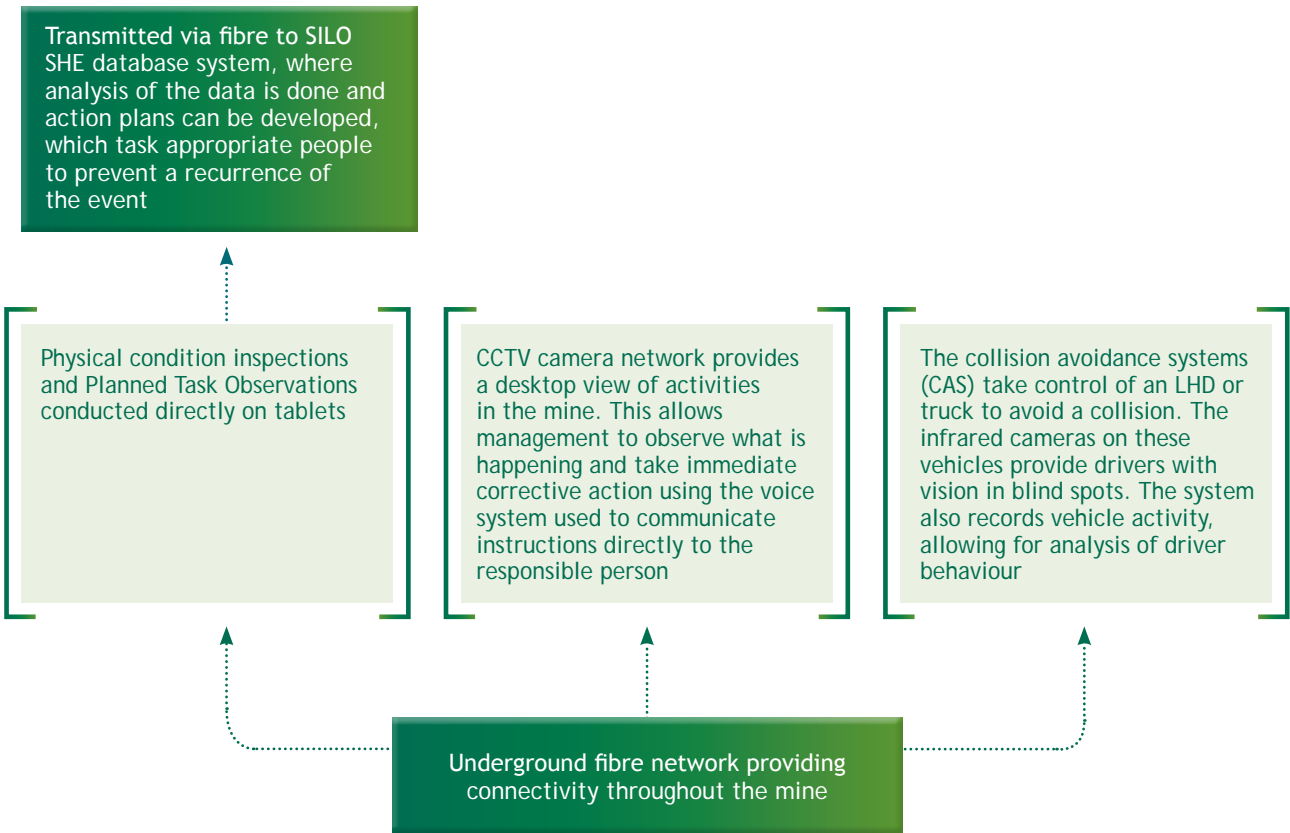
The installation of a collision avoidance system on our underground low profile (LP) haul trucks and load haul dump (LHD) vehicles, that takes control of the vehicle by automatically retarding and stopping the vehicle if the operator does not respond to an alert, is one of the uses of technology being employed to achieve safe, efficient production. Infrared cameras also record driver behaviour.

The integration of this system with the high-speed underground data network installed at Styldrift I enables the convergence of these technologies with software-based maintenance and fleet management systems, which have not previously been implemented in underground low profile mines such as Styldrift I.

All electrically driven fixed machinery installations at Styldrift I are operated by localised programmable logic controller-based software and connected to an integrated monitoring system via the high-speed underground network. Access to a high-speed fibre network allows mine management at Styldrift I to observe operations in real time and take immediate action when required.

INTELLECTUAL CAPITAL continued

The diagram below illustrates some of the technologies in use at Styldrift I.



ACHIEVING LEGITIMACY

By our application of:

		For more information on our application of these principles
Principle 13	The governing body should govern compliance with applicable law and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen	

Compliance governance

Compliance with laws and regulations

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 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 compliance during 2017

RBPlat has complied with the JSE Listings Requirements during the year under review including being in the process of obtaining a BEE compliance certificate in accordance with section 13G(2) of the BEE Act.

RBPlat’s regulatory compliance universe outlines a list of over 81 pieces of legislation and regulations in relation to minerals, land, environment, geology, human resources, engineering, safety and health, financial, information technology, the Companies Act, JSE Listings Requirements, etc. which we monitor to ensure compliance. Our regulatory compliance universe categorises each item, the seriousness of its legislative impact and the probability of non-compliance. It also allocates a priority ranking to the core 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.

ACHIEVING LEGITIMACY continued

By our application of:

		For more information on our application of these principles
Principle 14	The governing body should 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	 See the remuneration review on pages 132 to 137.
Principle 15	The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the organisation's external reports	 See below and see the report of the Audit and Risk Committee on page 3 of the annual financial statements. See pages 139 to 141.
Principle 16	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time	

Application of Principle 14

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 key performance indicators linked to our strategic objectives (see page 133 of this report for these measures). The remuneration review on pages 132 to 137 sets out our remuneration philosophy and structure and how we measure executive performance.

Application of Principle 15

Combined assurance

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 our outsourced internal audit service provider. 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 138 of this report).



INTELLECTUAL CAPITAL continued

COMBINED ASSURANCE PLAN

Value drivers and associated key threats	First line of defence	Second line of defence Internal assurance providers			Third line of defence	Governance structure reported to Board and its committees	Framework/standard	Outcome	Frequency of assurance
	Management	SHE	Risk and compliance	Sustainability	Independent assurance providers				
Safe operating conditions					Other external assurance providers	> Executive > Audit and Risk > Social and Ethics	> Safety legal compliance audit		Annual
Environmentally responsible operations					KPMG internal audit on sustainability information	> Executive > Social and Ethics	> ISO 14001 (2015) environmental management system	BRPM and Styl drift I recertified	Annual
					Other external assurance providers	> Executive > Social and Ethics	> ISO 9001 standards relating to quality	BRPM and Styl drift I recertified	Biennial
					Environmental legal compliance audit	> Executive > Social and Ethics	> OHSAS 18001 occupational health and safety assessment certification	BRPM and Styl drift I recertified	Biennial
Achieve growth objectives					External audit	> Executive > Audit and Risk	> Business plan	Ongoing monitoring through implementation of risk action plans as per risk registers	Quarterly and annually
Achieve operational, profitability and liquidity objectives					KPMG internal audit on ore accounting	> Executive > Audit and Risk > Social and Ethics	> Business plan	Ongoing monitoring through implementation of risk action plans as per risk registers	Quarterly and annually
Achieve company strategy					KPMG internal audit	> Executive > Audit and Risk > Social and Ethics		Ongoing monitoring through implementation of risk action plans as per risk registers	Quarterly
Motivated workforce					Other external assurance providers	> Executive > Audit and Risk > Social and Ethics		Monitored through risk registers	Quarterly and annually
Mining operations					Other external assurance providers	> Executive > Audit and Risk			Biennial
Accurate and timely reporting					External audit (PwC)	> Executive > Audit and Risk			Annual
					KPMG internal audit of compliance to income tax and VAT acts	> Social and ethics > Remuneration and Nomination			

Legend

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

Application of Principle 16

Our approach to stakeholder relations

Balancing the needs, interests and expectations of RBPlat's stakeholders has been identified as being one of RBPlat's material issues. Information on how we have approached our stakeholder relations can be found in the social and relationship capital section of this report (pages 105 to 113). The Board also identified stakeholder relations in terms of its role regarding investors as being a material corporate governance issue. To address this issue RBPlat engaged with the investor community, both locally and internationally, during 2017 to keep them informed regarding RBPlat and to obtain feedback.

RBPlat's recognition of the importance of engaging with the investor community is reflected in the appointment of an Executive: Investor Relations to the Executive Committee.

Social and relationship capital



This section of the report looks at our approach to creating value for the communities in which we operate through delivering on our social and labour plan, enterprise and supplier development, our discretionary procurement from historically disadvantaged South Africans (HDSAs) and local HDSAs. It also includes information on our efforts to engage with and respond to our stakeholders

Achievements



- > **Provided 315 learners** from our doorstep communities with the opportunity to **acquire portable skills**
- > **Invested R2.4 million** in developing the capacity and skills of **local HDSA business owners**

Improvements



- > **87% increase** in our total **discretionary procurement** spend with HDSA companies
- > **39.5%** of our **total HDSA discretionary procurement** was from local HDSA companies

Disappointments



- > The challenges experienced in our effort to **improve the maths and science performance** at Charora High School

SOCIAL AND RELATIONSHIP CAPITAL continued

SOCIAL CAPITAL

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

Our doorstep communities are in the Mafenya, Chaneng, Robega and Rasimone villages (known as MACHARORA). Robega village is on state-owned land and the other three villages are on RBN land. However, all of the villages are currently administered by the RBN.

For the period 2010 to 2014 the investment we made in our communities was in accordance with the requirements of Mining Charter II and our social and labour plans (SLPs) for BRPM and Styldrift I. The SLPs were the end result of a collaborative process which included a needs analysis drawn up following extensive consultation with our doorstep communities, local government, the Rustenburg municipality and the RBN, which was submitted to the Department: Mineral Resources (DMR) and received its approval. Mining Charter III, which was intended to cover the period 2015 to 2019, is still under discussion, and while we have drawn up our SLPs, these have not as yet been approved. We are, however, making every effort to implement our SLPs, despite having to reduce our planned SLP expenditure in recent years when adverse market conditions impacted our ability to generate revenue.



Our SLPs focus on basic infrastructure, health support, education, and community skills

development, poverty alleviation and job creation. For the past two years we have focused where we believed our investment would contribute most to the sustainability of the communities in which we operate and that of our business, which is on education support, portable skills development and agricultural support.

Education support and Plan 35

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

- maths and science learning
- governance
- school management skills at all levels including school governing bodies
- infrastructure
- safety and security.

It 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 educational effort,

which in turn is one of the targets of the human welfare pillar of the RBN's Plan 35 national development goals.

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).

Our support of the UN SDGs is explained on our website at <http://www.bafokengplatinum.co.za/sustainability.php> and highlighted in this report by means of icons.

MATHS AND SCIENCE PROGRESS AT CHARORA SECONDARY SCHOOL WHERE RBPLAT HAS INVESTED IN MATHS AND SCIENCE TEACHING

This year the number of learners who wrote matric maths at Charora Secondary School continued to increase. If we exclude 10 progressed learners who, despite not passing maths since Grade 10, were promoted to Grade 12 in accordance with Department: Education policy. There was a 27% increase in the numbers of learners who wrote maths for matric (75 learners wrote maths for matric this year). Three of these learners achieved distinctions and 21 passed maths at 50% and above. One learner achieved a distinction in science. In 2012, before our project started, only 20 learners wrote maths, of whom only 10 passed at 50% and above. The school's maths and science learners made up 65.7% of its learners who achieved passes that qualified them to study bachelor's degrees at university or college.

Challenges

The lack of competent teachers in the lower grades at the school is impacting negatively on achieving a sustained good performance from the project. There is also a high teacher attrition rate at the school, which results in the skills transfer achieved by the project teachers being lost to Charora.

🔍 Social and labour plan expenditure for both BRPM and Styldrift I

Category	% change year-on-year	2017 R (million)	2016 R (million)	2015 R (million)
Health support	(50.0)	0.2	0.4	0.1
Poverty alleviation and job creation	(52.9)	0.8	1.7	2.8
Education support	33.3	3.6	2.7	2.6
Community skills development	2 300.0	2.4	0.1	4.4
Housing and living conditions	(99.9)	0.3	251.1*	—
Enterprise development	100	1.7	—	—
Community infrastructure	(100)	—	0.1	10.5
Discretionary funds	42.9	1.0	0.7	1.8
Subtotal	(96.1)	10.1	256.7	22.2
SLP training and development	(0.3)	30.3	30.4	52.4
Total	(85.9)	40.5	287.1	74.6

* This figure includes a once-off payment connected with our employee home ownership scheme, which forms part of our commitments in terms of Mining Charter II

Health support



Our health support contributes to the salaries of additional nurses at the Chaneng clinic, which is short-staffed. The clinic is managed by the RBN as part of its focus on supporting and upgrading the government's primary health care system for the benefit of everyone in the region. One of its Plan 35 goals is healthy individuals with access to preventative and reactive medical care. In 2014, RBPlat invested R7.4 million in health support, which included the cost of constructing and equipping a desperately needed new forensic pathology facility in Phokeng. This facility serves all the communities in the area, not only the RBN community.

SOCIAL AND RELATIONSHIP CAPITAL continued

ECONOMIC OPPORTUNITIES

Portable skills development



During 2017 we were able to offer 315 learners from our doorstep communities the opportunity to acquire portable skills through a Mining Qualifications Authority (MQA) sponsored training programme. Each village put forward the names of young people from their community who first of all completed a baseline assessment of their skills. Following the assessment some members of the group were put on adult education and training (AET) programmes and others began their electrical, welding, plumbing and carpentry training. The training for each skill included a month of theory and two months of practical training. The learners were tested at the end of each set of training and those who passed were presented with certificates.

The portable skills these learners have acquired give them an opportunity to obtain employment or become self-employed service providers.

A group of young learners from our doorstep communities was able to help wire some of the houses in our employee home ownership scheme while completing their practical electrical training as part of the MQA-sponsored training provided to 315 young people from our doorstep communities. It was good to see that there were young women in the group. From left to right: Three young women from Robega village: Ntefo Modise, Tebogo Lesenya and Queen Motswatswa; Nelson Moletsane, on the ladder instructing the learners is David Moepi who works for the electrical contractors wiring the houses



ENTERPRISE AND SUPPLIER DEVELOPMENT



During 2017 we invested R2.4 million in developing the capacity and skills of 60 local HDSA business owners.

Each business owner was assessed and provided with appropriate training. We partnered with the University of Johannesburg, whose team assessed the business owners and trained them.

Local business owners during SMME training provided by the University of Johannesburg, who partnered with RBPlat to assess business owners and provide them with appropriate training

Our discretionary procurement spend

We were able to both exceed the final HDSA discretionary procurement targets set in the Mining Charter covering the period 2010 to 2014 and make progress towards achieving the HDSA discretionary procurement targets proposed in the revised Mining Charter using the interim targets we set ourselves, which were:

- Capital spend 60%
- Consumables spend 70%
- Services spend 80%

Our discretionary procurement spend with HDSA companies made up 87% of our total discretionary spend in 2017.

We were also able to meet and exceed the internal target that we set ourselves for local HDSA discretionary procurement, which was for 35% of our HDSA discretionary procurement spend to be with local HDSA businesses.



During 2017, we procured 39.5% of this spend from local HDSA suppliers.

Enterprise and supplier development

During 2017, we invested R2.4 million in the support and development of 60 local emerging black businesses entrepreneurs with the aim of building capacity in these businesses and transferring business skills. Each business owner was assessed and following the assessment a programme was specifically designed to address his/her skills gaps.

Total HDSA discretionary procurement

Categories	DMR targets %	RBPlat targets %	Discretionary procurement spend R (million)	HDSA procurement spend R (million)	2017 Total discretionary procurement spend with HDSA companies %	2016 Total discretionary procurement spend with HDSA companies %
Capital	40	60	701.3	550.7	78.5	72.8
Consumables	50	70	565.5	479.4	84.8	69.4
Services	70	80	1 426.3	1 311.8	92.0	86.8
Total spend			2 693.1	2 341.9	87.0	79.6

Total local HDSA discretionary procurement

Categories	RBPlat target %	Local HDSA procurement spend R (million)	2017 % of total HDSA discretionary procurement spend with local HDSA companies %	2016 % of total HDSA discretionary procurement spend with local HDSA companies %
Capital		60.4		
Consumables	35.0*	64.7	39.5*	31.1
Services		799.5		
Total spend		924.6		

* This target applies to all three categories

HDSA discretionary procurement

Discretionary spend	% change year-on-year	2017 %	2016 %	2015 %
Percentage of total discretionary procurement spend with HDSA companies	9.3	87.0	79.6	74.2
Percentage of local* HDSA discretionary procurement spend	27.0	39.5	31.1	19.0

* We have defined local as being within a 50km radius of our operations

RELATIONSHIP CAPITAL

Delivering on our value: Promises delivered *We do what we say* is an important element of our engagement and response to our stakeholders.

Each capital consists of resources and relationships and it is challenging to always get these

relationships right. Our ability to build a stock of relationship capital depends on how effective we are at:

- identifying our stakeholders and changes in stakeholder groups
- identifying the forces at play that can affect our relationships
- identifying the matters that are of concern to our stakeholders
- engaging, listening and responding to our stakeholders
- addressing misperceptions regarding our organisation

➤ assessing the quality of our relationships with our stakeholders.

🏠 Our Board approved the sustainability and stakeholder engagement framework that provides clear guidelines for the identification of our stakeholders and sets out accountability for engagement and responsiveness with our identified stakeholders, which it has delegated to management. It also includes an implementation plan.

