



ROYAL BAFOKENG  
PLATINUM  
MORE THAN MINING



APPLICATION OF THE KING IV  
PRINCIPLES DURING 2018



## RBPLAT'S APPLICATION OF THE KING IV™\* PRINCIPLES DURING 2018

The table that follows has been developed to provide a summary assessment of our application of the principles described in King IV during 2018.

### ASSESSING THE EFFECTIVENESS OF OUR CORPORATE GOVERNANCE

In the sections that follow we assess whether our application of the King IV principles, a set of voluntary principles and recommended leading practices, to corporate governance in RBPlat has allowed us to realise or at least make good progress towards achieving the beneficial outcomes of:

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

The page numbers next to the various King IV principles will guide you to the sections of this report where our application of the principle has been discussed.

### ● **Goal:** establish an ethical culture and achieve legitimacy by meeting our responsibilities as a responsible corporate citizen

To achieve this outcome we need to apply the first three King IV principles:

Legend: ● Achieved ● Partially achieved ● Not achieved

## 1 Leading ethically and effectively

Our Chairman has reported on the quality and effectiveness of our Board's leadership during the year under review and the oversight measures in place through its Social and Ethics Committee (see page 10 of the Chairman's review in our integrated report for 2018). We also refer you to the report of our Social and Ethics Committee (see page 159 of our integrated report for 2018). The mandate and terms

of reference of this committee address the expanded role ascribed to this committee by King IV of oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.

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

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

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

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

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

Employees are made aware of their responsibilities in regard to an annual declaration of their interests through direct

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

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

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

### Protecting our supply chain

The steps we have and are taking to address ethics, fraud and corruption are included on page 108 of our integrated report for 2018.

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

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

## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

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

Meeting the obligations and responsibilities we have towards society and the natural environment on which society depends can be challenging. As we have indicated in our vision *To seek and deliver the good from mining*, our mission *To leave a lasting legacy of sustainable benefits for our stakeholders*, and our purpose *To create economic value for all our stakeholders*, we are determined that RBPlat is a responsible corporate citizen. A key component of meeting our responsibilities is our approach to **sustainable development**, which is discussed under our application of King IV Principle 4. It also includes meeting our responsibility to **comply with all laws and regulations that apply** to RBPlat and our support and application of non-binding codes, standards and plans we choose to apply (see our application of King IV Principle 13 on pages 13 and 26 of our integrated report for 2018).

To meet our responsibilities to **our employees** we apply the United Nations Global Compact's (UNGC's) principles and adhere to the UN Voluntary Principles on Security and Human rights in our workplace (see the human capital section of our integrated report for 2018 on pages 84 to 98 for details).

Contributing to the sustainable development of the communities in which we operate and ensuring that our activities do not impact their health and well-being is a major responsibility for RBPlat as a corporate citizen. How we have addressed our

responsibility to these communities is addressed in the social and relationship capital section of our integrated report for 2018 on pages 113 to 121 and pages 122 to 127.

We are also responsible for creating sustainable long-term value for our shareholders who include the Royal Bafokeng Nation (RBN) community, which is a major shareholder in our business (see social and relationship capital pages 126 and 127 of our integrated report for 2018).

#### Addressing our responsibilities in terms of the PoPI Act ●

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

#### ● Goal: deliver a good performance

Sustainable development is understood as **development that meets the needs of the present without compromising the ability of future generations to meet their needs** is a primary ethical and economic imperative. It is a fitting response to the organisation being an integral part of society, its status as a responsible corporate citizen and its stakeholders' needs, interests and expectations.

