



ROYAL BAFOKENG
PLATINUM
MORE THAN MINING

2
19

Integrated
Report

Contents

Royal Bafokeng Platinum (RBPlat) Limited does not produce separate sustainability, remuneration or governance reports. Instead, our objective is to provide our stakeholders with the information they need to assess the future performance of our business in one report, our integrated report, which is supplemented by our Databook 2019, which is available on our website at www.bafokengplatinum.co.za/integrated-reports.php

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What makes us different

More than mining >

... which has been our aspiration since we took over operational control of the BRPM joint venture and listed on the JSE in 2010 has never been more relevant than it is today.

It includes:

- > working to ensure the sustainability of the communities in which we operate
- > our commitment to the long-term sustainability of our people
- > addressing climate change by working to reduce our impact and the impact of climate change on our communities



Chair's review



Chief Executive Officer's review

Navigating our 2019 reports



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



Annual financial statements (AFS) available online and in pdf format at <http://www.bafokengplatinum.co.za/integrated-reports.php>



Annual results available online and in pdf 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>



Databook 2019 available in pdf format at <http://www.bafokengplatinum.co.za/integrated-reports.php>

Navigation icons



Directs you to information on our website



Identifies the application of King IV™ principles



Identifies a sustainability key performance indicator (KPI) that has been assured



Indicates key risk indicator information



Databook

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Our purpose

To **create economic value**
for all our stakeholders **by delivering**
More than mining.

Our ***More than mining*** philosophy, which commits RBPlat to **creating value for society, underpins our ability to create the social, human, intellectual and natural capital we need to be sustainable and perform well in the future**

Our mission

To leave a lasting legacy of sustainable benefits for our stakeholders

Our values

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 interest and mutual rewards

We have mutual goals and mutual interest and we depend on each other to realise our vision and mission. We operate in good faith, openly and transparently

Forward-looking statements

This report contains certain forward-looking statements with respect to the results, operations and business of RBPlat and its subsidiary companies (the RBPlat Group). These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. 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. All forward-looking statements have not been reviewed or reported on by the Group's auditors.

Introduction

About our integrated report

The aim of our reporting is to provide our stakeholders with concise and transparent information that will allow them to make an informed assessment of RBPlat's ability to create value over the short, medium and long term. To achieve this we regularly engage with our stakeholders and include them in our process to identify the most material issues.

Reporting scope and boundary

The RBPlat integrated report, which is published annually, provides material information relating to our strategy and business model, operating context, material issues, risks and opportunities, governance, business performance and future prospects during 1 January 2019 to 31 December 2019. Information on anything material that took place after 31 December 2019 and up to the date the Board approved the report has also been included.


This report covers the RBPlat Group's mining operations and projects in the North West province of South Africa, our employee home ownership scheme, our corporate office in Fourways and the key functions over which we exercise control.

Our approach to materiality


We apply the principle of materiality when assessing what information should be included in our report. Our material issues, which are identified through an internal and external engagement process set out on page 22, influence our Group strategy and inform the content of this report.

Assurance and reporting frameworks

We use a combined assurance model to ensure the information we provide, and our underlying processes, support the credibility and integrity of our reporting. PricewaterhouseCoopers Inc. (PwC) assured our annual financial statements (AFS – see page 3) and IBIS ESG Assurance provided independent assurance of our material sustainability information (page 135).

The reporting frameworks, standards, codes, principles and guidelines we applied or complied with during our reporting process are listed in the Databook supplementing the information in this report, which can be found on our website at www.bafokengplatinum.co.za/integrated-reports.php. 

Board approval

The RBPlat Board of Directors (the Board) assumes responsibility for ensuring the integrity of this integrated report. In the Board's opinion the report addresses the issues material to the Group's ability to create value, is a concise and transparent representation of the performance of the Group during the year under review and also provides information relevant to the Group's short-, medium- and long-term outlook. ⁵

The RBPlat Board unanimously approved this report on 28 February 2020.

- > Kgomotso Moroka
(Chair)
- > Steve Phiri
(Chief Executive Officer)
- > Hanré Rossouw
(Financial Director)
- > Peter Ledger
- > Udo Lucht
- > Zanele Matlala
- > Mark Moffett
- > Thoko Mokgosi-Mwantembe
- > Avischen Moodley
- > Obakeng Phetwe
- > Mike Rogers
- > Gordon Smith
- > Louisa Stephens

Our strategic objectives

Strategy 2020

What we offer

Our strategy is to be a South African mining company producing PGMs and offering a clear value proposition to outperform the market. We aspire to achieve *More than mining* and are proud of our positive social impact as a transformation leader.

The market we operate in

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

The way we work

Our performance-driven culture and our aspiration to achieve zero harm results in operational excellence. We manage our assets with high optionality and flexibility, which allows us to react quickly to changing market conditions. We grow organically through internal expansion and value enhancements. Within the industry we proudly contribute in leading industry roles both locally and internationally.

What we own

Our ore bodies are highly competitive and our processing plants are very efficient. We take pride in our people and our ability to use appropriate, proven technologies to our advantage. Our financial standing is very sound and we proudly represent the RBPlat brand.