SOCIAL AND RELATIONSHIP CAPITAL continued

We introduced a stakeholder relationship assessment process in 2015, conducted by independent researchers, who interviewed stakeholders from the community, government (the DMR), unions and the internal stakeholders who interact with these stakeholders. The aim of this process was to determine the quality of the relationships and to enhance our understanding of issues material to these stakeholders. We will be continuing with this process in 2018 and will also be including the investor community in our process.

16 The RBPlat Board, recognising that it is always possible to do better with stakeholder engagement, has identified enhancing stakeholder engagement practice throughout the organisation as one of its key focus areas during 2018. Its objective is

to bring our engagement more in line with the recommendations of King IV.

Identifying our stakeholders and issues material to them

16 Our annual Board-approved materiality determination process (see pages 38 to 41 of this report) not only identifies the issues material to our business and our stakeholders (currently and in the future), it also allows us to review the stakeholders we have previously identified and identify any new stakeholders.

Our engagement with and response to our stakeholders throughout the year, by means of a wide variety of communication methods and structures, both formal and informal, also helps us to not only identify issues that affect both our

stakeholders and RBPlat, but also to confirm our identification of our stakeholders. In certain instances, our engagement is by means of industry bodies, such as the Chamber of Mines, that engages with government on behalf of the mining industry, and international platinum industry bodies that promote the use of platinum on our behalf. We also engage through the RBN structures on some of our SLP projects, as they have long-established relationships that assist us with access to schools, etc.

Our engagement with our doorstep communities during 2017 has highlighted new stakeholders and additional issues material to the communities, which we have included in this section.

16 OUR STAKEHOLDER RELATIONSHIPS

EXTERNAL STAKEHOLDERS

Stakeholders	Matters of concern to both parties
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Investment community, joint venture partner, providers of debt and media

- > Uncertainty regarding the DMR's approach, including an overzealous approach to section 54 safety stoppages and the new Mining Charter
- > RBPlat's ability to ramp up Styldrift I to 150ktpm by the end of 2018
- > Weak PGM pricing environment that has persisted for too long
- > Impact of battery electric vehicles on platinum demand
- > Safety performance at our operations
- > Impact of South Africa's political and economic risk on RBPlat's funding plan and profitability
- > Impact of costs on profitability
- > Funding requirements and ability to raise capital
- > Limited returns generated for shareholders
- > Use of technology and innovation to improve productivity and cost management
- > Impact of Maseve purchase on future prospects
- > RBPlat's environmental, social and governance (ESG) performance

Business partners

- > Performance of both parties in terms of our offtake agreement
- > Impact of Impala Platinum Limited's performance against its royalty agreements with RBPlat on our financial performance

Risks

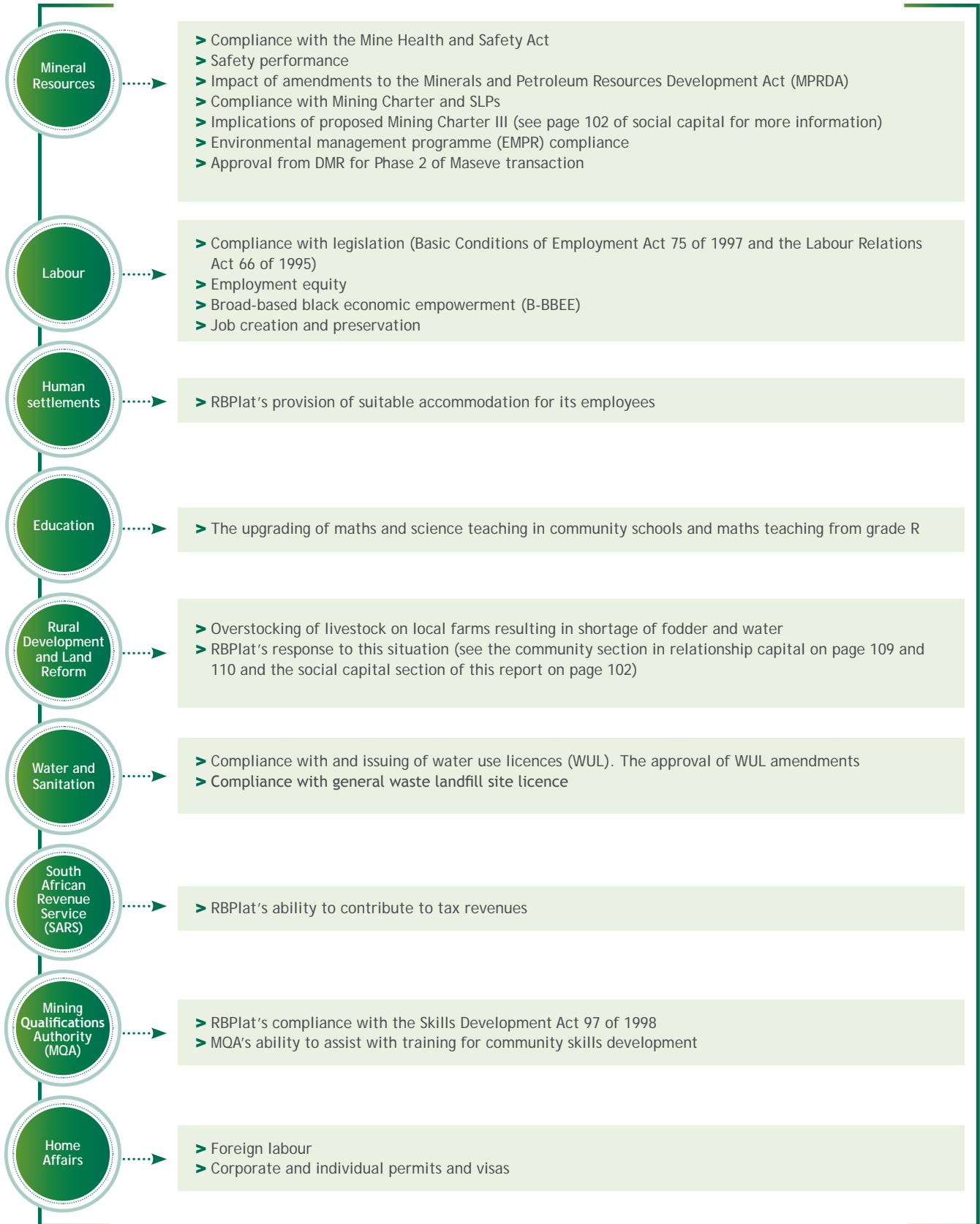
- > The loss of investor confidence resulting in undervaluation of RBPlat share price

Opportunities

- RBPlat's management ensures they:
- > are accessible to the market at all times
 - > engage and respond through regular one-on-one meetings, roadshows, conferences, site visits and results presentations, which are available on our website
 - > regular and timeous reporting aimed at providing stakeholders with the information they need to assess RBPlat's performance and its future sustainability

GOVERNMENT AND REGULATORS (national government departments)

Stakeholders Matters of concern to both parties



SOCIAL AND RELATIONSHIP CAPITAL continued

PROVINCIAL AND LOCAL GOVERNMENT DEPARTMENTS AND MUNICIPALITIES

Stakeholders Matters of concern to both parties

North West Department: Rural, Environment & Agriculture

Rustenburg Local Municipality

> Assessment and approval of environmental impact assessments (EIAs)

> Ability of the municipality to provide water, electricity and infrastructure to our employee home ownership scheme. The impact of the housing scheme on strained resources
 > RBPlat's commitment to supporting the municipality's integrated development plan (IDP)





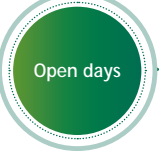


Risks

- > Uncertainty regarding the DMR's approach
- > Our ability to meet legislative requirements and in particular MPRDA amendments and proposed Mining Charter III
- > Penalties for non-compliance
- > Potential for projects to be delayed if EIA, EMP and WUL approvals are not obtained
- > Inability of Rustenburg Local Municipality infrastructure to provide for our employee home ownership scheme
- > Increasing cost of electricity placing a strain on the finances of our employees
- > Impact of current economic environment on our ability to invest in community skills development

Opportunities

- > Keep the Mine Health and Safety Inspectorate updated on actions we have taken to keep our people safe and healthy
- > Ensure compliance with legislation and regulations
- > Communicate with government through the Chamber of Mines, but also directly with the relevant ministries, to address our concerns regarding the inspectorate's approach to applying legislation and regulations and the delay in approvals
- > Rates, taxes and municipal services exemption for employees in our home ownership scheme in view of RBPlat's provision of infrastructure for the scheme
- > RBPlat is conducting a study into the feasibility of installing a photo-voltaic plant to generate solar energy for our employee home ownership scheme
- > MQA portable skills training of 315 community members






THE STRUCTURES, EVENTS AND MEDIA THROUGH WHICH RBPLAT ENGAGES WITH ITS DOORSTEP COMMUNITIES

Structures, events and media	Participants	Type	Frequency	Focus
	RBPlat and community members	Informal face-to-face Telephonic	Daily	Any mine-related enquiry affecting the community negatively or positively Ad hoc sponsorship/donation requests
	RBPlat representatives Doorstep community representatives Royal Bafokeng Administration (RBA) representative and councillors Rustenburg Local Municipality Ward 2 councillors	Formal face-to-face	Monthly	A formal agenda covers a range of topics from the environment to talent management, community project presentations, procurement and supply chain, as well as our employee home ownership scheme RBPlat representatives make presentations on subjects the community have enquired about Issues raised by participants at previous meetings are responded to. New issues raised are addressed where possible Issues raised that do not fall into the scope of the meeting are referred to the appropriate forum
	HR managers from both mines Human resource development (HRD) manager Recruitment officers (BRPM and Styldrift I) Three representatives from each Kgotla office Community engagement department representatives (CED)	Formal face-to-face	Fortnightly	Addresses recruitment and skills development issues raised by community members Safeguards the recruitment process flow which is adopted by RBPlat and community members
	Black economic empowerment (BEE) and enterprise development representatives HR managers CED representatives Supply chain representatives Doorstep business forums representatives	Formal face-to-face	Fortnightly	Addresses all business opportunities existing and upcoming Enterprise development of doorstep communities
	Talent Management Department and CED	Formal face-to-face	Annually	Exposure for matriculants (bursaries, learnerships, portable skills, internships and graduate programmes)
	Doorstep communities and neighbouring villages	Formal paper-based communication circulated by RBPlat in the communities	Quarterly	Community projects and events
	CED representatives RBA RBN Traditional Council	Informal face-to-face Telephonic	On request	Mine-related enquiries

SOCIAL AND RELATIONSHIP CAPITAL continued

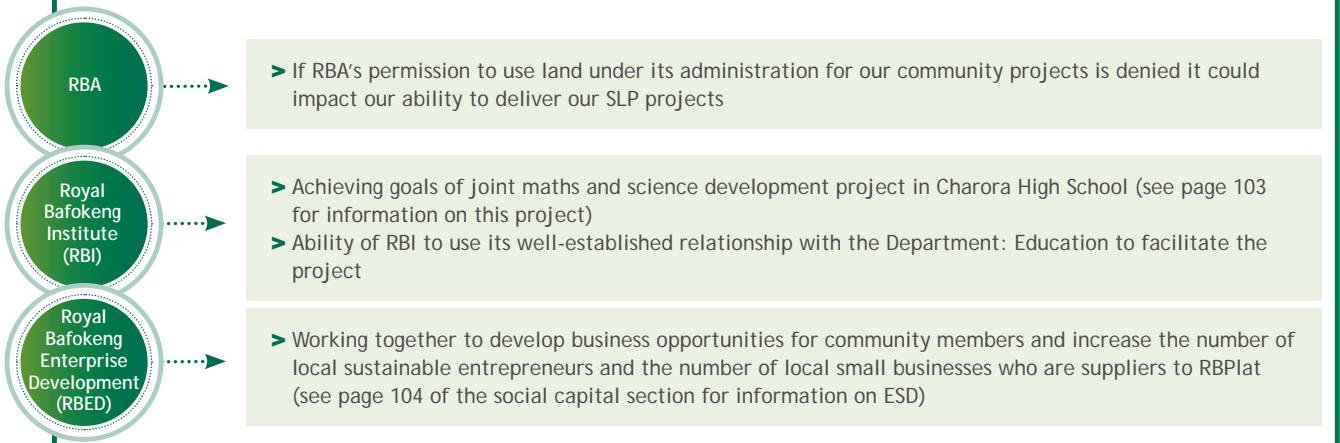
THE COMMUNITIES IN WHICH WE OPERATE

The residents of our doorstep villages: Mafenya, Chaneng, Robega and Rasimone villages

Stakeholders	Matters of concern to both parties
 <p>All residents of the villages</p>	<ul style="list-style-type: none"> > High levels of unemployment > Reduction in funding of community projects > Lack of investment in development of skills that equip community members to obtain employment or become entrepreneurs > Business opportunities and opportunities to partner with well-established companies and achieve skills transfer > Community expectations that mines will deliver where government, local authorities and municipalities have not > Community expectation of jobs from RBPlat mines > Incorrect perceptions regarding RBPlat > Environmental impact of RBPlat's operations on communities including dust and noise > Impact of climate change on availability of water and other resources (see our actions in this regard on page 121 of the natural capital section of the report) > Breakdown of formal community engagement as a result of leadership issues in the community > Addressing the challenge of overstocking of livestock, and shortage of fodder and water
 <p>The youth living in the villages</p>	<ul style="list-style-type: none"> > Employment opportunities > Education opportunities
 <p>Democratically elected community leaders</p>	<ul style="list-style-type: none"> > Transparent communication that will allow community leaders to provide their people with accurate information and feedback on their concerns > Opportunity through engagement with community leaders to address issues that are of concern to the community and to keep the community informed of RBPlat's activities intended to support and assist the communities
 <p>Political parties active in the villages</p>	<ul style="list-style-type: none"> > Perceptions regarding the impact of the closed shop agreement at the BRPM JV and RBPlat's political affiliations > RBPlat needs to understand the position of new stakeholders and what their understanding is of RBPlat and their expectations
 <p>External organisations</p>	<ul style="list-style-type: none"> > Organisations such as Bachana Business Forum are concerned about existing and upcoming business opportunities and development for our doorstep communities. It has formed a business forum in all our doorstep villages

ROYAL BAFOKENG NATION BODIES

Stakeholders Matters of concern to both parties



Risks	Opportunities
<ul style="list-style-type: none"> > Breakdown in relations with community could result in loss of social licence to operate 	<ul style="list-style-type: none"> > The engagement structures we have in place provide us with the opportunity to work closely with the communities and ensure we use every opportunity to keep them informed and to understand and, where possible, address their concerns
<ul style="list-style-type: none"> > Poor performance of PGM market and South African economy resulting in reduced investment in our SLP projects, which in turn has a negative impact on the communities and our relationship with them 	<ul style="list-style-type: none"> > Accessing MQA training support to provide 315 community members with a year of portable skills training
<ul style="list-style-type: none"> > Poor relations with new community stakeholders negatively affecting RBPlat's relationship with the communities 	<ul style="list-style-type: none"> > Engage with new stakeholders with the aim of clearing up any misunderstandings and finding a way to work together for the benefit of the communities in which we operate
<ul style="list-style-type: none"> > Increasing unemployment resulting in poverty and health issues 	<ul style="list-style-type: none"> > Portable skills training that gives community members skills they can use to earn a living > Wherever possible employ local people when there are employment opportunities at our mines

SOCIAL AND RELATIONSHIP CAPITAL continued

INDUSTRY BODIES

Stakeholders Matters of concern to both parties

International industry bodies

International Platinum Group Metals Association (IPA)

> Keeping abreast of market and industry developments

World Platinum Investment Council (WPIC)

> Success of WPIC in stimulating investor demand for platinum investment

Platinum Guild International (PGI)

> Promotion of platinum jewellery globally

Local industry bodies

Chamber of Mines of South Africa

> Ability to engage and negotiate with government on behalf of the mining industry

Risks

- > International industry bodies are not able to fulfil their mandates
- > Chamber of Mines fails to achieve any change in government's approach to legislation and in particular the Mining Charter III

Opportunities

- > WPIC successfully stimulates investor demand for physical platinum
- > PGI's campaign in India and China results in major increase in platinum jewellery sales in those countries
- > We are hopeful that the mining industry and government will be able to work together to resolve these issues

SUPPLIERS

Stakeholders Matters of concern to both parties

- > Contract terms and pricing
- > Continuity of work/demand for supplies
- > Enterprise and supplier development (ESD), particularly in local communities
- > Preferential procurement

Risks	Opportunities
<ul style="list-style-type: none"> > Reputational risk with regard to procurement practices being viewed as not ethical 	<ul style="list-style-type: none"> > Ensure RBPlat Code of Ethics and Fraud and corruption policy applied to both our employees and suppliers > Tender process strictly monitored to ensure in accordance with relevant policies and regulations
<ul style="list-style-type: none"> > Community unrest/unhappiness as a result of perception that community members are not being given preferential procurement opportunities 	<ul style="list-style-type: none"> > Engage with local SMMEs with RBED to ensure as many procurement opportunities as possible are awarded to suitable local businesses

INTERNAL STAKEHOLDERS

Stakeholders Matters of concern to both parties

- > Safe workplace
- > Remuneration
- > Team performance
- > Company performance
- > Job security
- > Impact of organisational redesign
- > Adherence to RBPlat Code of Ethics and Fraud and corruption policy

- > Fair implementation of wage agreement and incentives
- > Health and wellness
- > Company performance
- > Impact of closed shop agreement

- > Ability to meet RBPlat's requirements
- > Contract terms
- > Compliance with legislation and regulations
- > Compliance with RBPlat Code of Ethics and Fraud and corruption policy

Risks	Opportunities
<ul style="list-style-type: none"> > Any harm to people 	<ul style="list-style-type: none"> > Ongoing safety training of leadership and teams
<ul style="list-style-type: none"> > Poor productivity 	<ul style="list-style-type: none"> > Ensure remuneration rewards performance appropriately
<ul style="list-style-type: none"> > Labour instability 	<ul style="list-style-type: none"> > Regular communication with employees in the workplace through team briefings, CEO talks and electronic communication, face-to-face and electronic communication from head of operations for the BRPM JV > Operations to ensure workforce kept up to date with developments in the business > Survey effectiveness of communication > Regular communication with the union through formal structures as well as informal face-to-face meetings
<ul style="list-style-type: none"> > Reputational risk with regard to Company being viewed as not ethical 	<ul style="list-style-type: none"> > Ethical leadership in place > Ensure RBPlat Code of Ethics and Fraud and corruption policy applied to our employees, suppliers and service providers > Tender process strictly monitored to ensure in accordance with relevant policies and regulations
<ul style="list-style-type: none"> > Lack of appropriate skills 	<ul style="list-style-type: none"> > Employ specialists with the skills we need

Natural capital



Mining activities impact the natural environment. However, there is a great deal we can do to mitigate these impacts and ensure that they are not long term.