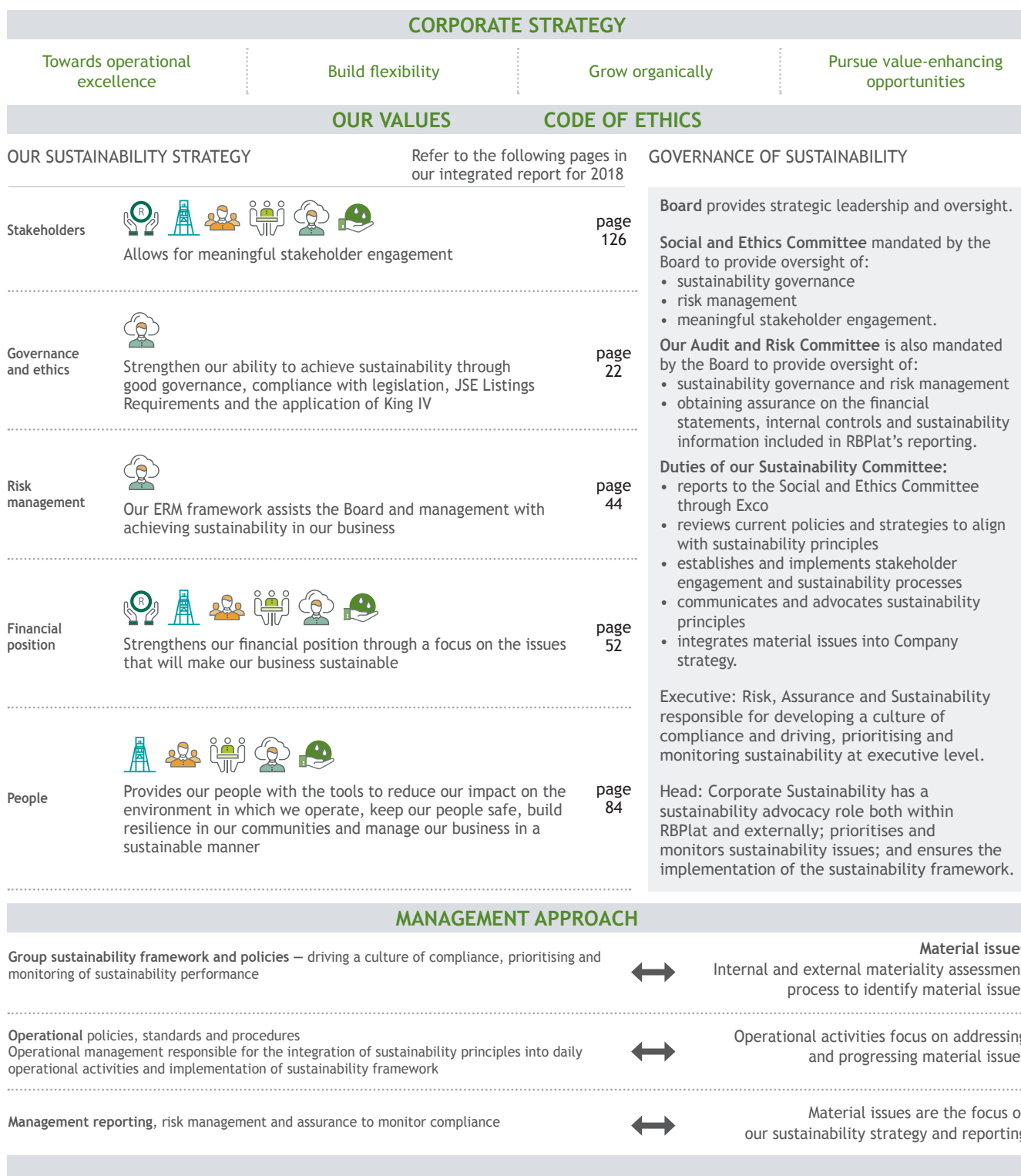
### 4 Appreciating that our core purpose, our risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of our value creation process

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

We recognise that our activities and outputs can have both positive and negative impacts on the triple context economy, society and the environment in which we operate and the capitals we employ in our business to create value for our stakeholders by achieving a good performance (see our business model on pages 28 to 32 of our integrated report for 2018 for information in this regard).

## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

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



## RBPLAT’S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

### 5 Ensuring that the reports issued by RBPlat enable our stakeholders to make informed assessments of our performance and its short, medium and long-term prospects

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 achieve this engagement through 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.

Our efforts to achieve integrated reporting, by providing our management and Board with an integrated view of our business throughout the year, facilitate integrated thinking. These efforts are ongoing as we continually seek to improve the availability of information in RBPlat (see pages 100 and 101 of our integrated report for 2018 regarding information management as a business enabler).

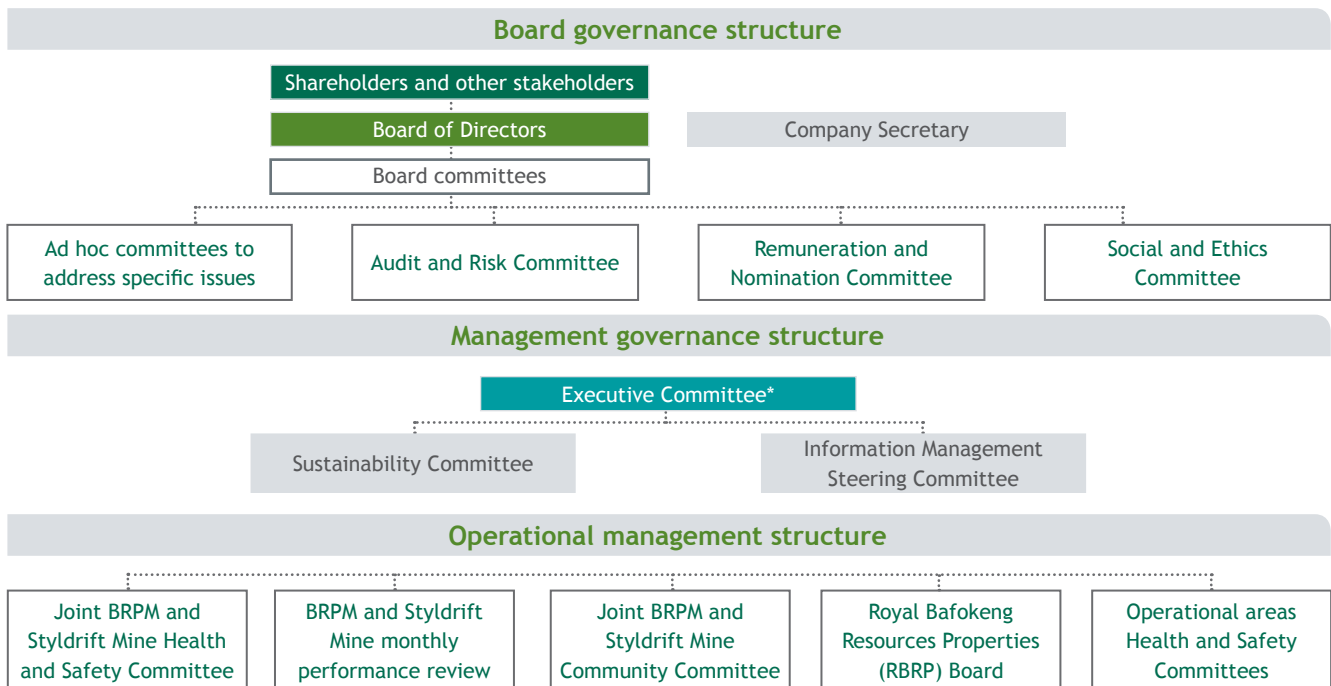
The rigorous materiality process we follow (see pages 48 to 51 of our integrated report for 2018) helps us identify and address the matters material to our stakeholders in our reporting.

- **Goal:** achieve effective control and legitimacy

### 6 The Board should serve as the focal point and custodian of corporate governance in the organisation

Our governance framework positions our Board as the custodian of corporate governance in RBPlat and provides it with effective control of the business. By effectively governing RBPlat and taking into consideration our stakeholders interests

our Board and management contribute value to both the business and its stakeholders. The diagram below sets out our governance structures at Board, executive management and operational level.