Key features of our performance in 2019

Financial capital

Balance sheet optimisation

through rights offer and gold streaming agreement

Headline earnings per share of **50.4 cents** (2018: 25.0 cents)

68.1% of capital funded from cash generated by operations (2018: 37.3%)

Net debt¹ position of **R491.3 million** (2018: R832.4 million)

Cash position² of **R814.2 million** (2018: R883.5 million)

¹ Calculated as interest-bearing borrowings less cash and cash equivalents

² Includes restricted cash and housing

Manufactured capital

12.8% increase in tonnes delivered to 3 829kt (2018: 3 395kt)

12.5% increase in tonnes milled to 3 847kt (2018: 3 420kt)

12.2% year-on-year increase in BRPM cost per tonne milled to R1 361 (2018: R1 213)

9.3% increase in Styldrift built-up head grade to 3.77g/t (4E) (2018: 3.45g/t (4E))

9.0% increase in 4E metals in concentrate to 401koz (2018: 368koz)

Human capital

Two fatalities

38.1% improvement in RBPlat's SIFR year-on-year

14.9% improvement year-on-year in total training and development costs

23.2% improvement in RBPlat's LTIFR year-on-year

Social capital

11.8% increase year-on-year in local HDSA procurement spend to **R1.7 billion**

R65.8 million investment in our social and labour plan (2018: R63.2 million)

Natural capital

Awarded **CDP B scores** for our voluntary disclosure in the CDP water and climate change 2019

R7.3 million cost savings in potable water using our water treatment plant

Disappointing **25.3%** increase in GHG emissions due to inclusion of Maseve data and increased production at Styldrift

Connecting performance to purpose

Our purpose

The purpose of RBPlat, a 40% black owned mid-tier platinum group metals (PGMs) producer, operating in the North West province of South Africa, is to create economic value for all our stakeholders, including future generations. To achieve our purpose our sustainable development is embedded in our strategy and is an integral part of how we do business.

Previously financial and physical assets were considered to be the key components making up an organisation’s market value. Today, increasingly an organisation’s sustainability and the likelihood of it performing well in the future is also being measured in terms of its environmental, social and governance (ESG) performance.

ESG performance can be attributed to an organisation’s ability to create:



Since listing on the JSE in 2010 RBPlat has assured certain non-financial environmental and social key performance indicators that it has identified as being material to its sustainability, in the short, medium and long term. The non-financial assurance reported on in our integrated report is undertaken by an AA1000 licensed Assurance Provider, IBIS ESG Assurance Proprietary Limited (see pages 135 to 137) to meet the AA1000AS Type II moderate level requirements. We have adopted a combined assurance approach to ensure we have adequate assurance across the Group and to prevent gaps or duplication in assurance efforts (see page 13 of our Databook 2019 at www.bafokengplatinum.co.za/integrated-reports.php for our combined assurance map). K¹¹ K¹³ K¹⁵

Connecting performance to purpose

ESG reporting standards

In addition to reporting on our performance in terms of the UN Sustainable Development Goals (SDGs), we are:

- > guided by the International Integrated Reporting Council’s (IIRC’s) International Reporting <IR> Framework
- > reporting guided by the Global Reporting Initiative (GRI) Sustainability Reporting Standards, including the metals and mining sector supplement
- > voluntary participants in the Climate Disclosure Project (CDP) for Climate Change and Water
- > applying the UN Voluntary Principles on Security and Human Rights in our workplace
- > guided by the International Platinum Group Metals Association’s (IPA’s) sustainability guidelines
- > signatories to the UN Global Compact (UNGC) and our Global Compact Advanced Communication of Performance self-assessment for 2018, which is to be found on the UNGC website at <https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/431795> qualifies for the Global Compact Advanced level



UNGC Principles

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: make sure that they are not complicit in human rights abuses

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: the elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour

Principle 6: the elimination of discrimination in respect of employment and occupation

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

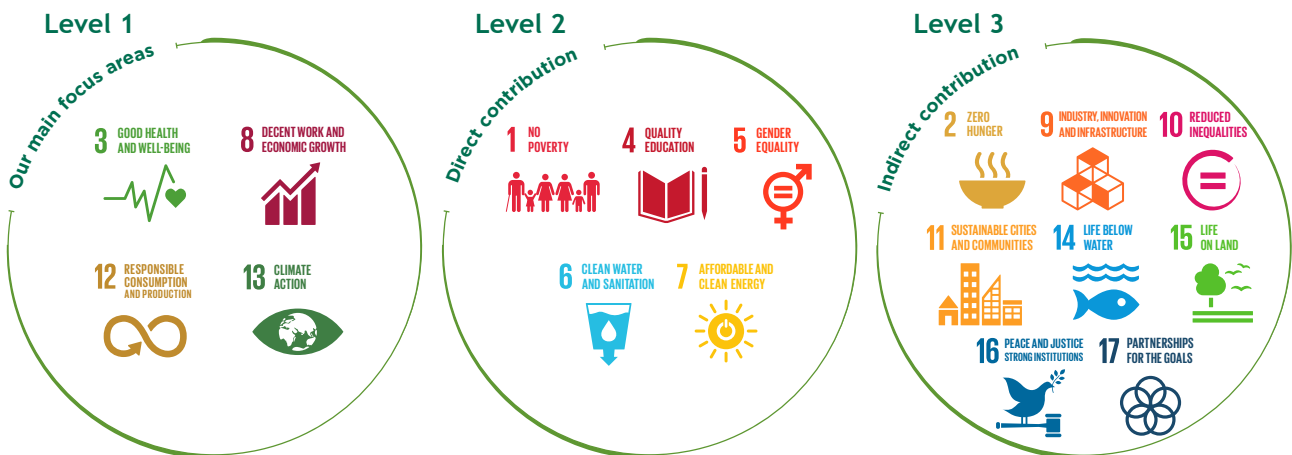
Principle 8: undertake initiatives to promote greater environmental responsibility