Our stock of natural capital includes the mineral resources and reserves on which our business is based, as well as the environmental resources and processes we require to operate and produce our end product, PGM concentrate.

This includes renewable (timber and water) and non-renewable (fossil fuels, minerals and metals) resources and processes, such as energy consumption, waste creation, emissions, etc.

We maintain and enhance our stock of natural capital by:

- > optimally exploiting our **mineral resources**
- > **reducing** our dependence on fossil fuels
- > using **renewable resources** from well-managed and restorable ecosystems whenever possible
- > eliminating waste by reusing or **recycling** wherever possible
- > **protecting** biodiversity and ecosystems
- > **managing** resources efficiently.

Achievements



- > **A global leader** in sustainable water management – awarded a position on the 2017 **Water A list** by CDP
- > **Improved energy efficiency at the BRPM concentrator**
The BRPM concentrator’s energy efficiency improved 2.5% year-on-year to 46.2kWh/tonne milled in 2017 (2016: 47.4kWh/tonne milled) and its performance against target was 9.4% better than its energy efficiency target for 2017 of 51.0kWh/tonne milled

Improvements



- > RBPlat completed a **climate change vulnerability assessment** to better understand our climate change risks and opportunities

Challenges



- > Finding a **sustainable local paper recycler**

Disappointments



- > **Mining energy efficiency** exceeding the target by **8.5%**



NATURAL CAPITAL continued

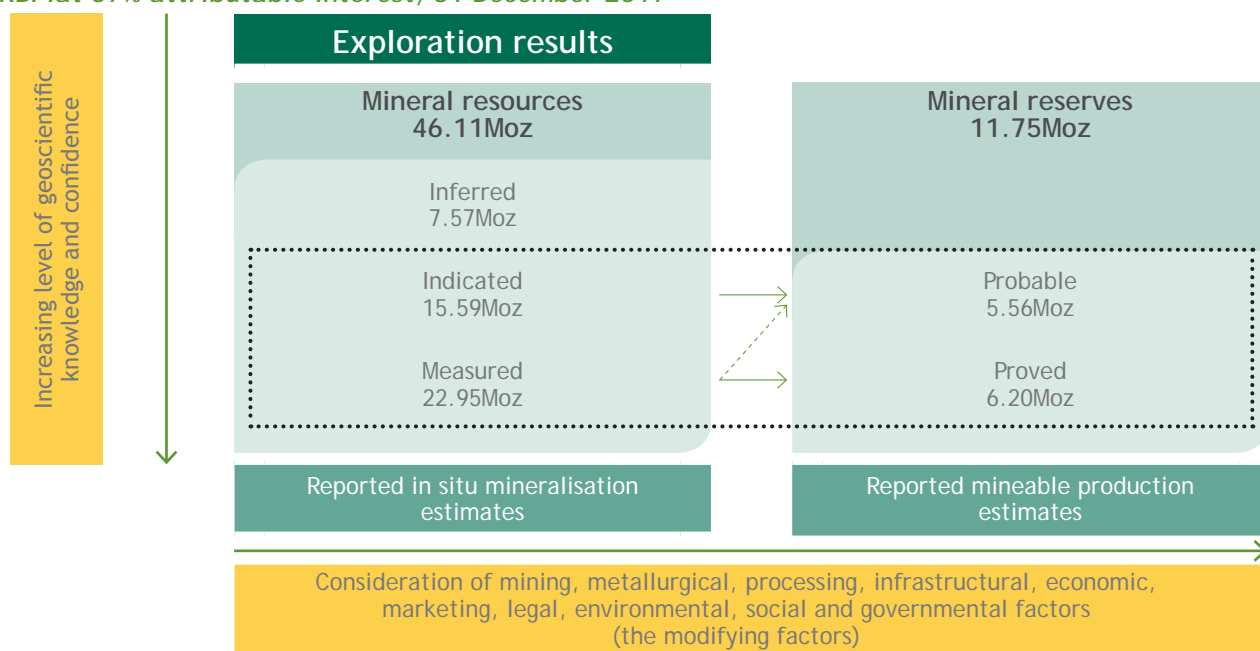
MINERAL RESOURCES AND MINERAL RESERVES

Our business is based on the mineral resources and reserves for which we have mining rights. Without this stock of natural capital our business would not exist. It is therefore essential that we mine them responsibly, efficiently and cost effectively, with the aim of creating value for all our stakeholders. It is also important that we provide our stakeholders, and in particular our investors, with accurate up-to-date information on the status of our

resources and reserves at year-end. This section of our integrated report provides a summary of the status of our mineral resources and reserves as at 31 December 2017. The RBPlat Mineral Resources and Reserves Statement 2017, providing more detailed information on our resources and reserves as at 31 December 2017, is available on our website at <http://www.bafokengplatinum.co.za/our-mineral-reserves-and-resources.php>. We report on our mineral resources and reserves 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), with the intent of materiality, transparency and competence. Compliance with the SAMREC Code, which provides a minimum standard for public reporting, ensures that our stakeholders and interested parties can use the information we provide to make an informed and balanced judgement regarding our mineral resources or mineral reserves.

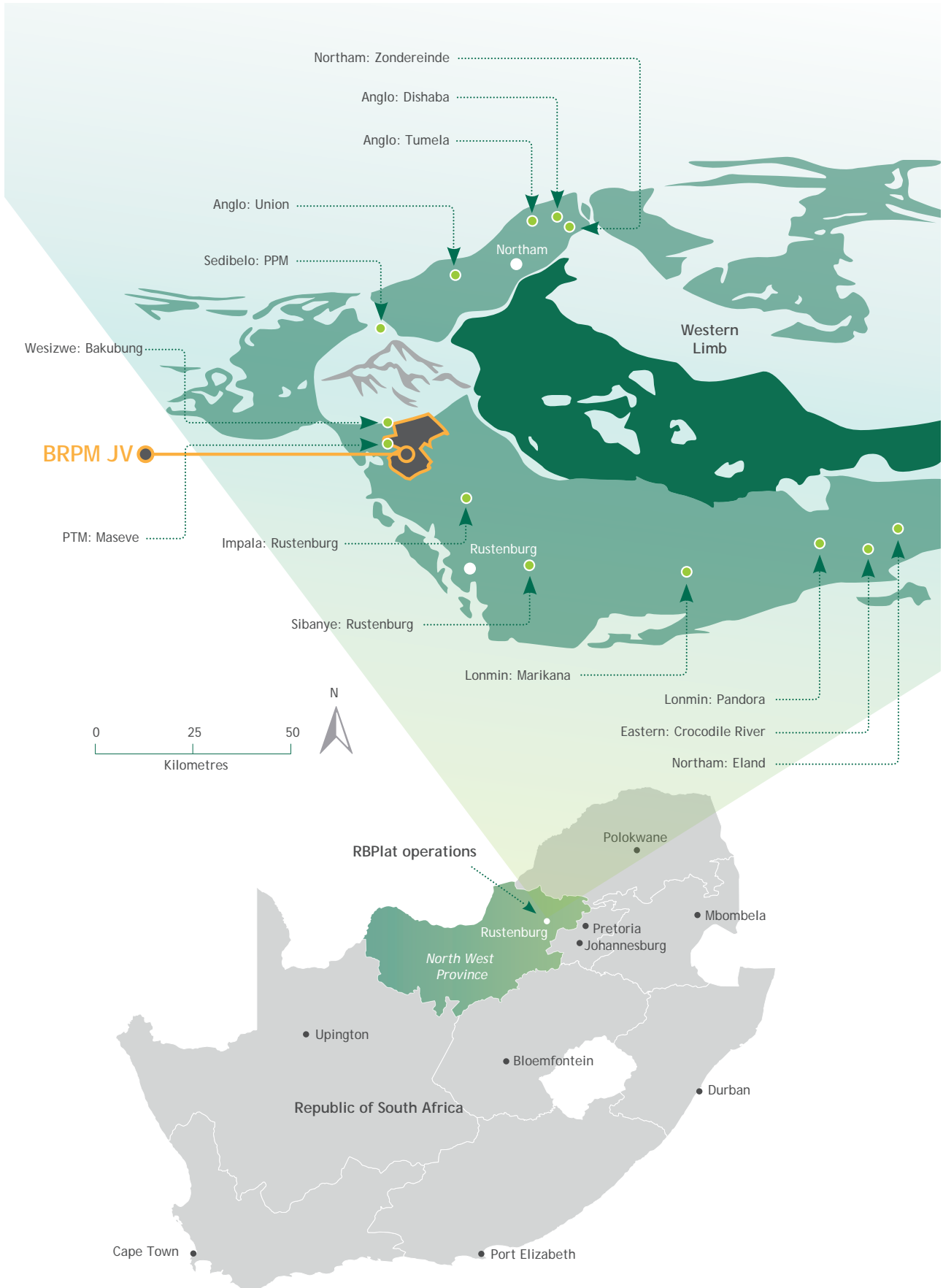
BRPM Joint Venture Merensky and UG2 inclusive mineral resources and mineral reserves summary, RBPlat 67% attributable interest, 31 December 2017



Mineral asset description

Location	The RBPlat mining operations are located on the Western Limb of the Bushveld Complex, immediately south of the Pilanesberg Alkaline Complex, which is approximately 25km northwest of the town of Rustenburg in the North West province. Three farms make up the areas of mining, namely Boschkoppie 104 JQ, Frischgewaagd 96 JQ and Styldrift 90 JQ.
Mineral rights and legal tenure	The Styldrift I and Bafokeng Rasimone Platinum mines are operated by means of mining rights registered at the Mineral and Petroleum Titles Registration Office. The rights are valid until 2038 and 2040, respectively, and are renewable. BRPM minerals: Platinum, platinum group metals and associated minerals. Styldrift minerals: Platinum group metals, gold ore, silver ore, nickel ore, copper ore, cobalt and chrome ore, stone aggregate and sand manufactured from waste dump. Access to land is managed through two lease agreements, concluded with the Royal Bafokeng Nation (RBN), as well as through the BRPM Joint Venture agreements.
Deposit	The Bushveld Complex, formed approximated 2.04 billion years ago, comprises three main suites, namely the Rooiberg Group, Lebowa Granite Suite and the Rustenburg Layered Suite. The Rustenburg Layered Suite contains four main zones (upper, main, critical and lower zones) with each zone characterised by signature igneous intrusive layering, known as stratigraphy. The critical zone hosts the PGE-bearing reef (economically important layer) types of the Merensky reef and the Upper Group 2 reef (UG2). Both the Merensky reef and UG2 reef are mined at RBPlat. The PGMs (platinum (Pt), palladium (Pd), iridium (Ir), rhodium (Rh), osmium (Os) and ruthenium (Ru) and gold (Au)) are found within the sulphide minerals of the reefs and include varieties of copper (Cu) and nickel (Ni) as accompanying metals. The average depth of the Merensky reef is 505 metres below surface (mbs), with BRPM having the advantage of being a Merensky reef dominant shallow mine. The newly sunk Styldrift I shaft is currently developing a 5° dipping Merensky reef horizon at an average depth of 713mbs.

Location of RBPlat's operations



NATURAL CAPITAL continued

RBPlat inclusive mineral resources, RBPlat 67% attributable interest, 31 December 2017

Year		2017			2016		
Reef	Resource classification	Tonnes (Mt)	4E grade (g/t)	Contained 4E (Moz)	Tonnes (Mt)	4E grade (g/t)	Contained 4E (Moz)
Merensky	All	102.28	7.38	24.28	103.83	7.37	24.60
UG2	All	133.28	5.10	21.83	134.96	5.09	22.10
Total		235.56	6.09	46.11	238.79	6.08	46.70

RBPlat mineral reserves, RBPlat 67% attributable interest, 31 December 2017

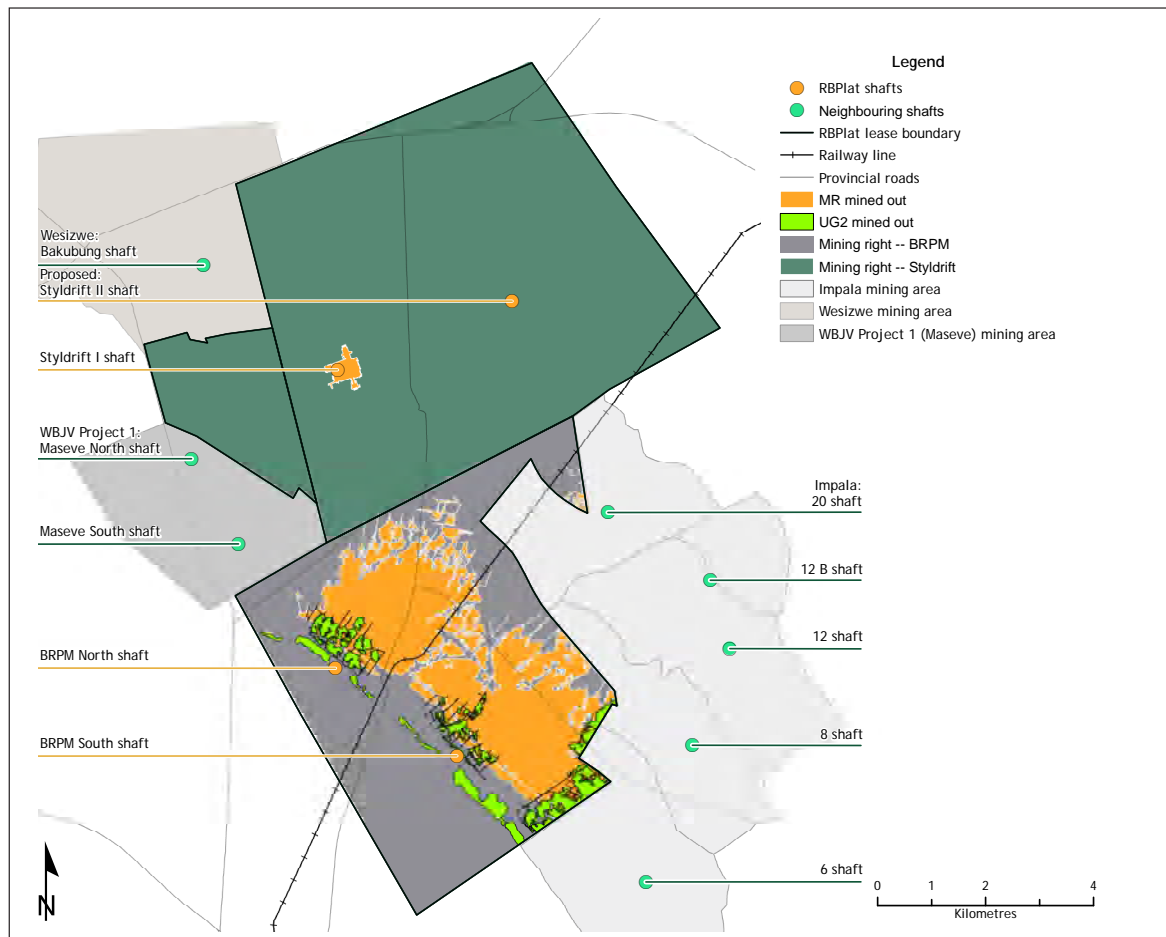
Year		2017			2016		
Reef	Resource classification	Tonnes (Mt)	4E grade (g/t)	Contained 4E (Moz)	Tonnes (Mt)	4E grade (g/t)	Contained 4E (Moz)
Merensky	All	51.49	4.54	7.51	51.09	4.51	7.41
UG2	All	34.62	3.81	4.24	35.09	3.86	4.35
Total		86.11	4.25	11.75	86.19	4.25	11.76

RBPlat has a 67% attributable interest in the BRPM JV resources and reserves.