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

## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED


### 7 The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The Board's 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 (see pages 18 and 19 of our integrated report for 2018).

Our Nomination Committee is tasked with creating an experienced Board, with the range of expertise relevant to leading RBPlat and which is able to provide the business with ethical and effective leadership. The racial and gender diversity of our Board is set out on page 22 of our integrated report for 2018.

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

RBPlat's Board committees report quarterly to the Board on their statutory duties and Board-assigned responsibilities. Their responsibilities are set out in their terms of reference,

which are regularly reviewed and are available on the RBPlat website at [www.bafokengplatinum.co.za/policies-and-charters.php](http://www.bafokengplatinum.co.za/policies-and-charters.php). 

#### SOCIAL AND ETHICS COMMITTEE

<sup>2</sup> <sup>3</sup>

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 159 of the integrated 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 19 of the integrated report.

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 <sup>11</sup>
  - technology and information governance <sup>12</sup>
  - internal and external audit oversight
  - funding-related matters
  - internal control environment
  - regulatory compliance
  - expense and budget variance control.


#### REMUNERATION AND NOMINATION COMMITTEE

Members are all independent non-executive directors – see pages 18 to 19. The remuneration report is available on page 148 to 158 of the integrated report.

The committee:

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

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

<sup>10</sup> 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.

## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

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

### What kept our Board busy this year

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

### What will keep the Board busy in 2019

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

### What kept our Audit and Risk Committee busy this year

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

### What will keep the committee busy in 2019

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

### What kept our Social and Ethics Committee busy this year

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

### What will keep the committee busy in 2019

- Keeping abreast of changes in environmental and sustainability legislations
- Embedding sustainability in the supply chain
- Ethics and the implementation of human rights training for security practitioners
- Sustainability performance
- Progress with the implementation of our SLPs
- Continue addressing safety, health and wellness performance

### What kept our Remuneration and Nomination Committee busy this year

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

### What will keep the committee busy in 2019

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

### What keeps our ad hoc Technical Committee busy

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

### What keeps our ad hoc Financial Committee busy

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



## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

### 9 The Board 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

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

### 10 The Board should ensure that the appointment of and delegation to management contributes to role clarity and the effective exercise of authority and responsibilities

The roles and responsibilities of the Chairman and the Chief Executive Officer (CEO) are separate and are 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. The Board's MOI sets out the shareholders' delegation of authority to the Board, which has a formal schedule of matters reserved for its consideration and decision. Its delegation of certain matters to its committees and subsidiary companies is described in the terms of reference of these committees, which can be found in the governance section of our website [www.bafokengplatinum.co.za](http://www.bafokengplatinum.co.za). In addition, the Board delegates authority to the Executive Committee.

### 11 The Board should govern risks in a way that supports the organisation in setting and achieving its strategic objectives

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

Our Board by:

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

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

See Managing our risks and opportunities for sustainable value creation on pages 44 to 51 of this report for details of how our risk governance structures and processes support our strategy development and the achievement of our strategic objectives.

#### RISK GOVERNANCE USING THREE LINES OF DEFENCE

##### First line of defence

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

##### Second line of defence

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

##### Third line of defence

Internal audit over which the Board and Audit and Risk Committee have an oversight role to determine appropriate risk and assurance processes. RBPlat's Board is accountable for effective governance and is accountable for the total risk management process and forming an idea of its effectiveness. 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.



## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

### 12 The Board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives

Technology and information governance is a focus area of the Audit and Risk Committee, responsibility for which is delegated to it by the Board. Executive responsibility for technology and information governance lies with the Financial Director.

- strengthened our IT governance and compliance with new Board-approved business continuity, IT security and IT change management policies and procedures
- achieved our business process digitisation targets for 2018.