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Following the adoption of the United Nations (UN) Sustainable Development Goals (SDGs) by all UN member states in 2016, RBPlat prioritised the various SDGs based on what we believe our contribution to them can be and incorporated them into our Sustainability framework. In 2019 we set targets and key performance indicators (KPIs) for the four SDGs that are our main focus: SDGs 3, 8, 12 and 13. Our performance against these SDGs is published in this report under the relevant capitals. We have also identified that we can make a direct contribution to SDGs 1, 4, 5, 6 and 7 and an indirect contribution to SDGs 2, 9, 10, 11, 14, 15, 16 and 17.





Our performance against our sustainability KPIs

In the section that follows we have provided you with information on our performance against the four SDGs that are our main focus areas. We have used the key performance indicators (KPIs) that make up our sustainability performance dashboard to monitor our performance. Our sustainability KPIs are monitored and measured monthly and reported on to the Social and Ethics Committee every quarter. Our sustainability KPIs are assured at Group level as part of our sustainability assurance process.

The page and publication references provided in the table below include where you will find actual performance figures, reporting against SDG, KPIs and additional ESG reporting.


Key:

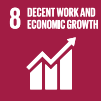
● Met ◐ Partially met ○ Not met

SDGs and material issues	Key performance indicators (KPIs) assured	Performance	Page references*
Natural capital			
 Environmental management and climate change	WATER Potable water used	○	117
	Water use efficiency	◐	117
	ENERGY Total energy consumption, including electricity, petrol, diesel and liquid petroleum gas/liquid natural gas (LPG/LNG)	○	115
	Electricity use efficiency	◐	116
	Greenhouse gas emissions (GHG): Scope 1 and 2 (tCO ₂ e) including carbon intensity (per tonne milled/ore produced)	◐	113
	WASTE Hazardous waste disposed of in an accredited hazardous waste disposal landfill site	◐	121
Human capital			
 The safety, health and wellness of our employees	SAFETY Fatal injury frequency rate (FIFR)	○	77
	Lost time injury frequency rate (LTIFR)	●	77
	Serious injury frequency rate (SIFR)	◐	77
	Number of injury-free days	◐	77
	Total recordable injuries	◐	22
	Number of production shifts lost due to Section 54 stoppages	●	22
	HEALTH Absenteeism rate for full-time employees	●	70
	Number of new noise-induced hearing loss (NIHL) cases diagnosed, greater than 10% loss of hearing	◐	80
	HIV counselling and testing: the total number of counselling sessions and tests performed (employees and contractors)	●	79
	Number of employees and contractors who stayed on antiretroviral treatment (ART)	●	79
	Number of ART default cases	●	79
	Tuberculosis (TB): number of employees and contractors who tested positive	●	79
	TB incidence rate	●	79

* Page references for reporting against KPIs, SDGs and additional ESG reporting

Connecting performance to purpose continued

SDGs and material issues	Key performance indicators (KPIs) assured	Performance	Page references*
Human capital			
 Labour stability	No production days lost due to labour action	●	–
	Meeting Mining Charter III targets and our <i>More than mining</i> aspiration	Diversity and equal opportunity Employment equity: % of Historically Disadvantaged South African (HDSA) managers in core and support functions	●
Expectations and concerns of the communities in which we operate	Women in mining (number of employees)	◐	71
	HDSA percentage of local discretionary procurement spend	●	96
	Total social and labour plan (SLP) expenditure	●	91 – 94
	Number and percentage of workforce trained in terms of SLP commitments	◐	81
Availability of adequate and appropriate skills	Total employee and contractor training spend in terms of SLP commitments as a percentage of payroll	●	81
	Total number of employees, contractors and community members who received part-time AET	●	82
Skilled employee voluntary turnover	Skilled employee voluntary turnover	●	70
	Social and relationship capital		
Stakeholder relationships	Social licence to operate	●	101 – 105
	Progress with community and supplier relationships	◐	98 – 99
	Engagement with investment community	●	102
	Trade union: establishing relationships with new NUM leadership	●	101
	Employee relations	●	101
	Community perception survey	◐	100

SDGs and material issues	Sub-issues to material issues	Performance	Page references*
Financial capital			
	Total cash operating cost	○	57
	Revenue generation	●	47
Cost management and efficiencies	EBITDA	●	48
	Headline earnings/(loss)	◐	46
Impact of basket price movements on profitability	Earnings per share	◐	46
	Net debt	●	50
	Average rand basket price per platinum ounce	●	47
Resource allocation/capital allocation	Achieve organic growth through capital investment in Styldrift	◐	58

* Page references for reporting against KPIs, SDGs and additional ESG reporting

While the governance issues that we consider material to our business are not assured by an external non-financial assurance provider our Internal Audit function provides oversight and assurance and our Board subcommittees also monitor and provide governance oversight.