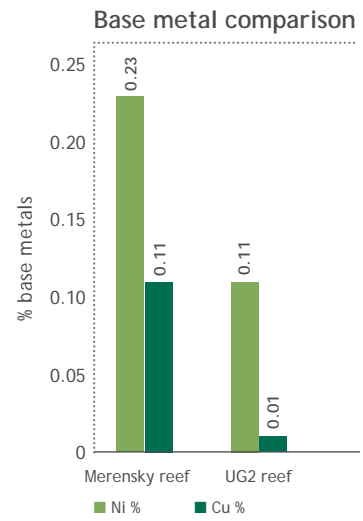
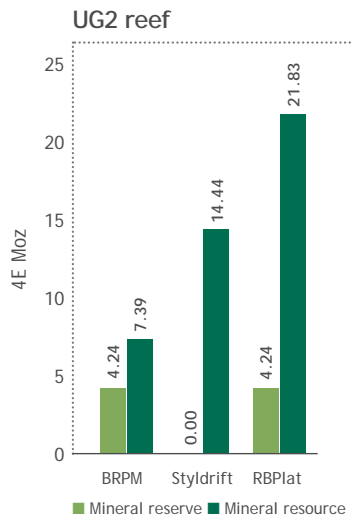
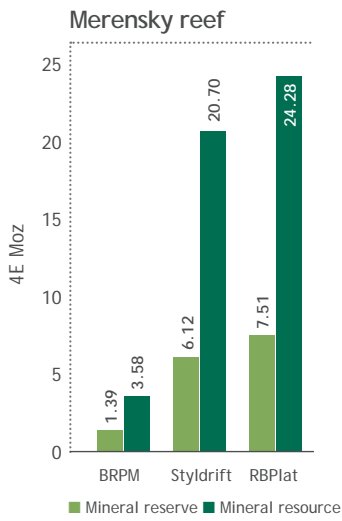
The Merensky mineral reserves have increased marginally in 2017 as a result of an increase in the reserve from the Impala 20 shaft tribute mining area. This increase in reserves outweighs the annual depletion and the increase in geological losses due to structural reinterpretation at North shaft.

Merensky mineral reserves increased by 1% from 51.09Mt to 51.49Mt and 4E ounce content from 7.41Mt to 7.51Moz, with the average grade remaining relatively unchanged.

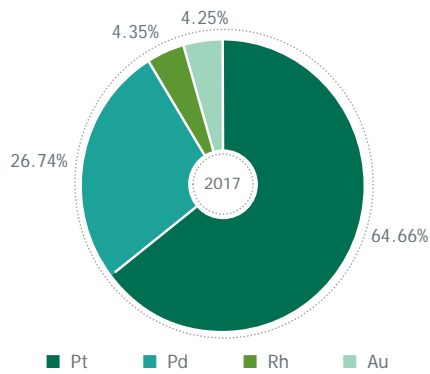
The UG2 at BRPM was converted to a reserve of 4.24Moz at a 4E grade of 3.81g/t. Total UG2 mineral reserve tonnage decreased by 1.4% from 35.09Mt to 34.62Mt after depletion. The 4E ounce content decreased by 2.6% from 4.35Moz to 4.24Moz with a 1.3% drop in estimated grade.



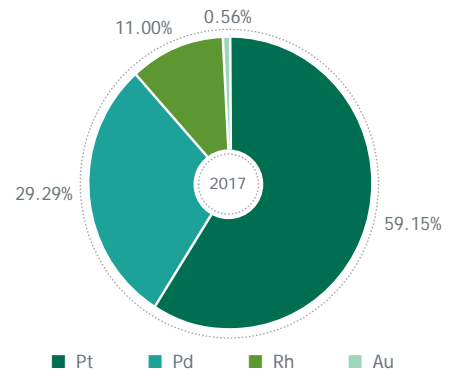
RBPlat's mining rights



Merensky reef prill split



UG2 reef prill split



Exploration drilling operation

NATURAL CAPITAL continued

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 Chief Executive Officer, 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 and overall environmental performance.

The Head: Safety, Health, Environment and Risk (SHER) reports on operational environmental matters to the Social and Ethics Committee.

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.

The RBPlat Environmental Manager, who reports to the Head: SHER is responsible for environmental management at both BRPM and Styldrift I.

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 EMPR performance assessments. The following environmental authorisations were received in 2017:

- approval of addendum to the environmental management programme (EMP) to convert prospecting rights into mining rights for portions of the Farm Frischgewaagd 96 JQ and to include the associated minerals of the waste rock into the

mining right – issued by DMR on 30 March 2017

- water use licence (WUL) for the BRPM Tailings Storage Facility Extension – issued by the Department: Water and Sanitation (DWS) on 5 June 2017.

The environmental authorisation in terms of the National Environmental Management Act (NEMA), 1998 (Act No 107 of 1998) as amended and the EIA regulations, 2014, for the proposed Styldrift II shaft complex and associated infrastructure on the farms Styldrift 90 JQ was refused by DMR on 7 November 2017. RBPlat made an appeal submission in terms of section 43 of the NEMA against the refusal of the environmental authorisation. The reasons for the DMR authorisation refusal and the appeal submission can be found at <https://www.srk.co.za/en/za-styldrift-no-2-shaft-complex-appeal-against-refusal-environmental-authorisation>.

Our management systems

Both BRPM and Styldrift I are certified on the ISO 14001 environmental management system. 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 have maintained their certification in 2017.

The environmental monitoring, which takes place at our operations



as part of the ISO 14001 EMS, includes dust and particulate matter 10 (PM10), water, ambient noise and vibration.

Our closure liability assessments are completed annually by an external service provider and our financial closure provisioning is updated and submitted to the DMR in line with the MPRDA requirements. Our closure liability assessments are audited by external financial auditors annually.



CLIMATE CHANGE AND RESOURCE MANAGEMENT

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 greenhouse gas (GHG) emissions during electricity generation
- 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 impacts of climate change include:

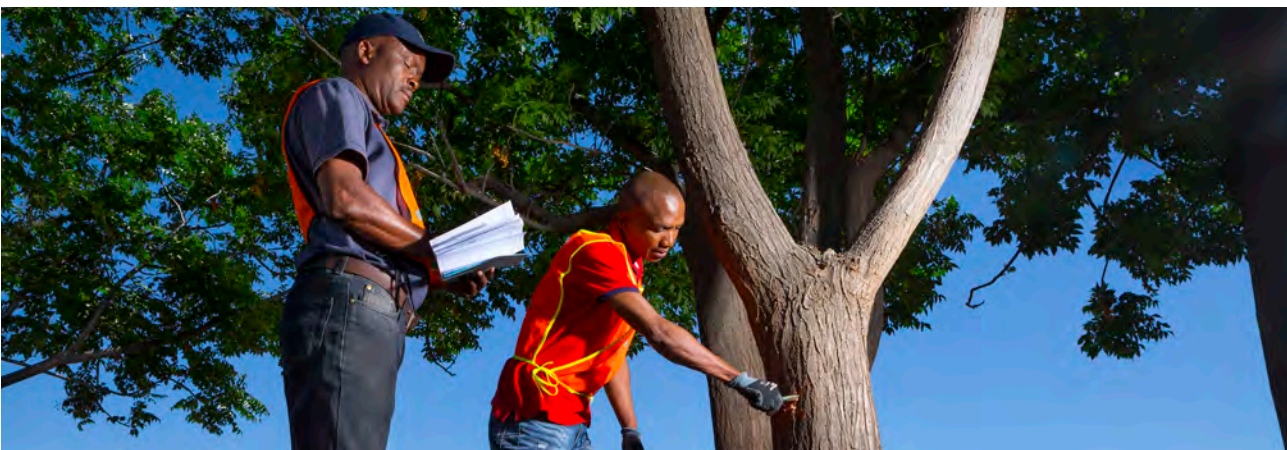
- our endorsement of the *Caring for Climate* initiative
- being a signatory to the Carbon Disclosure Standard Board's (CDSB) fiduciary duty and climate change disclosure
- by joining the *We Mean Business Campaign* as members of the National Business Initiative (NBI) we committed ourselves to ensuring responsible corporate engagement on climate policy, providing climate change information in mainstream corporate reports and improving water security.

To gain a better understanding of the potential impact of climate change on our operations and the communities in which we operate, we conducted a new climate change vulnerability assessment in 2017 with the help of external independent climate change consultants (our previous climate

vulnerability assessment having been completed in 2013). This was over and above our climate change risk assessment conducted annually as part of the ERM process. The purpose of this assessment was to identify specific:

- strategic and operational areas of weakness, given the prevailing and anticipated climate risks, not only in the region in which we operate, but also nationally and internationally
- operational and strategic mitigatory actions and adaptation opportunities.

The assessment 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. The annual rainfall received at our mines is expected to decrease, which could result in operational difficulties due to water scarcity and could also impact our community. In contrast, the assessment has shown an increase in extreme rainfall events, specifically in December, January or February, which could result in flash



The identification of alien species by the environmental team

NATURAL CAPITAL continued

floods. These events could impact RBPlat’s operations and production continuity.

RBPlat already has actions and strategies in place in response to these climate change impacts, which include better storm water management to prevent flooding of our underground mining areas and access to industrial water through the use of a water treatment plant, which has substantially reduced our potable water requirement from Magalies Water (see page 125 for more information). The assessment recorded climate change impacts in our core operations, our value chain and the broader network and identified both mitigation and adaptation actions. During 2018 we will be updating our existing climate

change strategy implementation plans in light of the mitigation and adaptation actions identified in our new vulnerability assessment.

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.

Our sponsorship of the Fuel Cell and Hydrogen Energy Association (FCHEA) campaign *Zero Emissions, Zero Compromise*, promotes the use of emissions-free fuel cell vehicles, which by reducing GHG emissions will reduce carbon intensity (for more information see www.zeroemissions.org).



We voluntarily report to the CDP on climate change and water. In 2017 we achieved a performance B band carbon disclosure score for the third year in a row when the industry and sector average programme score was C.

Understanding our carbon footprint

Through our participation in the CDP and our measurement of our carbon footprint throughout the year, we have up-to-date information that allows us to take action to reduce our carbon footprint.

The carbon intensity of RBPlat’s mining operations at BRPM, BRPM concentrator and Styldrift I

Description	Carbon intensity Unit	% change year-on-year	Quantity in 2017	Carbon intensity in 2017	Quantity in 2016	Carbon intensity in 2016
Tonnes milled at BRPM concentrator	tCO ₂ e/000 tonnes	(4.6)	2 701	0.124	2 453	0.130
Tonnes milled (including toll treated tCO ₂ e)	tCO ₂ e/000 tonnes	(4.3)	3 021	0.110	2 762	0.115
Run-of-mine (ROM) tonnes delivered to concentrator	tCO ₂ e/000 tonnes	(3.3)	2 992	0.111	2 759	0.115
4E ounces in concentrate	tCO ₂ e/000oz	(2.9)	328	1.02	303.79	1.05
Platinum ounces in concentrate	tCO ₂ e/000oz	(3.1)	212	1.57	195.95	1.62
Revenue (R'000)	tCO ₂ e/000 ZAR	0	3 498.5	0.095	3 342.2	0.095
Number of employees	tCO ₂ e/000 FTE	(7.4)	8 372	39.8	7 400	43.0*
Scope 1 and scope 2 emissions	tCO ₂ e/year	4.8	333 596		318 220	

* This number has been restated. An incorrect number of employees was used in the previous calculation

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, which contribute to climate change.

Reducing our energy consumption and the related costs is in the interests of the long-term environmental and economic sustainability of our business.

Our Board-approved energy management strategy and implementation plan was approved by the RBPlat Board in 2016, following a comprehensive energy site audit.

We have efficiency-based reduction targets for our steady state operations, BRPM and the BRPM concentrator, and we set energy targets for Styldrift I in the fourth quarter of 2017. These targets were approved by our Social and Ethics Committee and will be monitored in 2018. The majority of energy used in a conventional mine such as BRPM is electricity. In a mechanised

mine like Styldrift I the energy usage will be different, with more fuel in the form of diesel being used. To achieve energy efficiency and reduce GHGs at Styldrift I it is important that we reduce the travelling distances of vehicles as much as possible.

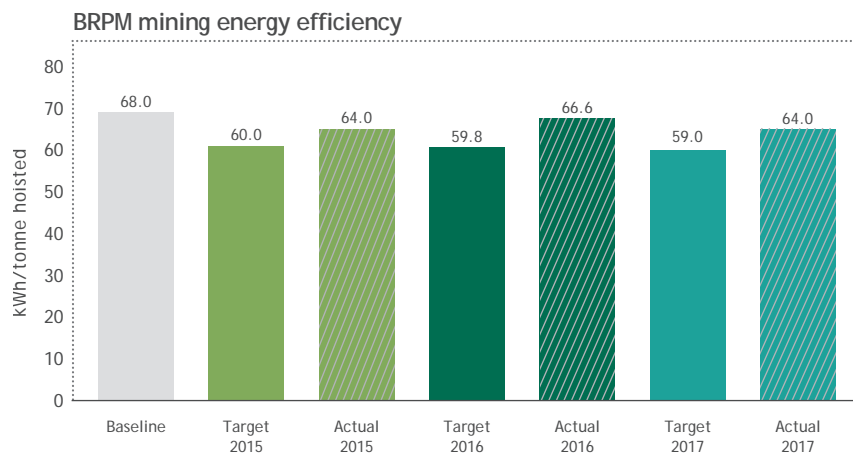
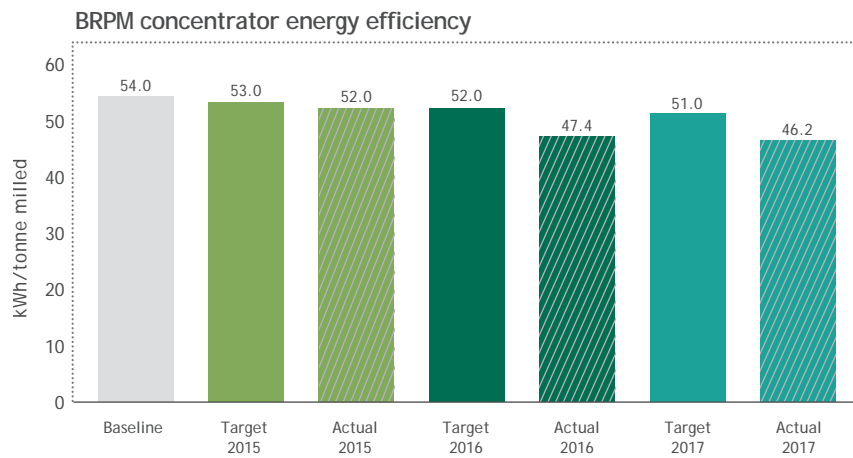
Our unit-based targets, which were set over a 10-year period using 2009 as the baseline year, are to achieve a:

- 10% reduction in energy use by 2019 in the BRPM concentrator
- 15% reduction in energy use by 2019 in BRPM’s mining operations (we achieved a 10% reduction by 2014).

We reported against these targets for the first time in 2015.

In 2017 BRPM achieved an efficiency of 64kWh/tonne hoisted, which is 8.5% higher than the 2017 target, but in line with the 2009 baseline of 68.0kWh/tonne hoisted. Most of the energy-saving initiatives we previously implemented at the mine were aimed at reducing consumption in the mine and in particular achieving a reduction in the baseload, which accounts for at least 75% of our peak load. As a result of the nature of our conventional mining method and the key infrastructure required for this type of mining, our baseload (fixed load) has remained unchanged.

Compressed air, which is used for drilling, accounts for between 20% and 25% of our energy consumption at BRPM. The process of reducing leaks on our compressed air network, and the baseload on the



network, is ongoing. During 2017 we began work on upgrading our compressed air reticulation network in the stopes, with the aim of improving pressure levels, which will shorten drilling duration, reduce our use of compressed air in the stopes and consequently our electricity usage. By combining the upgrading of our compressed air reticulation network with our mining process, we expect to achieve a reduction in our use of compressed air once the roll-out is completed in the third quarter of 2018.

Other interventions are behaviour based and involve continually encouraging employees to use electricity sparingly.

The BRPM concentrator’s energy efficiency in 2017 was 46.2kWh per tonne milled, which is 9.4% below the target of 51.0kWh per tonne milled.

NATURAL CAPITAL continued

Energy consumption

Description	% change year-on-year	2017 MWh	2017 GJ	2016 MWh	2016 GJ	2015 MWh	2015 GJ
Electricity at BRPM	0.64	287 704	1 035 734	285 864	1 029 110	277 112	997 602
Electricity at Styldrift I	27.0	30 675	110 431	24 150	86 940	17 752	63 907
Total RBPlat electricity consumption	2.7	318 379	1 146 165	310 014	1 116 051	294 864	1 061 510

Description	% change year-on-year	2017 kl	2017 GJ	2016 kl	2016 GJ	2015 kl	2015 GJ
Diesel at RBPlat	87.2	1 384	49 844	740	26 633	523	20 262
Petrol at RBPlat	(11.5)	13	414	14	468	23	802
Total energy at RBPlat in GJ	4.7		1 196 423		1 143 152		1 082 573

The significant increase in the use of diesel at Styldrift I is due to increased mining activity and the use of trucks to haul ore from Styldrift I to the BRPM concentrator. Once the conveyor belt between Styldrift I and the BRPM concentrator is completed the diesel used by these trucks will fall away; however, diesel usage in the mine, which is mechanised, will continue to increase as production ramps up. We have a number of measures in place to ensure we keep our use of diesel to a minimum, not only to keep our production of GHG emissions to a minimum but also to contain our operating costs.



Investigating the use of renewable energy

RBPlat is investigating the possibility of developing its own source of renewable energy as the increasing cost of electricity supplied by Eskom makes renewable energy an affordable option. A feasibility study is currently in progress.

The increase in electricity usage at Styldrift I during 2017 is due to the increase in activity at the operation.