The progress we made against the key technology and information governance initiatives we identified as areas of focus for 2018 included:

- strengthening our IT management capabilities by realigning our management structures and succession planning to support our business strategy

#### ● Goal: achieve effective control

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

#### COMPLIANCE GOVERNANCE

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

#### RBPLAT'S COMPLIANCE DURING 2018

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

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

- alignment with RBPlat's business strategy, ERM framework, SHE risk management plan and leading practice

- it serves as a reference for those responsible for managing compliance
- a consistent approach to the management of compliance across RBPlat.

#### RBPLAT'S FOUR-PHASE COMPLIANCE RISK MANAGEMENT PROCESS

Phase I Compliance risk identification

Phase II Compliance risk assessment

Phase III Compliance risk management (control optimisation)

Phase IV Compliance risk monitoring

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

#### ● Goal: achieve legitimacy

## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

**14** The Board 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

### OUR EFFORTS TO APPLY PRINCIPLE 14 TO OUR REMUNERATION IN RBPLAT

RBPlat understands that it is essential that our strategy, risks, performance and rewards are aligned if we are to create shareholder value. The Remuneration and Nomination Committee is charged with ensuring that executive directors and senior management are fairly rewarded for their individual contributions to the Company's overall performance and for ensuring that RBPlat's remuneration policies and practices are designed to align performance with reward and to attract and retain the right talent, while having regard to the interests

of stakeholders and the financial condition of the Group. The individual performance of executives is measured against KPIs linked to our strategic objectives (see our remuneration report for these measures). The remuneration review on pages 148 to 158 of our integrated report for 2018 which sets out our Remuneration philosophy and policy, structure, our efforts to achieve fair and responsible remuneration, our engagement with shareholders on our remuneration reporting, components of our remuneration and implementation report setting out our implementation of our remuneration policy.


**15** The Board should ensure that RBPlat's 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

### COMBINED ASSURANCE IN RBPLAT

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

The Audit and Risk Committee obtained assurance on the financial statements, internal controls and sustainability information included in RBPlat's integrated report and carried out its statutory duties set out in section 90 of the Companies

Act 71 of 2008. It satisfied itself as to the expertise and experience of the Financial Director and the financial function and assessed the independence and performance of the internal and external audit functions.

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

The Social and Ethics Committee advises and provides guidance to the Board on the effectiveness of management's efforts in respect of social, ethics and sustainable development-related matters. It also carries out its duties as prescribed in the Companies Act 71 of 2008 and reports on its discharge of its duties in this regard to the Board and stakeholders (see its report on page 159 of our integrated report for 2018).

## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

### Combined assurance map:

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

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

MPR: Monthly production review  
WUL: Water usage licence  
WTP: Water treatment plant  
EMPR: Environmental management programme report

Legends:

Level of assurance as per RBPlat framework

- Extensive assurance
- Moderate assurance
- Limited assurance
- No assurance

Lines of defence

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

Legend:

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



## RBPLAT'S APPLICATION OF THE KING IV PRINCIPLES DURING 2018 CONTINUED

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In the execution of its governance role and responsibilities, the Board 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

We have identified stakeholder engagement as a material issue for RBPlat since the inception of the business in 2010. The Board's approach to integrated reporting is aimed at providing balanced reporting that addresses the needs, interests and expectations of our material stakeholders. The Board also identified stakeholder relations with investors as being a material corporate governance issue. RBPlat addressed this issue by engaging with the investor community, both locally and internationally, during 2018 to keep them informed regarding RBPlat and the platinum industry and obtaining

feedback from the community. The importance with which RBPlat views its relations with the investor community is reflected in its appointment of an Executive: Investor Relations to its Executive Committee. During 2018 our CEO and the members of our executive team engaged with the communities in which we operate on matters of concern that the communities had raised (see pages 122 to 127 of our integrated report for 2018 for information on our stakeholder relations in 2018).