Intellectual capital				
Value creating governance	Application of King IV	●	See our Databook 2019 7	 
	Board's role in strategy and decision-making	●	39	
	Board accountability, independence, skills and experience	●	35	
	Compliance governance and combined assurance approach to ensure we have adequate assurance across RBPlat	●	See our Databook 2019 13	 
	Compensation policy and practices and data across the Company including the Board and ESG incentives	●	Remuneration review on pages 125 to 134 of this report	
	Governance policies including accountability and oversight	●	See www.bafokengplatinum.co.za/policies-and-charters.php	
	Risk management	●	20	
	Ethics and fraud and corruption management	◐	88	
	Effective supply chain governance	◐	88	
	Apply technology to achieve increased efficiencies and reduce costs	◐	84	

* Page references for reporting against KPIs SDGs and additional ESG reporting

Our Databook 2019 is available at www.bafokengplatinum.co.za/integrated-reports.php  

Five-year summary of our performance

(See the manufactured capital section of this report on pages 52 to 62 for a breakdown of operational performance.)

	Unit	2019	2018	2017	2016	2015
Financial capital						
Revenue	R (million)	7 492	3 627	3 499	3 342	3 045
Cash operating costs	R (million)	5 675	2 788	2 815	2 765	2 548
Headline earnings/(loss)	R (million)	123	50	109	167	(160)
Headline earnings/(loss) per share	cents	50.4	25.0	56.4	86.7	(83.2)
Average rand basket price ¹	R/Pt oz	28 743	21 006	19 156	18 906	17 256
EBITDA ²	R (million)	1 756	504	572	490	298
Cash and cash equivalents	R (million)	814	884	1 333	836	918
Net (debt)/cash	R (million)	(491)	(832)	1 333	836	918
Net cash generated by operating activities	R (million)	1 028	666	618	585	619
Manufactured capital						
Mining production						
Total tonnes delivered	kt	3 829	3 395	2 992	2 759	2 457
Concentrator production						
Total tonnes milled	kt	3 847	3 420	3 021	2 762	2 461
Built-up head grade (4E)	g/t	3.91	3.96	3.94	4.03	4.11
4E metals in concentrate	koz	401	368	328	304	278
Pt metal in concentrate	koz	261	239	212	196	180
Operating costs						
Cash operating cost per tonne milled	R/t	1 475	1 213	1 149	1 177	1 066
Cash operating cost per 4E ounce	R/4E oz	14 139	10 468	9 941	10 068	9 359
Cash operating cost per Pt ounce	R/Pt oz	21 770	16 145	15 414	15 639	14 504
Capital expenditure	R (million)	1 661	3 459	2 160	1 126	2 009
Human capital						
Employees (as at 31 December) ³	Number	10 087	9 508	8 372	7 400	7 281
Fatal injuries	Number	2	2	0	1	5
LTIFR	/1 000 000 hours	1.900	2.475	2.808	1.902	2.045
SIFR	/1 000 000 hours	1.140	1.843	1.435	1.078	0.665
Working cost labour ⁴	Number	8 900	5 843	5 691	6 271	6 256
Capital labour	Number	1 160	3 636	2 659	1 103	999
Number of new NIHL cases diagnosed with greater than 10% loss of hearing	Number	10	13	10	9	13
Number of employees who stayed on ART	Number	785	627	622	658	572
TB incidence rate	/100 000	416	631	765	767	937
Social capital						
SLP investment (including human resource development)	R (million)	65.8	63.2	40.5	287.1 ⁵	74.6
Total discretionary procurement spend in HDSA companies	%	86.6	86.7	87.0	79.6	74.2
Natural capital						
GHG emissions (CO ₂ e Scope 1 and 2) ⁶	tCO ₂ e	427 633	341 746	333 596	318 220	304 674
Water use efficiency	MI/kt milled	1.233	1.154	1.256	1.069	1.653

¹ Net proceeds from total concentrate sales including revaluation of pipeline divided by total platinum ounces produced