RBPlat's GHG emissions by scope

Description	% change year-on-year	2017 tCO ₂ e	2016 tCO ₂ e	2015* tCO ₂ e	2014 tCO ₂ e
Scope 1 (direct GHG emissions from sources that are owned or controlled by RBPlat – petrol and diesel fuel consumed by our vehicles and equipment)	55.7	5 666	3 639	5 407*	3 996
Scope 2 (indirect GHG emissions produced during the production of the electricity we purchase from Eskom)	4.2	327 930	314 581	299 207	322 640
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)	11.6	4 394	3 936	4 322*	8 914
Total emissions	4.9	337 990	322 156	308 936	335 577

* The difference between scope 1 and 2 emissions in 2015 is mainly attributable to general waste, which was incorrectly recorded under scope 3 emissions in 2014 being recorded under scope 1 emissions in 2015

RBPlat has been identified as a global leader in sustainable water management and has been awarded a position on the 2017 Water A list by CDP for the second year running. Seventy-three companies make up the global Water A list, nine of which are South African companies.

WATER SCARCITY

Our operations are located in an arid water-scarce region where 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 circumstances could limit our production growth or 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

Both our operations operate under their approved WULs and we have a supplier water agreement with Magalies Water. Internal and external WUL compliance audits are carried out annually and reports are submitted to the DWS.

Our aim is to include 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.

Monitoring and measuring water quality

As an operator of underground mines, we continually pump water (fissure water and process water) from underground for the safety of our employees, store it in our storm water dams and recycle it within

our operations where we operate 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. We have 64 groundwater monitoring boreholes within our operations and their surrounds that are monitored and analysed by external service providers to ensure we comply with our WUL conditions. We also monitor 45 surface water monitoring points.

We capture exceedances observed from our monitoring processes in the SHE database (SILO) for action.

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.

Conserving and recycling water



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.

Our progress is tracked through our governance structures (the Executive, Sustainability and Social and Ethics committees and, ultimately, the Board).

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. The concentrator is the greatest consumer of water at our operations. The water treatment plant was commissioned in November 2015 and by the end of 2017 we had treated 1 055 megalitres (MI) of water. The plant treats an average of 2.6MI per day. During 2017 we also increased our use of water from our treatment plant by using it in our concentrator’s wash water circuit.

NATURAL CAPITAL continued

If we had continued to use potable water in our concentrator, instead of replacing 39.8% of the water used in our concentrator with treated process water from our water treatment plant, it would have cost RBPlat an additional R10.4 million in 2017. This contribution to our efforts to reduce our use of new water in a water-scarce region is very pleasing.

Use of water from our treatment plant

	2017 MI	2016 MI
Use of treated water at the BRPM concentrator	1 055.6	965.6
Potable water cost savings	R10 409 941	R7 950 973

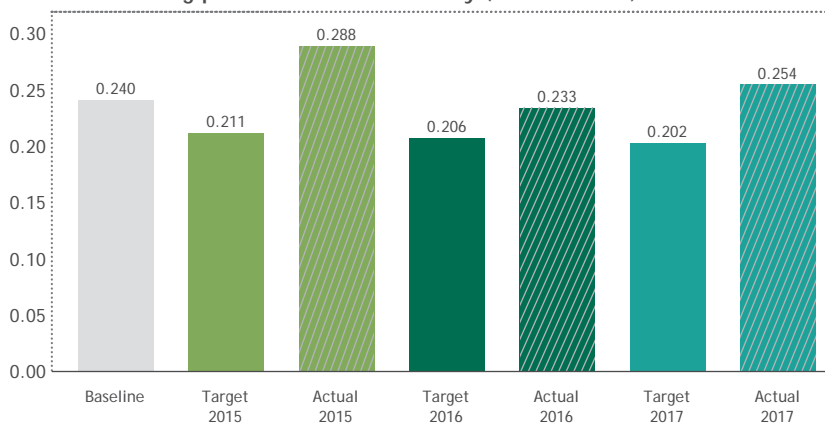
Potable and recycled water consumption

Description	% change year-on-year	2017 MI	2016 MI	2015 MI
BRPM concentrator				
Potable water consumption	15.8	1 008.1	870.5	1 870.1
Recycled water consumption	29.2	1 644.5	1 272.0*	1 341.2
BRPM Mine				
Potable water consumption**	7.5	647.5	601.8	767.9
Recycled water consumption	(10)	179.4	199.4	767.9
Styldrift I				
Potable water consumption	52.3	227.0	149.0	88.4
Recycled water consumption	62	89	55.0	15.3
Total consumption of potable water	16.1	1 882.6	1 621.4	2 726.4
Total consumption of recycled water	43.6	1 912.9	1 332.0	1 356.5
Grand total of water consumption by RBPlat	28.5	3 795.5	2 953.4	4 082.9

* 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

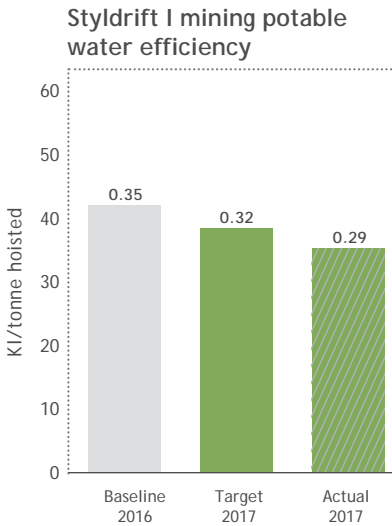
BRPM mining potable water efficiency (kl/tonne hoisted)



Our water treatment plant won an Aon

commendation award for engineering excellence from the Consulting Engineers of South Africa for projects with a value of less than R50 million.

The baseline for potable water usage at Styldrift I was taken as at March 2016 at 0.35kl/t. A target of 10% water consumption reduction has been set until 2020.



The Board-approved water intensity targets against which we are measured ensure we use water efficiently in line with our production targets. Our performance against these targets is presented to the Board and its subcommittees every quarter.

Our commitment with the *We Mean Business* campaign includes improving water security by:

- analysing our water-related risks and implementing collaborative response strategies
- measuring and publicly reporting our water use through the CDP

➤ reducing impacts on water availability and quality in our operations and along our value chain.

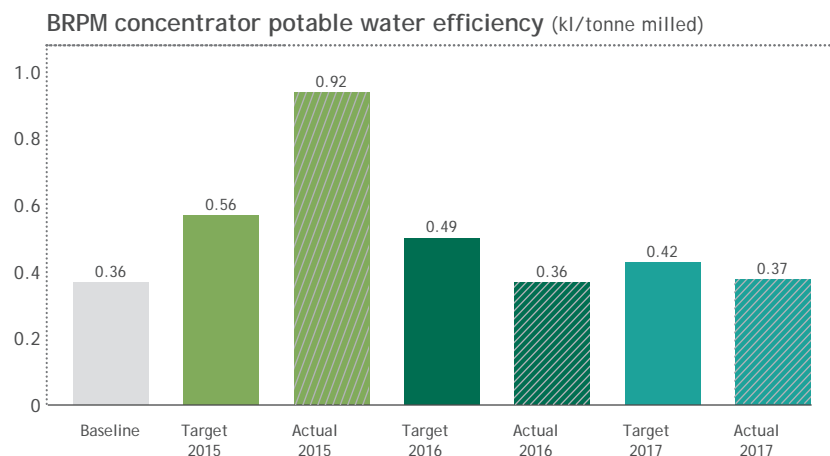
While our operations are not considered to be water intensive we operate in a water-scarce region and therefore do everything we can to reduce our water consumption, which includes automating and expanding our potable water metering and management system, improving our understanding of how and where we use water and how better to control our water usage.

Water use efficiency at our operations



Description	% change year-on-year	2017 MI/kt milled	2016 MI/kt milled	2015 MI/kt milled
Potable water at BRPM (mine and concentrator)	7.8	0.676	0.627	1.290
Potable water at Styldrift I	10.6	0.397	0.359	1.227
RBPlat recycled water*	17.3	1.099	0.937**	0.656
Total RBPlat	12.9	2.172	1.923	3.173

* Including water recycled at the BRPM water treatment plant
 ** Restated: excludes tonnes toll treated



An environmental assistant collecting a water sample from a monitoring borehole

NATURAL CAPITAL continued

Collaboration



In 2016 we joined forces with a neighbouring mining company to fund the installation of a dedicated water line from the Mafenya reservoir to the Rasimone village which, because of its position on the existing pipeline, either received very little water or none at all. The new pipeline has ensured that there is now sufficient water supply and pressure to provide Rasimone village with water as required.

To encourage the efficient use of water in our area we participate in water week activities, which raises the awareness of both the community and employees regarding the importance of conserving water.

EFFLUENT AND WASTE MANAGEMENT

Our mining and metallurgical operations generate hazardous and non-hazardous waste, which must be correctly disposed of to prevent any negative impacts on the environment. Our environmental



strategy and policies set stringent standards for the management of

waste and mine residues (tailings and waste rock).

The aim of our waste management procedure is to actively manage the amount of waste we produce by reusing and recycling whenever possible.

The amount of waste we produce is mostly influenced by our production levels.

Waste production and disposal

Type of waste	% change year-on-year	2017 tonnes	2016 tonnes	2015 tonnes
BRPM				
Landfill waste	29.7	1 611.5	1 242.8	1 649.0
Incinerated medical waste	(2.9)	1.3	1.34	1.2
Recycled industrial waste	(1.1)	1 640.9	1 659.0	1 569.7
Hazardous waste	(18.8)	55.0	67.8	82.4
Wood	6.6	1 269.8	1 191	
Recycled paper	(100)	0	5.8	2.9
Total BRPM waste	10.0	4 578.5	4 167.2	3 305.13
Styldrift I				
Landfill waste	171	574.9	212.2	208.2
Recycled industrial waste	21	543.2	448.9	727.6
Hazardous waste	276.0	129.0	34.3	31.0
Wood	(100)	0	1.4	1.0
Total Styldrift I waste	78.9	1 247.1	696.8	967.82
Total RBPlat waste	(6.1)	5 825.6	6 207.2	4 273.0

The increase in hazardous waste at Styldrift I is due to increased on-reef development tonnages and the generation of waste oil by the vehicle fleet which tripled year-on-year.

Waste management

We generate general, medical, industrial, explosive and hazardous waste. 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 increase in activity and the number of people working at Styldrift I resulted in a 78.9% increase in its waste production and the increase in production at BRPM also affected its waste production.

Due to a contractual dispute with our service provider, no waste paper has been sent for recycling in 2017. However, the paper has been stored and we are arranging for its recycling in 2018.

We provided 1 269.8 tonnes of wood waste to our local communities in 2017.

Our medical waste is incinerated at an approved medical waste incinerator site for which we obtain and retain safe disposal certificates.

We sort most of our industrial waste on site and reuse where possible. We use accredited service providers to transport our recyclable industrial waste, which includes scrap metal, to recycling companies.

Our explosives waste is destroyed daily by controlled burning in a specially constructed old explosives destruction site as required by law.

Hazardous waste is removed by an approved hazardous waste contractor. We obtain and retain safe disposal certificates.

Effluent

We have an agreement with Glencore’s Boshoeke ferrochrome plant to treat their smelter’s sewage in our sewage treatment plant.

The tailings from our concentrator operations are disposed of at the BRPM tailings dam. We prioritise the maintenance of the integrity of our tailings dam, which is designed to handle a 100-year flood. We have processes in place to ensure we continually check the structural integrity of the tailings dam.

Materials consumption

Material	Units	% change year-on-year	2017	2016	2015	2014
Acetylene	kg	(17.6)	2 637	3 199	3 284	5 609
Explosives	kg	11.6	5 825 394	5 219 669	4 753 234	5 273 075
Fire extinguishers	kg	(14.7)	10 808	12 669	10 331	1 900
Refrigerants	kg		—	32	—	12
Company-owned vehicles — petrol	litres	(11.5)	12 645	14 293	23 284	44 186
Company-owned vehicles — diesel*	litres	87.2	1 384 242	739 648	523 320	936 766

* The diesel volumes include diesel use in generators

The increase in diesel consumption is in line with the increase in activity at Styldrift I where diesel vehicles are used in mechanised mining.

PRODUCT RESPONSIBILITY

RBPlat’s mining lifecycle includes exploration, project development, mine construction, ore production, concentrate production, closure and decommissioning. 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. The concentrate must meet certain specifications in terms of the offtake agreement in relation to the PGM moisture and chrome content for each tonne of concentrate. These product

specifications are assessed through specific procedures agreed to by RBPlat and RPM.

Product uses



The use of PGMs in autocatalytic converters plays a significant role in the reduction of air pollution by limiting the discharge of carbon monoxide hydrocarbons, nitrous oxides and particulates. Approximately 56% 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 29 of the changing operating context in this report).

PGMs are also being used in alternative green energy solutions including fuel cells. A fuel cell minigrid is an attractive cost-effective alternative to grid electrification in remote areas. Fuel cells offer a more efficient low carbon option than using diesel generators to supply rural communities.

Members of the platinum industry are investing substantially in research into fuel cell-powered

NATURAL CAPITAL continued

industrial 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 <http://www.angloplatinum.com/products-services-and-development/platinum-group-metals.aspx> for more information on the development of PGM products).

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 are provided with all mining products and directed at industrial users. Our products are not delivered directly to customers.

We are committed to minimising the dispersion of metals back into the biosphere and reducing the environmental and health risks associated with this.

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

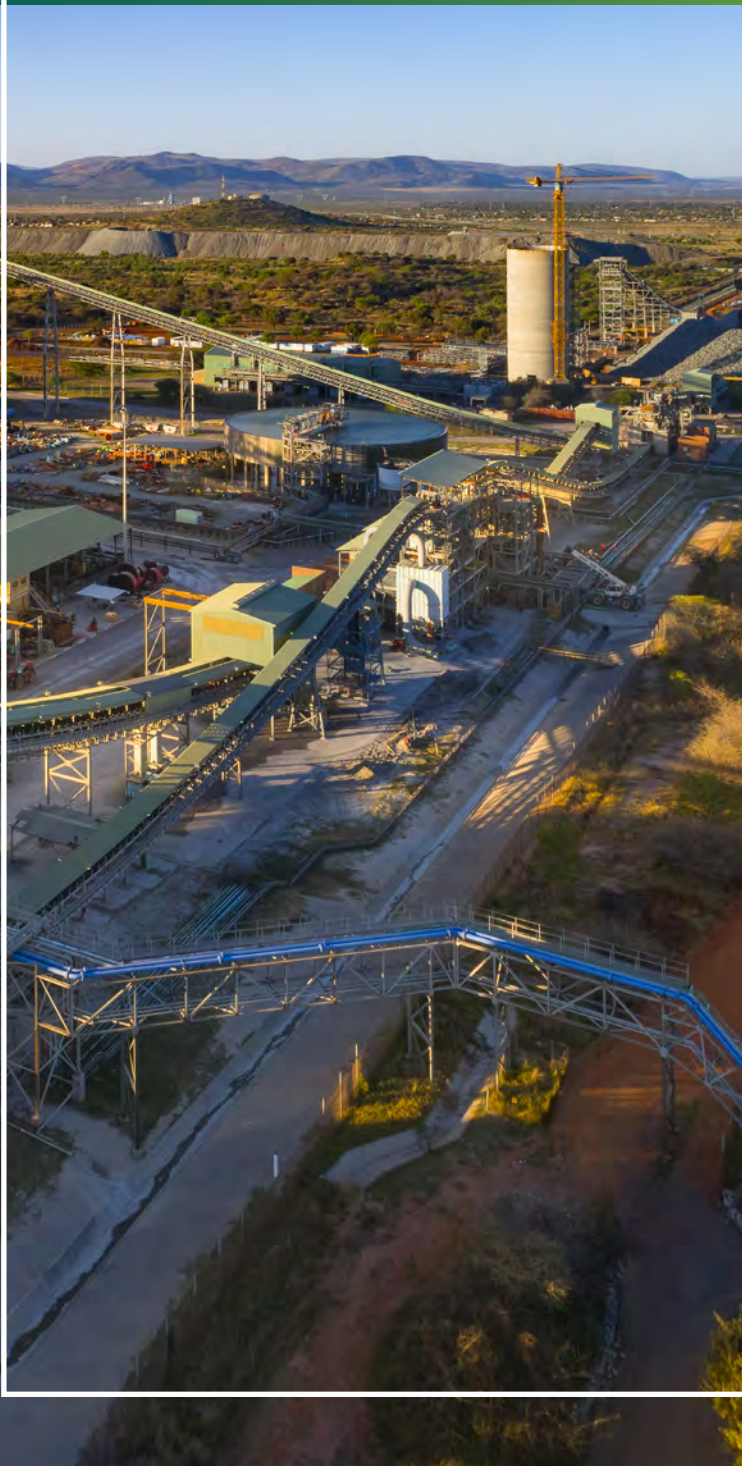
collaboration with key stakeholders. Much of our engagement on product stewardship is done via our membership of the IPA.

The refiners and marketers of our PGMs recognise 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.



Shareholder information



REMUNERATION REVIEW

RBPlat has identified the need to ensure the availability of adequate and appropriate skills in order to deliver on its strategic objectives as a material issue. The Board has made our committee responsible for ensuring that RBPlat's remuneration policies and practices are designed to align performance with reward as well as attract and retain the right talent.

OUR REMUNERATION PHILOSOPHY

We are committed to fair remuneration of our employees based on individual performance. We are also committed to ensure that our pay levels remain competitive while managing our employment costs. Our employment costs represent 58.2% (2016: 56.8%) of our fixed costs.

In order to achieve this, we benchmark our pay levels against those of the:

- general market in South Africa
- South African mining industry
- peer group (as approved by the Remuneration Committee)
- South African platinum companies.

We believe that remuneration should match and incentivise performance. Delivering on our commitment means:

- maintaining pay levels on a total cost to employer level that reflects an individual's worth to RBPlat
- utilising 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.


Our remuneration approach is supported by our:

- Board-approved remuneration policy which is reviewed regularly to ensure relevance and

appropriateness, which is designed to:

- attract, motivate and retain the appropriate non-executive, executive and operational skills in order to deliver on its strategic objectives
- promote the achievement of strategic objectives within our risk appetite
- promote positive outcomes
- address organisation-wide remuneration by including provision for the following specifically:
 - fair and responsible executive remuneration within the overall context of employee remuneration
 - use of performance measures to support positive outcomes across the economic, social and environmental context of the organisation and aligned to the capitals the organisation affects
 - voting by shareholders on the remuneration policy and incentive schemes

- investment in training and development of our employees

 (see human capital section on page 79 and 80 for more information)

- our employee home ownership scheme, which provides our employees with the opportunity to own an asset that is expected to appreciate over time and become homeowners in the local community

 (see page 81 to 83 of human capital section for details)

IMPLEMENTATION OF RBPLAT'S REMUNERATION PHILOSOPHY

Our remuneration structure

Four segments make up our remuneration structure:


- 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.

In order to attract appropriate skills at a non-executive director level, we benchmark fees and remunerate our non-executive directors between the 50th and 75th percentile.

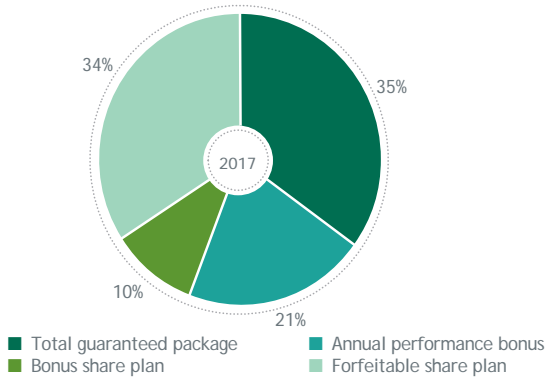
MEASURING EXECUTIVE PERFORMANCE

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.

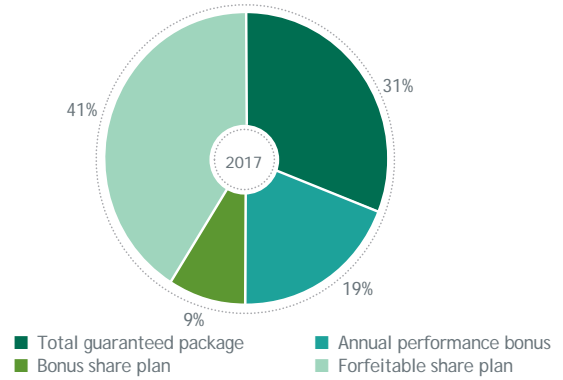
 For more detail on the breakdown of how Company and individual performance is measured, see image/page 133



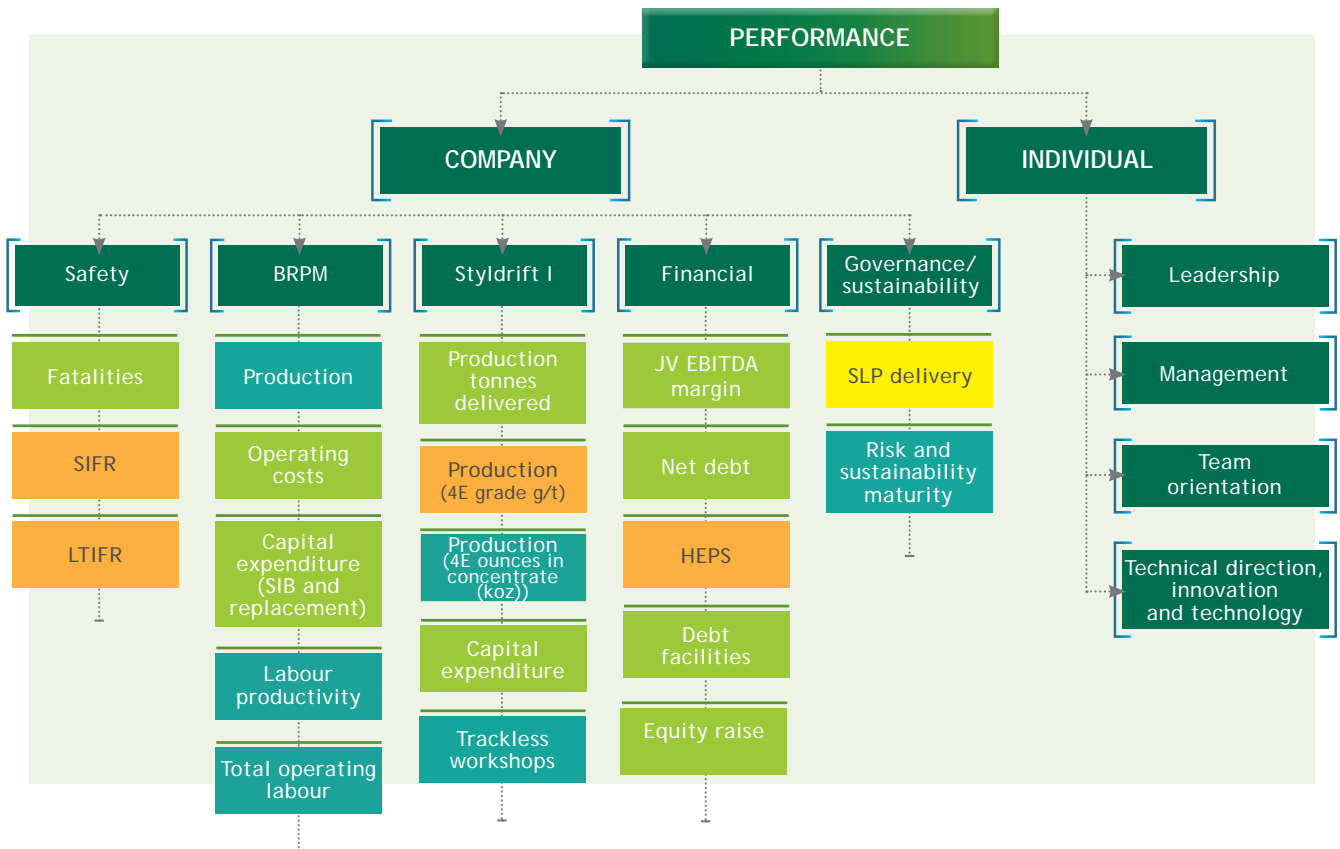
Structure of the on-target remuneration of our executives



Structure of the on-target remuneration of our executive directors



The measurement of executive performance in 2017



- Legend:
- Not met
 - Partially met
 - Met
 - Exceeded some targets
 - Exceeded all targets

REMUNERATION REVIEW continued

REMUNERATION STRUCTURE

	Executives (Executive Committee and key senior operational management employees)	Management (D2 and above: central services, operations at BRPM and Styldrift I, corporate office)	Mining operations (D1 and below: shafts – stoping and development, concentrator)	Mining support (D1 and below: engineering and central services)
Guaranteed remuneration	<p>Total guaranteed package (TGP):</p> <ul style="list-style-type: none"> ➤ 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 	<p>TGP:</p> <ul style="list-style-type: none"> ➤ Remuneration for area of responsibility ➤ Based on mining industry benchmarks ➤ Reviewed annually against market and individual performance 	<p>Wages and benefits:</p> <ul style="list-style-type: none"> ➤ Remuneration for area of responsibility ➤ Wage agreement (bargaining unit) 	<p>Wages and benefits:</p> <ul style="list-style-type: none"> ➤ Remuneration for area of responsibility ➤ Wage agreement (bargaining unit)
Benefits	<ul style="list-style-type: none"> ➤ Life and disability insurance ➤ Medical aid ➤ Wellness support ➤ Maternity and paternity leave 	<ul style="list-style-type: none"> ➤ Life and disability insurance ➤ Medical aid ➤ Wellness support ➤ Maternity and paternity leave ➤ Education benefits 	<ul style="list-style-type: none"> ➤ Life and disability insurance ➤ Medical aid ➤ Wellness support ➤ Maternity and paternity leave ➤ Housing benefits ➤ Education benefits 	<ul style="list-style-type: none"> ➤ Life and disability insurance ➤ Medical aid ➤ Wellness support ➤ Maternity and paternity leave ➤ Housing benefits ➤ Education benefits
Short-term incentive schemes	<p>Annual performance bonus:</p> <ul style="list-style-type: none"> ➤ 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 and technical direction 	<p>Annual performance bonus:</p> <ul style="list-style-type: none"> ➤ Rewards historical performance ➤ Percentage of TGP based on performance ➤ Company or operational targets including safety, production, costs and project performance 	<p>Monthly performance bonus:</p> <ul style="list-style-type: none"> ➤ Rewards historical performance ➤ Monthly bonus based on safety, performance and production volumes 	<p>Biannual performance bonus:</p> <ul style="list-style-type: none"> ➤ Rewards historical performance ➤ Biannual bonus based on operational targets including safety, production, costs and project performance

	Executives (Executive Committee and key senior operational management employees)	Management (D2 and above: central services, operations at BRPM and Styldrift I, corporate office)	Mining operations (D1 and below: shafts – stoping and development, concentrator)	Mining support (D1 and below: engineering and central services)
Medium to long-term incentives	<p>Bonus share plan scheme</p> <ul style="list-style-type: none"> ➤ Deferred reward for historical performance ➤ Percentage of annual performance bonus ➤ Vest on third anniversary ➤ Vesting condition: continuous employment ➤ Consideration for retention 	<p>Bonus share plan scheme</p> <ul style="list-style-type: none"> ➤ Deferred reward for historical performance ➤ Percentage of annual performance bonus ➤ Vest on third anniversary ➤ Vesting condition: continuous employment ➤ Consideration for retention 	<p>Employee share ownership plan (ESOP)</p> <p>The Mahube ESOP</p> <ul style="list-style-type: none"> ➤ Five-year scheme with final vesting in 2015 ➤ Units allocated annually ➤ Predetermined dividend paid as per trust deed ➤ A third of the units vest annually (2013, 2014 and 2015) <p>New ESOP</p> <ul style="list-style-type: none"> ➤ Not yet finalised 	<p>ESOP</p> <p>The Mahube ESOP</p> <ul style="list-style-type: none"> ➤ Five-year scheme with final vesting in 2015 ➤ Units allocated annually ➤ Predetermined dividend paid as per trust deed ➤ A third of the units vest annually (2013, 2014 and 2015) <p>New ESOP</p> <ul style="list-style-type: none"> ➤ Not yet finalised
	<p>Share options scheme</p> <ul style="list-style-type: none"> ➤ Future performance ➤ Upon joining Company, promotion or discretionary Remuneration Committee award ➤ Four to six times annual TGP (dependent on level and responsibility) ➤ Consideration for retention 	<p>Share options scheme</p> <ul style="list-style-type: none"> ➤ Future performance ➤ Upon joining Company, promotion or discretionary Remuneration Committee award ➤ 0.5 to 2.5 times annual TGP (dependent on level and responsibility) ➤ Consideration for retention 		
	<p>Forfeitable share scheme</p> <ul style="list-style-type: none"> ➤ 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 ➤ Consideration for retention 			

REMUNERATION REVIEW continued

EXECUTIVE DIRECTORS AND EXECUTIVE MANAGEMENT REMUNERATION

The Board, having assessed prevailing market conditions in the context of the Company's performance in 2016, was pleased to award salary increases and performance bonuses to executive directors and the executive management team in 2017.

	Salary R		Annual bonus R		Retention bonus R		Total R	
	2017	2016	2017	2016*	2017	2016	2017	2016
Executive directors								
Steve Phiri	5 317 872	4 998 000	3 808 476	—	5 997 600	—	15 123 948	4 998 000
Martin Prinsloo	3 766 395	3 500 000	2 597 000	—	4 200 000	—	10 563 395	3 500 000
Executives and prescribed officers								
Neil Carr	3 673 293	3 400 000	2 590 800	—	3 400 000	—	9 664 093	3 400 000
Reginald Haman	2 795 938	2 627 760	2 002 354	—	2 102 209	—	6 900 501	2 627 760
Glenn Harris	3 533 448	3 483 659	2 606 878	—	3 312 425	—	9 634 936	3 483 659
Lindiwe Montshiwagae	2 066 935	1 651 237	1 182 286	—	904 816	—	4 154 037	1 651 237
Mpueleng Pooe	2 476 469	2 327 508	1 610 636	—	1 396 505	—	5 483 610	2 327 508
Vicky Tlhabanelo	2 689 306	2 527 543	1 925 988	—	1 516 526	—	6 131 820	2 527 543

* Performance bonuses were not paid for 2016

	Vested FSPs shares		Vested BSPs shares		Awarded FSPs shares		Awarded BSP shares		Awarded retention FSPs shares	
	2017*	2016**	2017	2016	2017	2016	2017	2016***	2017	2016
Executive directors										
Steve Phiri	—	—	26 106	38 342	165 984	162 435	45 720	—	183 119	183 119
Martin Prinsloo	—	—	19 040	30 212	116 236	113 750	31 176	—	128 235	128 235
Executives and prescribed officers										
Neil Carr	—	—	15 280	22 097	86 858	85 000	31 102	—	103 809	103 809
Reginald Haman	—	—	14 694	—	53 704	52 555	24 038	—	61 485	61 485
Glenn Harris	—	—	15 280	23 991	84 620	82 811	31 295	—	101 135	101 135
Lindiwe Montshiwagae	—	—	10 164	10 927	37 844	—	14 193	—	27 626	27 626
Mpueleng Pooe	—	—	14 556	—	47 568	46 550	19 335	—	42 638	42 638
Vicky Tlhabanelo	—	—	13 704	23 630	51 656	50 551	23 121	—	46 303	46 303

* 7.48% of the awarded shares vested, however, the executives opted to forfeit the vested FSPs

** No FSPs were scheduled to vest in 2016

*** No bonus shares were awarded in 2016

Non-executive directors' fees

Following a benchmarking of our fees paid to our non-executive directors in 2016 we established that some Board member fees were misaligned with the market. The Board agreed to the adoption of a multi-year approach to the aligning of these fees. At our annual general meetings held on 13 April 2016 and 12 April 2017 the average increases of 10.7% and 5.5%, respectively, were approved.

	2017 R	2016 R
Kgomotso Moroka	1 363 215	1 333 217
Linda de Beer	654 998	604 674
Robin Mills	592 322	541 618
Mark Moffett	459 024	415 558
Thoko Mokgosi-Mwantembe	558 476	550 922
Velile Nhlapo*	425 571	321 785
Mike Rogers	675 876	573 332
Louisa Stephens*	531 948	447 558
David Wilson*	412 600	390 480
Total	5 674 030	5 179 144

* Fees paid to Prime Select Holdings Proprietary Limited (Louisa Stephens) and Royal Bafokeng Holdings Proprietary Limited (David Wilson and Velile Nhlapo)



Our Remuneration Committee's terms of reference can be found on the RBPlat website (www.bafokengplatinum.co.za/policies-and-charters.php).

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 2017, in accordance with the requirements of the Companies Act 71 of 2008 (as amended).

The committee reviews quarterly reporting on:

- safety and occupational hygiene
- occupational health and wellness
- environmental stewardship and climate change
- compliance with the Mineral and Petroleum Resources Development 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
- asset protection and security, which includes an update on ethics performance and the ethics hotline cases
- mine rehabilitation programme and commitments.

This year in terms of sustainability we also reviewed the:

- 2017 sustainability focus areas
- materiality process for 2017
- climate change vulnerability assessment
- water management strategy implementation plan

- energy management strategy implementation plan
- CDP climate change and water project disclosures
- an update on the BRPM closure rehabilitation trust obligations and closure assessments for BRPM and Styldrift I
- Sustainable Development Goals (SDGs)
- Global Reporting Index (GRI) standards
- BRPM UG2 rehabilitation study
- sustainability performance dashboard
- BRPM ground water update model.

We were updated on the employee home ownership scheme.

The Social and Ethics Committee and Audit and Risk Committee have joint sessions as required, at which we address the following topics:

- enterprise risk management
- Group and mine risk profiles and registers
- risk management-related policies and framework
- the integrated assurance process, scope and findings
- ethics status report and policies
- fraud risk profile
- Group insurance programme.

CONCLUSION

RBPlat continues to meet its environment, social and governance responsibilities. The Group also has suitable policies and frameworks in place to sustain its commitment to social and economic development, fair labour practices, environmental responsibility and good corporate citizenship.

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 2017.

The committee is accountable to the Board and reports, through its Chairman, to shareholders at the Company's Annual General Meeting on matters within its 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 2017.

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 second consecutive assurance engagement conducted for RBPlat by Ibis.

ASSURANCE OBJECTIVES

The purpose of the assurance engagement was 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.

Social

MATERIAL ISSUES	KPI
The communities in which we operate	HDSA percentage of discretionary procurement spend
	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 percentage of payroll
Skills development	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
Termination of largest volume contractor	Women in mining
Termination of largest volume contractor	Number of production days lost due to labour action

Environmental

MATERIAL ISSUES	KPI
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 ₂ e), including GHG intensity (per tonnes milled/ore produced)
	Hazardous waste landfilled

Safety

MATERIAL ISSUES	KPI
Safety performance	Fatal injury frequency rate (FIFR)
	Lost time injury frequency rate (LTIFR)
	Serious injury frequency rate (SIFR)
	Injury free days
	Total recordable injuries
	Number of production shifts lost due to section 54 stoppages

INDEPENDENT ASSURANCE REPORT

TO THE MANAGEMENT AND STAKEHOLDERS OF ROYAL BAFOKENG PLATINUM LIMITED continued

Health

MATERIAL ISSUES	KPI
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 were tested positive
	TB incidence rate

WORK PERFORMED BY IBIS

Ibis performed the assurance engagement in accordance with the AccountAbility AA1000AS (2008) Type II requirements. The following suitable assessment criteria were 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 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 its 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 assurance level 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 assurance objectives above and as presented with a  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 maintained a formal Board-approved sustainability and stakeholder engagement framework during the reporting period. Evidence observed pointed to inclusive stakeholder engagement and collective decision-making performed, the results of which were continually reported 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 2017, and integrated with the internal risk management process. Material matters have been revised, considered at Board level and linked to the reported sustainability themes that are relevant to the strategic objectives of the business. The report sets out matters of concern to stakeholders and their associated risks and opportunities. The materiality section of the report was also revised to reflect the shifting of material issues as determined during 2017.