² 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

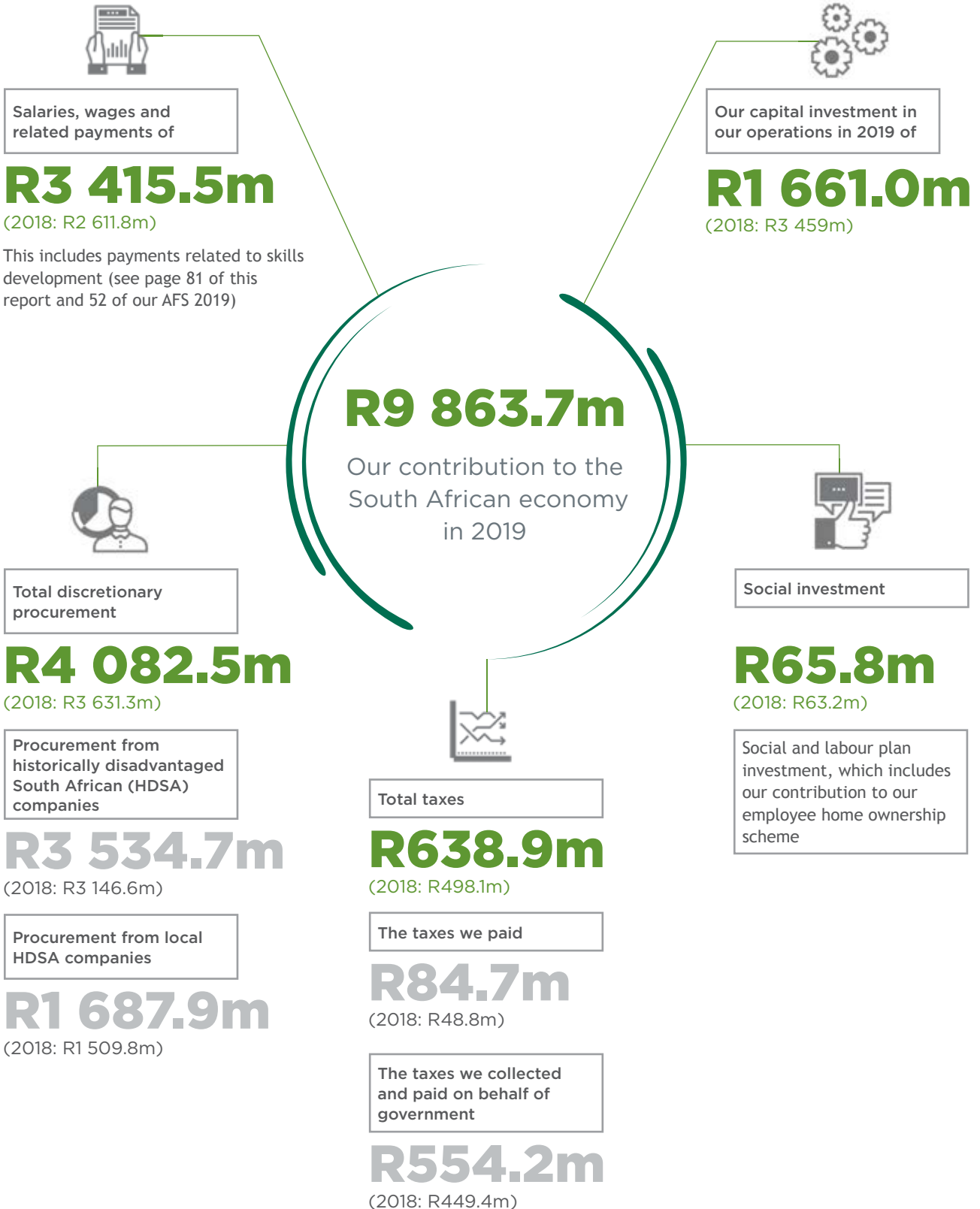
³ The employee numbers (which include corporate office employees) include a 12.7% increase in the Styldrift workforce offset to some extent by a reduction in numbers at BRPM, corporate office and Maseve Mine

⁴ These numbers exclude corporate office employees

⁵ Includes R251.1 million housing contribution

⁶ Our Scope 1 GHG emissions began increasing in 2014 as the activity of diesel-driven vehicles increased at Styldrift

Our contribution to the South African economy

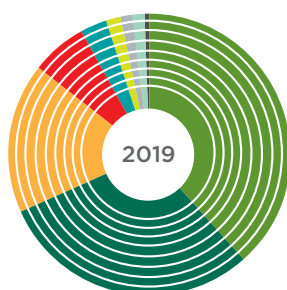


Our business in 2019

Average basket price:

R28 743.0
Pt oz

Metal contribution to revenue



- ▶ Platinum (38.4%)
- ▶ Palladium (30.0%)
- ▶ Rhodium (17.2%)
- ▶ Nickel (6.5%)
- ▶ Gold (2.9%)
- ▶ Iridium (1.7%)
- ▶ Copper (1.6%)
- ▶ Ruthenium (1.4%)
- ▶ Cobalt (0.3%)

Royalty agreements with Impala Platinum Limited (Implats), give it the right to mine areas at the extremities of our ore bodies that are close to its shafts. These agreements have made it possible to bring forward cash flows from this Resource

What we own

- > Competitive ore bodies in the form of shallow, long life Merensky and UG2 resources
- > Efficient processing plants that provide us with operational flexibility
- > Maseve Mine, with a resource of 4.15Mt, which is on care and maintenance

Our mines	BRPM	Styl drift
Type of operation	Conventional and hybrid mining with access via twin decline shafts (depth of less than 500m)	Mechanised bord and pillar mining, accessed via a vertical Main shaft (753m) and a vertical Services shaft (723m)
Resource	82.8Mt	262.4Mt (including Styl drift II)
Construction	Commenced in 1997 with steady state reached in 2001	Commenced in 2009, ramp up to 230ktpm milestone in third quarter 2020 and steady state in 2021
Shaft complexes	Twin decline shaft complexes: <ul style="list-style-type: none"> > North shaft – conventional mining Phases I and II, hybrid mining Phase III > South shaft – conventional mining Phases I and II 	Twin vertical shaft system: <ul style="list-style-type: none"> > Main shaft of 10.5m diameter > Services shaft of 6.5m diameter
Average mining depth	450m	680m
Life of mine (LOM)	Current Merensky and UG2 Reserves support a remaining LOM of approximately 30 years	Current Reserves and Resources support a LOM in excess of 40 years