In relation to the responsiveness principle

RBPlat's responses to stakeholder issues observed across different stakeholder groups and case studies indicate a high level of maturity and accountability to stakeholder issues raised. RBPlat actively implemented its stakeholder engagement framework by way of developing a stakeholder engagement plan that was also observed to be duly implemented during the reporting period. Evidence observed points to continued actions towards strengthening relationships with employees, unions and communities, as well as the investor community. Responses to stakeholders observed 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. Continued implementation of the stakeholder engagement framework is recommended.

In relation to the selected KPIs

The general control environment for sustainability information has improved from the previous year. However, a number of environmental data inconsistencies were identified during the audit that were consequently corrected. Although Ibis is satisfied with the data accuracy in the assurance scope in general, it was found that controls governing the collection, verification, and reporting of environmental information presented challenges.

It is recommended that RBPlat continues with the internal audit programme carried out in 2017 and focuses 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 management for consideration.


Petrus Gildenhuis

Director, Ibis ESG Assurance Proprietary Limited

Johannesburg
27 February 2018



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 STATISTICS

Company: Royal Bafokeng Platinum Limited
 Register date: 29 December 2017
 Issued share capital: 195 836 465

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	1 040	61.61	308 712	0.16
1 001 – 10 000 shares	329	19.49	946 454	0.48
10 001 – 100 000 shares	196	11.61	8 126 521	4.15
100 001 – 1 000 000 shares	101	5.98	29 538 569	15.08
1 000 001 shares and over	22	1.30	156 916 209	80.13
Total	1 688	100.00	195 836 465	100.00

Distribution of shareholders	Number of shareholdings	%	Number of shares	%
Strategic holders	2	0.18	123 737 655	63.18
Banks/brokers	42	2.49	6 851 005	3.50
Close corporations	10	0.59	8 612	0.00
Endowment funds	14	0.83	219 449	0.11
Individuals	1 152	68.25	1 381 803	0.71
Insurance companies	31	1.84	2 400 597	1.23
Medical schemes	5	0.30	266 596	0.14
Mutual funds	110	6.52	26 218 651	13.39
Other corporations	13	0.77	7 028	0.00
Private companies	30	1.78	72 306	0.04
Retirement funds	163	9.66	30 983 746	15.82
Share scheme	1	0.06	2 285 042	1.17
Treasury stock	1	0.06	1 048 258	0.54
Trusts	113	6.69	355 717	0.18
Total	1 688	100.00	195 836 465	100.00

Public/non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	18	1.07	127 434 335	65.07
Directors and associates of the Company	6	0.36	363 380	0.19
Strategic holdings (more than 10%)	2	0.18	123 737 655	63.18
Share scheme	8	0.47	2 285 042	1.17
Treasury stock	1	0.06	1 048 258	0.54
Public shareholders	1 670	98.93	68 402 130	34.93
Total	1 688	100.00	195 836 465	100.00

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	%
Royal Bafokeng Holdings	101 333 105	51.74
Anglo American Platinum Limited (Rustenburg Platinum Mines Limited)	22 404 550	11.44
Allan Gray	8 982 694	4.59
Government Employees Pension Fund	7 506 949	3.83
Total	132 720 349	67.77

Top 10 fund managers	Number of shares	%
Allan Gray Asset Management	16 578 704	8.47
Kagiso Asset Management	12 914 819	6.59
Abax Investments	5 037 412	2.57
Public Investment Corporation	4 002 620	2.04
Investec Asset Management	3 545 091	1.81
Coronation Fund Managers	3 195 214	1.63
Perpetua Investment Managers	2 509 602	1.28
Aylett & Co	2 348 592	1.20
Vanguard	2 031 877	1.04
Afena Capital	1 673 124	0.85
Total	47 783 462	24.40

Share price performance	
Opening price on 2 January 2017	R35.60
Closing price at 29 December 2017	R28.00
Closing high for the period	R43.40
Closing low for the period	R26.50
Number of shares in issue	195 836 465
Volume traded during the period	27 078 916
Ratio of volume traded to shares issued (%)	13.83
Rand value traded during the period	901.3
Price/earnings ratio as at 31 December 2017 (x)	(7.17)
Earnings yield as at 31 December 2017 (%)	(13.95)
Dividend yield (%)	0.00
Market capitalisation at 31 December 2017 (ZAR million)	5 483

GLOSSARY OF 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 Westdown 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
BRPM	Bafokeng Rasimone Platinum Mine
CAS	Collision avoidance system
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
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 and 2	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
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

GLOSSARY OF TERMS AND ACRONYMS continued

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
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 200 000 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)
MHS	Mine health and safety
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
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

GLOSSARY OF TERMS AND ACRONYMS continued

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
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
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 200 000 hours worked
Silicosis	A lung disorder resulting from long-term occupational exposure to low amounts of silica dust

GLOSSARY OF TERMS AND ACRONYMS continued

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 200 000 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 ninth Annual General Meeting (AGM) of the Company will be held on Tuesday, 10 April 2018 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, 16 February 2018. 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 Thursday, 29 March 2018. 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 Monday, 26 March 2018.

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, 5 April 2018 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 shareholder's 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.

NOTICE OF ANNUAL GENERAL MEETING continued

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 2017, as approved by the Board on 27 February 2018, 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 Mr DS Phiri, who was appointed to the Board on 1 April 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 executive director of the Company."

2. *Ordinary resolution number 2*

Re-election of director

"Resolved that Mr MJL Prinsloo, who was appointed to the Board on 1 March 2009 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby re-elected as an executive director of the Company."

3. *Ordinary resolution number 3*

Re-election of director

"Resolved that Mr MH Rogers, who was appointed as a director on 7 December 2009 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 Mr O Phetwe, who was appointed to the Board on 28 February 2018 in terms of the MOI of the Company, being eligible is hereby elected as a non-executive director of the Company."

5. *Ordinary resolution number 5*

Election of director

"Resolved that Mr PJ Ledger, who was appointed to the Board on 28 February 2018 in terms of the MOI of the Company, being eligible is hereby elected as an independent non-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 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, Ms L de Beer, an independent non-executive director, be and is hereby re-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, Ms L Stephens, 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.”

10. Ordinary resolution number 10***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 9 791 823 (nine million seven hundred and ninety-one thousand eight hundred and twenty-three) 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 10, 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 subdivision 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, 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 10 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.

NOTICE OF ANNUAL GENERAL MEETING continued

11. *Ordinary resolution number 11*

Approval of remuneration policy

“Resolved that the remuneration policy of the Company as set out on pages 132 to 137 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).”

12. *Ordinary resolution number 12*

Approval of remuneration implementation report

“Resolved that the remuneration implementation report of the Company as set out on pages 132 to 137 of the integrated report be and is hereby approved through a non-binding advisory vote.”

13. *Ordinary resolution number 13*

Approval of the amended scheme rules – Existing Employee Incentive Scheme 2016 (EIS 2016)

“Resolved that the amendments to the existing share scheme rules of the Company, the draft rules of which will be tabled at the AGM and initialled by the Chairman of the AGM for purposes of identification, be and are hereby approved.”

The salient features of the amendments to the scheme rules are set out in the explanatory note on pages 162 and 167. The percentage of voting rights required for ordinary resolution number 13 to be adopted is a 75% (seventy-five percent) majority of the votes.

14. *Ordinary resolution number 14*

Approval of the new Share Appreciation Rights Plan rules (SAR Plan 2017)

“Resolved that the new Share Appreciation Rights Plan rules of the Company, the draft rules of which will be tabled at the AGM and initialled by the Chairman of the AGM for purposes of identification, be and are hereby approved.”

The rationale and salient features of the new scheme rules are set out in the explanatory note on pages 162 to 167. The percentage of voting rights required for ordinary resolution number 14 to be adopted is a 75% (seventy-five percent) majority of the votes.

15. *Ordinary resolution number 15*

Approval of the new Full Share Plan rules (Full Share Plan 2017)

“Resolved that the new Full Share Plan 2017 rules of the Company, the draft rules of which will be tabled at the AGM and initialled by the Chairman of the AGM for purposes of identification, be and are hereby approved.”

The rationale and salient features of the new scheme rules are set out in the explanatory note on pages 162 to 167. The percentage of voting rights required for ordinary resolution number 15 to be adopted is a 75% (seventy-five percent) majority of the votes.

16. *Ordinary resolution number 16*

Approval of the revised share scheme limit

“Resolved that the maximum number of ordinary shares allocated and issued in respect of the Company’s employee share schemes, excluding any broad-based black economic empowerment schemes, be and is hereby approved at 6% (six percent) of the current share capital of the Company (being 11 750 188 (eleven million seven hundred and fifty thousand one hundred and eighty-eight) scheme shares.”

The percentage of voting rights required for ordinary resolution number 16 to be adopted is a 75% (seventy-five percent) majority of the votes.

SPECIAL RESOLUTIONS

17. *Special resolution number 1*

Financial assistance to related or inter-related parties

“Resolved that to the extent required in terms of, and subject to the provisions of section 45 of the Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the next 2 (two) years commencing on the date on which this special resolution number 1 is adopted, any direct or indirect financial assistance as contemplated in such section of the Act to any 1 (one) or more companies or corporations which are within the RBPlat Group (such related or inter-related companies or corporations hereinafter being referred to as Group) on such terms and conditions as the directors of the Company, or any one or more persons authorised by the directors of the Company from time to time for such purpose, deem fit.”

To the extent that special resolution number 1 is adopted by the shareholders of the Company, the directors of the Company will be able to adopt a resolution (the section 45 Board Resolution) authorising the Company to provide, at any time – from time to time during the two-year period commencing on the date on which special resolution number 1 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Act to any one or more related or inter-related companies or corporations within the Group.

The section 45 Board Resolution will always be subject to the directors being satisfied that (a) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Act and that (b) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Act.

To the extent that the section 45 Board Resolution contemplates that such financial assistance (including the lending of money, guaranteeing a loan or other obligation and securing any debt or obligation in terms of section 45 of the Act) provided for in that resolution and any other during the same financial year will in the aggregate exceed one-tenth of one percent of the Company’s net worth at the date of adoption of such resolution, the Company shall, for so long as it is required in terms of the Act, within 10 business days after the adoption of the section 45 Board Resolution provide notice thereof to the shareholders of the Company and to any trade union representing employees of the Company. In any other case, for so long as it is required in terms of the Act, the Board will provide the shareholders with written notice of a section 45 Board Resolution within 30 business days of the end of the financial year.

18. *Special resolution number 2*

Conversion of shares

“It is resolved as a special resolution that, in accordance with Regulation 31(6) of the Companies Regulations, 2011 (the Regulations) published in terms of the Companies Act, 2008 (the Act), the authorised and issued ordinary shares of the Company be and are hereby converted from ordinary shares having a nominal or par value of R0.01 to ordinary shares having no nominal or par value.

“For the purposes of the conversion of the ordinary shares of the Company from shares having a nominal or par value to ordinary shares having no nominal or par value, the Board has prepared a report, in terms of Regulation 31(7) of the Regulations, regarding the effect and implications of the conversion.

“A copy of these resolutions, together with the report, will be filed with the Companies and Intellectual Property Commission and the South African Revenue Service simultaneously with the delivery of these resolutions to shareholders of the Company, in accordance with Regulation 31(8)(b) of the Regulations.”

Reason for and effect of special resolution number 2

The Regulations provide that, in the case of companies which have par value shares, it is not permissible to create new par value shares and where directors wish to increase the authorised share capital, the share capital of the Company must first be changed to no par value shares.

The reason for and effect of special resolution number 2 is therefore to convert the existing ordinary share capital from shares having a par value to shares having no nominal or par value.

NOTICE OF ANNUAL GENERAL MEETING continued

19. Special resolution number 3

Increase of authorised share capital

Subject to the passing of special resolution number 2, “it is resolved as a special resolution that the authorised ordinary share capital of the Company be and is hereby increased from 250 000 000 (two hundred and fifty million) ordinary no par value shares to [1 000 000 000 (one billion)] ordinary no par value shares.”

Reason for and effect of special resolution number 3

As noted above, following the issue of shares pursuant to the acquisition of Maseve Investments 11 Proprietary Limited as approved by shareholders at the meeting dated 30 November 2017, the Company will only have authorised but unissued share capital of 12 292 200 shares. Accordingly, in order to facilitate future issues of shares pursuant to, inter alia, the Company’s existing employee share/option schemes, the conversion of the convertible bonds issued by the Company on 15 March 2017, and any other issues of shares which may arise from time to time, the Company wishes to increase its authorised share capital.

The effect of special resolution number 2 is therefore to increase the authorised share capital of the Company from 250 000 000 (two hundred and fifty million) ordinary shares to [1 000 000 000 (one billion ordinary shares)] ordinary no par value shares and the reason for special resolution number 2 is to create additional headroom for further share issues, as contemplated above.

20. Special resolution number 4

Adoption of the amendment to the Memorandum of Incorporation (MOI)

“It is resolved as a special resolution that, in accordance with section 16(1)(c) of the Act, the MOI be amended as follows:

- a. Subject to the passing of special resolutions number 1 and 2, Schedule 1 – authorised shares – Clause 1.1 – be amended to read:
 - 1.1 *“The Company is authorised to issue [1 000 000 000 (one billion)] shares of no par value (which includes shares already issued), each of which shall entitle the holder, subject to any preferences, rights or other share terms of any class of shares in the Company ranking prior to the ordinary shares:”*

with sub-clauses 1.1.1 to 1.1.4 remaining unchanged.
- b. Clause 2.8.5 be amended by replacing “*Securities Services Act, 2004*” with “*Financial Markets Act, 2012*”.
- c. Clause 5.4 be amended, in order to allow for the delivery of proxy forms prior to the time of the commencement of a shareholders’ meeting, to read as follows:

“A shareholder or his proxy must deliver to the Company and/or its share transfer secretaries a copy of the instrument appointing a proxy not later than the time of commencement of the meeting at which the proxy intends to exercise that shareholder’s rights. Alternatively, the shareholders may deliver the copy of the instrument appointing a proxy to the chairman of the meeting at the meeting, prior to commencement of the meeting at which the proxy intends to exercise that shareholder’s rights.”
- d. Clause 6.5 be amended, in order to align it with the Act, to read as follows:

“The Board shall be obliged, insofar as required in terms of the Act and/or JSE Listings Requirements, to ensure that every shareholders’ meeting shall be reasonably accessible within the Republic for electronic participation by shareholders, irrespective of whether the meeting is held in the Republic or elsewhere, and to ensure that shareholders shall be advised accordingly in the notice convening the shareholders’ meeting concerned.”
- e. Clause 6.6.1 be amended, to incorporate the number of shareholders required to be present at a shareholders’ meeting, to read as follows:

“Notwithstanding anything to the contrary in the Act, a shareholders’ meeting may not, for so long as is required in terms of the JSE Listings Requirements, begin or resume until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty-five percent) of all of the voting rights that are entitled to be exercised in respect of any matter to be decided at the meeting and at least 3 (three) shareholders are present at the meeting.”

- f. The insertion of the following sentence at the end of Clause 9.1.1 to align with the JSE Listings Requirements:
“No director shall be appointed for life or for an indefinite period.” [10.16(k)]
- g. Because Clause 10.3 also deals with the Company’s annual financial statements, the insertion of the following words at the end of the heading of Clause 10.3:
“and annual financial statements.”
- h. A new Clause 10.8 be included, to provide for the making of an odd-lot offer to shareholders, to read as follows:
“The Company may, in accordance with the restrictions and procedures imposed by the JSE Listings Requirements, insofar as is applicable (including obtaining such shareholder or other approvals as may be required in terms of the JSE Listings Requirements from time to time for such offer), make an odd-lot offer to shareholders holding (i) less than one hundred shares or (ii) one hundred or more shares, provided that it can be illustrated to the JSE that the cost associated with a holder disposing of such number of shares is equal to or exceeds the total value of such number of shares, in terms of which the offeree shareholders are given the right to elect to retain their shareholdings or to sell their shareholdings and the odd-lot offer may provide that if any offeree shareholder fails to exercise the right of election his shareholding will be compulsorily sold as if he had elected to sell his shareholding.”

with effect from the date on which the amended memorandum is filed with the Companies and Intellectual Property Commission in accordance with section 16(9) of the Act.”

Reason for and effect of special resolution number 4

The reason for and effect of special resolution number 4 is to amend the MOI of the Company in order to reflect the increased authorised share capital of the Company and align the MOI of the Company with the requirements of the JSE Listings Requirements and the Act.

21. Special resolution number 5
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	
	2018 R	2017 R
Board Chairman (all-inclusive fee)	1 462 473	1 373 214
Board member	331 597	311 359
Audit and Risk Committee Chairman	224 065	210 390
Audit and Risk Committee member	124 872	117 251
Remuneration and Nomination Committee Chairman	162 675	147 886
Remuneration and Nomination Committee member	113 293	106 378
Social and Ethics Committee Chairman	165 657	149 688
Social and Ethics Committee member	111 955	105 122

Subject to the approval by shareholders, the R16 000 ad hoc meeting fee will be increased to R17 040.

22. Special resolution number 6
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.”

NOTICE OF ANNUAL GENERAL MEETING continued

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 6
- (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 6 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.

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 6 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
 - 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 18 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 page 18 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 6 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 143
- Directors' interests in shares – page 136
- Share capital of the Company – page 142.

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 2017 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% of the voting rights of shareholders exercised thereon to be approved, other than ordinary resolutions numbers 11, 13, 14, 15 and 16 which will require at least 75% 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% 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, 6 April 2018. The completion of the form will not preclude the shareholder from subsequently attending the AGM.

NOTICE OF ANNUAL GENERAL MEETING continued

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, 6 April 2018.

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

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 2017.

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 page 18 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 to 5)

Ordinary resolution 4 and 5 are proposed to appoint Mr O Phetwe and Mr PJ Ledger to the Board on 28 February 2018 in terms of the Memorandum of Incorporation (MOI) of the Company, being eligible as non-executive directors of the Company.

A brief biography of the directors are as follows:

Mr O Phetwe

BCom, North-West University; BCom (Hons) CTA, University of South Africa; Chartered Accountant (SA)

A chartered accountant, he completed his articles with PricewaterhouseCoopers Inc. He is currently the Chief Executive Officer of the Royal Bafokeng Nation Development Trust and a non-executive director on the Royal

Bafokeng Holdings Limited Board. He previously held the positions of Group Treasury and Business Manager for the Royal Bafokeng Nation; Finance Manager for the Royal Bafokeng Administration; and Senior Audit Manager at Mokuia and Associates, Chartered Accountants.

Mr PJ Ledger

BSc (Eng) (Rand) Mining, FSIMM, EDP (INSEAD)

Peter has over 20 years' experience as an executive director and non-executive director, having held a number of independent non-executive directorships of listed companies including Foskor, Aquarius Platinum and Ridge Mining plc. He was chairman of the Master Drilling Group from 2012 to 2014. His mining experience includes over 40 years in the mining and beneficiation of coal, chrome, gold, asbestos, diamonds and platinum group metals in southern Africa and more than 30 years' general management experience in mining in southern Africa.

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 9)

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 9 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 pages 93 and 94 of this integrated report.

A brief biography of the committee members offering themselves for election can be found on page 18 of the integrated report and the online integrated report.

NOTICE OF ANNUAL GENERAL MEETING continued

6. *Issue of shares for cash (ordinary resolution number 10)*

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 12 April 2017 expires at the AGM to be held on Tuesday, 10 April 2018, 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 11 and 12)*

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 their implementation. Ordinary resolutions numbers 11 and 12 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 132 to 137 of the integrated report. Furthermore, if their concerns have not already been addressed, the Company will engage with shareholders who voted against the tabled resolutions.

8. *Approval of amended and new employee share scheme rules and revised scheme share limits (ordinary resolutions numbers 13 to 16)*

Royal Bafokeng Platinum Limited: Amendments to existing share plan and introduction of new plans **Introduction**

Royal Bafokeng Platinum Limited (the Company) embarked on the process to review and simplify its long-term incentive plans. Going forward, the Company will be utilising three long-term incentive plans, namely:

- Employee Incentive Scheme 2016 (EIS 2016) – an existing plan comprising various instruments and which is being amended to update the operation of the limits clauses
- Share Appreciation Rights Plan 2017 (SAR Plan 2017) – a new equity-settled share appreciation rights plan
- Full Share Plan 2017 (Full Share Plan 2017) – a new full share plan comprising conditional shares and forfeitable shares to be used for performance awards, bonus awards and retention awards.

The purpose of this document is to provide shareholders with an overview of the changes to the EIS 2016 and to detail the salient terms of the two new plans.

Employee Incentive Scheme 2016

On approval of the two new plans, the Company will no longer be making new awards under the EIS 2016; however outstanding awards, these being bonus share awards, forfeitable share awards and options, as well as legacy plan awards, but excluding any broad-based employee share plans which are regulated under the EIS 2016 (other share plans) will continue to be administered and settled in terms of the EIS 2016. The Company is cognisant of its responsibility to ensure that the introduction of the two new share plans will not result in any further dilution to shareholders. This necessitated the following changes to the EIS 2016, which are subject to shareholder approval:

Company limit

On approval of the two new share plans, an aggregate limit for all the plans, being the other share plans, EIS 2016, SAR Plan 2017 and Full Share Plan 2017 will be used, namely 11 750 188 shares representing 6% of the issued share capital of the Company as at the date of the upcoming AGM. The way the limit is computed in the EIS 2016 has been amended as follows:

- Shares which are settled by way of an issue of new shares or the use of treasury shares will be included in the limit
- Shares purchased in the market and shares which have been settled ahead of the exercise date will be excluded from the limit and will revert to the EIS 2016 for reallocation.

Individual limit

In computing the individual limit, shares that are settled will be used. No more than 1 958 365 shares representing 1% of the issued share capital of the Company as at the date of the upcoming AGM can be settled with any one participant of the EIS 2016 and other share plans.

New share plan**Purpose**

The SAR Plan 2017 and Full Share Plan 2017 will be used as an incentive to participants to deliver the Group's business strategy over the long term and any new awards will be made under either of these two plans.

The Full Share Plan comprises conditional shares and forfeitable shares. A conditional share is a right to receive a share at a future vesting date. Forfeitable shares on the other hand are allotted shortly after the award date, but are subject to forfeiture and disposal restrictions until the vesting date. The following awards can be made under the Full Share Plan:

- Bonus awards: Awarded as forfeitable shares. The value of the bonus awards will be determined as a percentage of the annual short-term incentive. Performance is therefore considered as an entry requirement and the further vesting of the award will be subject to continued employment (the employment condition)
- Performance awards: Awarded as conditional shares, the vesting of which is subject to the satisfaction of Company performance vesting conditions (performance conditions) and the employment condition in line with the Group's approach of performance-related incentives
- Retention awards: Awarded as forfeitable shares, the vesting of which is subject to the satisfaction of the employment condition and will be subject to the satisfaction of strategic performance vesting conditions, in specific ad hoc instances where the Remuneration Committee recognises key talent instrumental in delivering the Group's business strategy.

Under the SAR Plan equity-settled share appreciation rights can be granted which will be subject to the employment condition and may be subject to performance conditions. SAR plans are intended to be used for appointment awards and promotion awards.

The employment condition and the performance condition(s) are described more fully under the heading performance conditions and vesting.

Participants [14.1(a)]

Eligible employees will include all executive directors and selected senior management of any company in the Group. Participation in the plans is not a condition of employment and the Remuneration Committee has absolute discretion to make an award to an employee in terms of the plans.

Rights of participants [14.1(e)]

Participants who have been granted forfeitable shares will become owners of the shares from the settlement date, shortly after the award date, and will immediately benefit from dividends and have shareholder voting rights in respect of the forfeitable shares over the employment and vesting period subject to the JSE Listings Requirements. The forfeitable shares cannot be disposed of by the participant prior to the vesting date and will be subject to forfeiture and disposal restrictions until the vesting date.

Participants who have been granted conditional shares and SAR will not have any shareholders' rights until the settlement date, which will be after the vesting date for conditional shares and after the exercise date for SAR.

Basis of annual awards and award levels [14.1(f)]

In line with the requirements of King IV™ and best practice, regular annual awards will be made on a consistent basis to ensure long-term shareholder value creation.

The Remuneration Committee will have the discretion to determine the number of awards, by taking into consideration the employee's salary, grade, individual performance, relevant market benchmarks, retention and incentivisation requirements at the time and the achievement of the key performance indicators of the annual short-term incentive plan for bonus awards. The Company believes that this principle will further enhance a pay for performance culture. Notwithstanding the above, overall affordability to the Company will be considered each time an award is made.

NOTICE OF ANNUAL GENERAL MEETING continued

Performance conditions and vesting

Bonus awards will be made dependent on the quantum of annual bonus earned during the previous financial year, and will be linked to performance in this manner. Bonus awards will not be subject to future performance conditions, but will be subject to the fulfilment of the employment condition, which will be three years from the date of award. Retention awards will vest over a period determined by the Board and will be made subject to the fulfilment of strategic performance conditions.

Performance awards will be subject to the fulfilment of both the predetermined performance conditions and continued employment until the vesting date, which will be either the date on which the performance conditions are measured and/or three years from the date of award. SAR may be subject to performance conditions and will be subject to the employment condition, which will be three years from the date of award for a third of the award, four years from the date of award for the next third of the award and five years from the date of the award for the remaining third of the award.

The Remuneration Committee will set appropriate performance conditions, performance periods, employment conditions and employment periods, as relevant, for each award, considering the business environment at the time of making the awards. These will be agreed with the participant in terms of the award letter.

No vesting will take place below threshold performance, and in line with good governance principles, linear interpolation is applied for performance between threshold and target performance levels. In line with corporate governance principles, performance conditions will not be retested if they are not met at the end of the performance period, and to the extent that they are not satisfied, awards will lapse at this time.

Manner of settlement

Following the making of an award of forfeitable shares, settlement shall take place within 30 (thirty) days of the award date to the participant. Settlement of conditional shares and SAR will take place within a 30-day period following vesting and exercise, respectively. The rules of the plans are flexible to allow for settlement in any of the following manners:

- By way of a market purchase of shares
- Use of treasury shares
- Issue of shares.

The exact method of settlement will be determined by the Remuneration Committee from time to time.

Limits and adjustments

Company limit

The maximum number of shares which may at any one time be settled under the other share plans, EIS 2016, SAR Plan 2017 and Full Share Plan 2017 shall not exceed 11 750 188 shares, which represents approximately 6% (six percent) of the number of issued shares as at the date of the upcoming AGM.

Shares issued by the Company or shares held in treasury which are used to settle all the plans referred to above will be included in the Company limit. Shares which are forfeited will be excluded in calculating the Company limit. Similarly, any shares purchased in the market in settlement of the plans will be excluded. [14.1(b)] The committee must, where required, adjust the Company limit (without the prior approval of shareholders in a general meeting), to take account of a subdivision or consolidation of the shares of the Company. [14.3(a)]

Individual limit

The maximum number of shares which may be settled on an individual may not exceed 1 958 365 shares, which represents approximately 1% of the number of issued shares as at the date of the upcoming AGM. [14.1(c)] The committee may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the Company. [14.3(b)]

The auditors, or other independent adviser acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the FSP and must be reported on in the Company's financial statements in the year during which the adjustment is made. The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Company limit and the individual limit. [14.3(d), (e)]

Consideration [14.1(d)(i)]

The participant will give no consideration upon the settlement, vesting or exercise of any award.

Termination of employment [14.1(h)]**Fault terminations**

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct or based on abscondment will be classified as "fault terminations" and will forfeit all unvested awards. SAR Plan participants who resign and hold vested but unexercised SAR must exercise SAR prior to the date of termination of employment, whilst SAR for other "fault terminations" will immediately lapse.

No-fault terminations

Participants terminating employment due to death, ill-health, disability, injury, retrenchment, retirement and early retirement if so determined by the committee (except to the extent that it constitutes a fault termination as set out above), or the sale of a subsidiary company will be classified as a "no-fault termination" and a portion of their unvested award(s) shall vest on the date of termination of employment or as soon as possible thereafter after the performance conditions have been reviewed. This portion will reflect the number of months served since the award date to the date of termination of employment over the total number of months in the respective employment periods and, if applicable, the extent to which the performance conditions have been met. The remainder of the award will lapse. SAR participants will have a period of between six and 24 months, depending on the reason for termination, to exercise their SAR, whereafter they will lapse.

Change of control [14.1(g)]

In the event of a change of control of the Company occurring before the vesting date of any award, a portion of the award will vest. The portion of the award which shall vest will reflect the number of complete months served since the award date to the change of control date, over the total number of months in the respective employment periods. In respect of performance awards and retention awards which are subject to performance conditions, the Remuneration Committee will calculate whether and the extent to which the performance conditions have been satisfied by reference to the immediately preceding financial year and the number of complete months served since the award date to the change of control date, over the total number of months in the respective employment periods.

NOTICE OF ANNUAL GENERAL MEETING continued

Variation of share capital

In the event of a variation in share capital such as a capitalisation issue, subdivision of shares, consolidation of shares etc. participants shall continue to participate in the plans but the Remuneration Committee may make such adjustment to the award or take such other action to place participants in no worse a position than they were in prior to the occurrence of the relevant event and to provide that the fair value of the award immediately after the event is materially the same as the fair value of the award immediately before the event.

In the event of a rights issue, a participant will be entitled to normal shareholder rights and will participate in any rights issue in respect of their forfeitable shares.

The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to awards.

Liquidation

If the Company is placed into liquidation, other than for purposes of reorganisation, any award shall ipso facto lapse as from the liquidation date. [14.1(e)]

Amendment [14.2]

The Remuneration Committee may alter or vary the rules of the SAR Plan 2017 and the Full Share Plan 2017 as it sees fit, however, in the following instances the plans may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- The category of persons who are eligible for participation
- The number of shares which may be utilised for the plans
- The individual limitations on benefits or maximum entitlements
- The basis upon which awards are made
- The amount payable upon the award, settlement or vesting of an award
- The voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the Company
- The adjustment of awards in the event of a variation of capital of the Company or a change of control of the Company
- The procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

General

The amended rules of the EIS 2016 and rules of the SAR Plan 2017 and Full Share Plan 2017 are available for inspection from Monday, 26 March 2018 to Monday, 9 April 2018 at the Company's registered office, No 1 Monte Casino Boulevard, The Pivot, Block C, 4th Floor, Fourways, South Africa.

In terms of the JSE Listings Requirements, the passing of ordinary resolutions numbers 13 to 16 requires the approval of a 75% majority of the voting rights.

9. Financial assistance to related and inter-related parties (special resolution number 1)

In terms of section 45 of the Act, shareholders are required to approve, by way of a special resolution, any director or related or inter-related party loans. Given that such financial assistance exists between the companies within the Group and may be required in future, shareholders are requested to consider and grant such general authority, which shall be renewed every 2 (two) years.

The purpose of this special resolution is to grant the directors of the Company the authority to authorise the Company to provide direct or indirect financial assistance as contemplated in section 45 of the Act to any one or more related or inter-related companies within the Group.

10. Increase in authorised share capital and amendment to the MOI (special resolutions numbers 2 and 3)

The reason for special resolutions numbers 2 and 3 is to increase the authorised share capital of the Company to accommodate future issues of ordinary shares resulting in an amendment to the MOI of the Company to give effect to such increase in ordinary share capital as described in the resolutions tabled.

The effect of special resolutions numbers 2 and 3 will be that the ordinary share capital of the Company will be increased to 500 000 000 million ordinary shares with the addition of 250 000 000 million ordinary shares of no par value.

11. Non-executive directors' fees (special resolution number 4)

In terms of King III 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 137 for additional information on non-executive director fees.

The Board believes that the proposed fees are competitive enough and will enable the Company to retain and attract 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.

12. General authority to repurchase shares (special resolution number 5)

The effect of special resolution number 5 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.

NOTICE OF ANNUAL GENERAL MEETING continued

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, 6 April 2018. Proxies can also be provided to the chairman of the meeting before the meeting commences on Tuesday, 10 April 2018 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 ninth Annual General Meeting (AGM) to be held on Tuesday, 10 April 2018 at 10:00 subject to any cancellation, postponement or adjournment, in the Castello room at the Palazzo Hotel, Monte Casino Boulevard, Fourways. 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 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)

telephone number

email 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, 10 April 2018 at 10:00 in the Castello room at the Palazzo Hotel, Monte Casino Boulevard, Fourways 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 2017			
2	Ordinary resolution number 1	To re-elect Mr DS Phiri as a director of the Company			
3	Ordinary resolution number 2	To re-elect Mr MJL Prinsloo as a director of the Company			
4	Ordinary resolution number 3	To re-elect Mr MH Rogers as a director of the Company			
5	Ordinary resolution number 4	To elect Mr O Phetwe as a director of the Company			
6	Ordinary resolution number 5	To elect Mr PJ Ledger 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 de Beer as the Chairman and member 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 L Stephens as a member of the Audit and Risk Committee			
11	Ordinary resolution number 10	To grant directors a general authority to issue up to 5% of the unissued share capital of the Company for cash			
12	Ordinary resolution number 11	To approve via a non-binding vote the remuneration policy of the Company			
13	Ordinary resolution number 12	To approve via a non-binding vote the remuneration implementation report of the Company			
14	Ordinary resolution number 13	To approve the amendments to the existing employee share incentive scheme (EIS 2016)			
15	Ordinary resolution number 14	To approve the new Share Appreciation Rights Plan 2017 rules			
16	Ordinary resolution number 15	To approve the new Full Share Plan 2017 employee share scheme rules			
17	Ordinary resolution number 16	To approve the revised 6% employee share scheme limit			
18	Special resolution number 1	To grant the directors a general authority to authorise the provision of financial assistance to related and inter-related companies or corporations whether directly or indirectly			
19	Special resolution number 2	To approve the conversion of ordinary shares having a par value to no par value			
20	Special resolution number 3	To approve the increase in the authorised ordinary share capital of the Company			
21	Special resolution number 4	To approve the amendments to the Memorandum of Incorporation			
22	Special resolution number 5	To approve the non-executive directors' fees			
23	Special resolution number 6	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 _____ 2018

Signature _____ or assisted by _____ (where applicable)

NOTES TO THE FORM OF PROXY *continued*

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 Tuesday, 10 April 2018.
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 or 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
9 March 2018

Administration

Company registered office
Royal Bafokeng Platinum Limited
Registration number: 2008/015696/06
Share code: RBP
ISIN: ZAE000149936

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