Our concentrators	BRPM concentrator	Maseve concentrator
Type of operation	250ktpm capacity, traditional MF2 process with ultra-fine grinding circuit (IsaMill™) producing 2.7t of saleable concentrate per 100 tonnes of virgin rock processed	110ktpm capacity (upgradeable to 160ktpm), traditional mill float (MF1) process upgradeable to MF2 producing 2.6t of saleable concentrate per 100 tonnes of virgin rock processed
Treatment	Ore from BRPM North and South shafts and Styl drift	Ore from Styl drift and BRPM UG2 ore

Our product: PGM concentrate

Merensky reef prill split			
64.68% platinum	26.74% palladium	4.34% rhodium	4.24% gold
UG2 reef prill split			
59.16% platinum	29.28% palladium	11.00% rhodium	0.56% gold

The global PGM environment



Key global influences on our operating context

- > PGM prices
- > Rand/US\$ exchange rate
- > Global emissions legislation
- > World economic growth
- > Supply and demand
- > Recycling

PGMs play a significant role in reducing emissions into the environment

Key industries for PGMs

Automotive

PGMs' catalytic properties, thermal durability and resistance to poisoning make these metals key to cleaner emissions from combustion engines



Jewellery

Platinum's high resistance to both wear and tarnishing makes it ideal for use in fine jewellery



Industrial

PGMs are highly effective catalysts in many industrial, chemical and petroleum industry processes. For example, their resistance to chemical attack and high temperature stability is used in the glass manufacturing industry, while the durability and electrical properties of PGMs are used in a range of components and their biocompatibility and chemical properties are exploited in medical and biomedical products



Investment

Platinum bars, coins and exchange traded funds (ETFs) are popular investments



21%

increase in
platinum price

54%

increase in
palladium price

145%

increase in
rhodium price

**PGM
fundamentals
remain strong**

2019 was characterised by a higher rand PGM basket price driven by palladium (up 54%) and rhodium (up 145%) as a result of strong fundamentals. Platinum (up 21%), was also supported by higher gold prices.

Demand Automotive

The use of PGMs in autocatalysts still account for most of its annual demand. Global vehicle sales are estimated to have fallen in 2019 on the back of an uncertain global economic environment and this trend is expected to continue in 2020. Platinum automotive demand fell in 2019 on the back of the continued decline in diesel's light duty vehicle market share in Western Europe. The decline was, however, at a slower rate, with its market share estimated to have settled around the 32% level. While diesel's share in light duty vehicles wanes it still dominates in heavy duty vehicles, but this market is expected to be under pressure as a result of the global economic slowdown. Palladium and rhodium automotive demand continued to increase driven by stricter emissions standards in Europe and China.

Although vehicle sales are declining, PGM demand is expected to be bolstered by the increased PGM loadings in vehicles on the back of more stringent emissions legislation globally. The relevant emissions legislation includes Real Driving Emissions standards in Europe, China 6 (light duty), China VI (heavy duty) and Bharat Stage VI in India, which require the increased use of PGMs in more efficient autocatalysts as automakers seek to meet tighter emissions legislation and avoid penalties related to non-compliance.

While electric vehicles have garnered a huge amount of attention, they are not expected to significantly impact the use of the internal combustion engine in the first half of this decade. Instead, the sale of hybrid electric vehicles, which contain PGMs, is expected to grow. Using platinum in diesel hybrid vehicles may help automakers meet the new CO₂ emissions standards, which have come to effect in Europe.

Our response

Platinum makes up 64.68%, palladium 26.74% and rhodium 4.34% of our Merensky ore prill split. Platinum makes up 59.16%, palladium 29.28% and rhodium 11.00% of our UG2 ore prill split.

The ramp up of Styldrift to steady state, the recommencement of UG2 mining at South shaft (which has a higher percentage of palladium and rhodium compared to Merensky), as well as the upgrade of the Maseve concentrator, will increase our PGM production, which will go some way to addressing automotive demand.

Through our membership of the International Platinum Group Metals Association, RBPlat promotes the use of diesel in internal combustion engines as a means to reduce CO₂.

Jewellery

Jewellery demand for platinum has continued to decrease, driven by the ongoing slowdown in China, its largest consumer, where demand has fallen by more than half since its 2013 peak. This slowdown is as a result of a shift in consumer preferences. In other regions such as the USA and Japan, demand is estimated

to have remained flat, while demand in India grew steadily. We expect overall jewellery demand to remain subdued in 2020. Chinese demand is forecast to remain weak notwithstanding an increased focus on market development by the Platinum Guild International (PGI). Growth from other markets will not be enough to offset this decline.

Our response

As a member of PGI, RBPlat contributes to its marketing efforts. Together with other PGM producers, we have given PGI the mandate to increase its marketing efforts in promoting platinum jewellery, particularly in China.

Industrial

Industrial demand for platinum is estimated to have remained flat in 2019, supported by strong demand in the chemicals sector. Demand is expected to grow in 2020, driven by the chemical and petroleum sectors. Industrial demand for palladium and rhodium decreased in 2019. Palladium industrial consumption is relatively price elastic and there was some thrifting in some sectors, due to the higher metal prices. Industrial demand for rhodium also fell, primarily driven by a reduction in use in the glass sector. Higher palladium and rhodium prices may continue to drive thrifting and substitution in some industrial sectors as end-users look for cheaper non-PGM alternatives.

Our response

We are growing production from our operations to provide PGMs for the growth expected in the industrial application of platinum, supported by the expansion of petroleum refining capacity, increasing chemical requirement and electrical demand.

Investment

Investment demand for platinum in 2019 was over 1 million ounces, driven by strong ETF flows, which exceeded the previous record of 906koz in 2013. Demand for platinum is expected to be positive in 2020, however, ETF flows are unlikely to match 2019 volumes. Investment demand for palladium continued to decrease during 2019, but at a lower rate than in recent years.

Our response

RBPlat is a member of the World Platinum Investment Council which is focused on promoting investment in

platinum. RBPlat, together with other PGM producers, has increased its contribution to market development, with China also being a strong area of focus for investment (including bars and coins).

Supply

Primary supply from South Africa and Russia declined in 2019. South Africa's production was also negatively affected by load shedding in the country with stage 6 load shedding (which halted production) being implemented for the first time in December. The successful conclusion of wage negotiations in the sector meant there were no strikes which were a major risk to production going into the year. The decrease in primary supply was offset by the increase in secondary supply.

Previous years of underinvestment will ultimately lead to a reduction in primary production from South Africa. Load curtailment remains a risk to production as Eskom has indicated that load shedding will continue in the coming year. Output from Russia is also expected to decline. Palladium supply is more geographically diverse than platinum and rhodium, with higher production from North America expected to offset the lower supply from South Africa and Russia to some extent. Secondary supply from recycling is expected to increase driven by automotive recycling.

Substitution

Vehicle manufacturers are currently focused on meeting the tighter emissions legislation and avoiding possible fines. The cost of PGMs as a percentage of the overall cost of a car is still relatively small, therefore substitution may not be driven by the large price differential between platinum and palladium. It will rather be driven by supply security challenges and the potential for increased price volatility.

Market balance

All three PGMs (platinum, palladium and rhodium) are estimated to have been in a deficit in 2019 when investment demand, particularly for platinum, is included. Palladium and rhodium are expected to remain in deficit in 2020 while platinum is forecast to be in a slight surplus.



What makes us different



Our empowerment credentials

Our major shareholder, Royal Bafokeng Holdings (RBH), is an African community investment company, entrusted with the unique responsibility of preserving and growing the financial capital of the Royal Bafokeng Nation (RBN/the Nation).

We understand the value of long-term thinking, which is reflected in our:

- > organic growth investment in Styldrift when very few PGM companies were investing in new projects
- > patience and determination to persevere
- > innovative thinking.

The RBN's long-term view gave its leaders the patience and determination to persevere, the innovative thinking to raise the funds to purchase its land, retain ownership of its land when black people were not allowed to own land in South Africa and engage in a lengthy court battle to ensure its people benefit from the PGMs being mined on its land.

Innovative long-term thinking

2002
RBN and Anglo American Platinum (Amplats) agree on 50/50 investment in Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV)

2009
BRPM JV restructuring results in RBPlat obtaining a 67% interest in the JV

2010

- > January: RBPlat takes over operational control
- > November: RBPlat is the first community-owned company to list on the JSE
- > Pre-sinking process for the Main and Services shafts at Styldrift begins
- > Access to UG2 ore established at BRPM to improve overall operational flexibility

2018

- > Our purchase of the Maseve concentrator increased our processing capacity, ability to process UG2 ore and operational flexibility
- > RBPlat acquires Amplats' remaining 33% participating interest in the BRPM JV and becomes sole owner of its operations

2019 **A year of transition**

- > First year as sole owners of our operations
- > Operational focus on ramping up Styldrift to 230ktpm in the third quarter 2020
- > Goal of ramping up BRPM South shaft UG2 production to 20ktpm achieved

Ethical, transparent and a high standard of corporate governance

RBPlat is known for being ethical, transparent and achieving a high standard of corporate governance

Like our major shareholder, we are committed to acting in the best interests of our stakeholders, which includes a commitment to achieving high standards of: **governance, ethics, integrity and effective leadership**

We aim to transform the lives of our employees by providing them with the education and skills development that will equip them to progress to more senior positions and the opportunities to do so.

Through our employee home ownership scheme our enrolled employees have the opportunity to own an asset, the value of which will grow over time

 (see www.waterkloofhillsestate.co.za).



54%*

of our Board members are HDSAs (2018: 55%)

31%

of our Board members are women (2018: 36%)

61%

of our senior management team is black and 10% of our senior managers are black women (2018: 55% senior management was black and 9% black women)

50%

of our middle management team is HDSAs (2018: 50%)

80%

of our junior management team is HDSAs (2018: 79%)

92%

of our employees are HDSAs (2018: 92%)

* The HDSA numbers no longer include white women in accordance with Mining Charter III

Our aspiration to deliver *More than mining* includes:

Contributing to the sustainability of our communities through our investment in:

- > socio-economic and infrastructure development
- > health support
- > community skills development
- > education support, including:
 - maths and science teaching
 - tertiary education bursaries
 - building of additional classrooms
 - provision of world class sports facilities at community schools.




We work with the Royal Bafokeng Institute on our education support programme. Its purpose is to set children on the path to achieving their potential (see www.bafokenginstitute.org.za and pages 91 to 94 of social and relationship capital for information on our community investment).

Enterprise and supplier development is a major focus for us. Our aim is to:

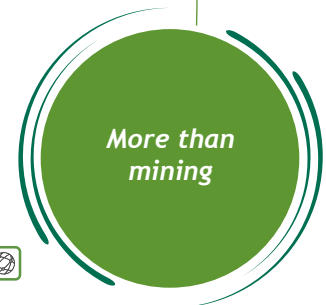


- > build sustainable businesses in our communities
- > increase our procurement from local suppliers.

See the social and relationship capital section on page 96 for details.

We work with Royal Bafokeng Enterprise Development (www.bafokeng.com/organisation/entities/rbed), which is responsible for assisting with enterprise development in the Bafokeng community. 

Our support of the United Nations (UN) Sustainable Development Goals (SDGs) is aligned with our aspiration to deliver *More than mining*. (See page 6.)



Our contribution to RBN's commitment to the long-term sustainability of its people

The leadership of the RBN has invested in infrastructure, providing its villages with access to water and electricity, building roads, schools and clinics. The Supreme Council, consisting of representatives of the community, decides on spending priorities and allocates the funds received from the dividends paid to the Nation annually by RBH. As one of the companies in which RBH is invested, RBPlat contributes to RBN's long-term sustainability.



Our business model

Issues in our operating context that could impact our ability to create value now and in the future:

- Uncertain global and local economic conditions
- Basket price sensitivity to market forces and currency volatility
- Rising costs
- The effects of climate change
- Expectations of the communities in which we operate
- Challenges in the regulatory and policy environment
- Global emissions legislation
- Uncertainty regarding Eskom's ability to meet our electricity requirements

Our high standards of corporate governance ensure we have:

- effective control of our business
- consider the impact on our stakeholders of our decisions
- maintain our focus on entrenching an ethical culture and addressing the challenges we face as a business with regards to ethics, fraud and corruption

See pages 88 and 89 for more information

Our capital inputs

Financial

- R883.5 million cash on hand generated by our operations
- R1 715.9 million debt excluding R1.6 billion owing to Amplats for the acquisition of its 33% interest in the BRPM JV
- R1 142.7 million in undrawn credit facilities



Manufactured

- Competitive ore bodies at our BRPM and Styldrift mines made up 348Mt of shallow, long life Merensky and UG2 resources
- Two efficient processing plants
- Operational flexibility



Human

- 9 508 employees
- Transformed, skilled and stable workforce
- Diverse and skilled Board and management
- Commitment to our people's development and well-being
- Investment in safety leadership skills



Intellectual

- Robust governance structures
- Application of technology, use of machine learning and advanced data analytics to achieve increased efficiencies and effectiveness



Social and relationship

- Established community engagement structures
- R63.2 million investment in our social and labour plan in 2018
- Focus on building sustainable doorstep businesses
- Access to home ownership for our employees



Natural

- Good stewardship of our Mineral Resources and Mineral Reserves
- B score for both CDP climate change and water disclosures, which exceeded the industry average
- Improved water use efficiency
- Decrease in GHG emission intensity



The trade-offs required to achieve value creation

Health and safety

The need to entrench safe behaviour, particularly in our leadership, has financial implications, but benefits the well-being of our people and our productivity through improved safety performance

Investment in skills development

In order to ensure we have the skills we need to create value we invested 7% of our payroll in the training and development of our employees and community members

Strategic pillars and focus SDGs impacted

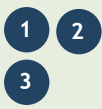
Our outputs

Our outcomes: The value we created for our stakeholders



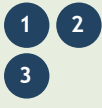
- > R1 027.6 million cash generated by operations
- > Average rand basket price of R28 743 per platinum ounce resulting in revenue of R7 491.9 million
- > R1 029.1 million raised via rights offer
- > Triple Flag gold streaming agreement resulting in post year-end upfront cash prepayment of US\$145 million (equating to approximately R2.1 billion)

- > RBPlat was able to fund 68.1% of its capital requirements in 2019 (see page 50)
- > Proceeds from the Triple Flag upfront cash prepayment used to fully settle the amount of R1.851 billion outstanding as at 30 January 2020 on our purchase of Amplats' interest in the BRPM JV and optimise our balance sheet (see page 51)



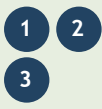
- > Completion of outstanding infrastructure at Styldrift
- > Ramp-up of UG2 production at BRPM South shaft to 20ktpm
- > 12.5% increase in tonnes milled

- > RBPlat is ramping-up Styldrift, its organic growth project, to the 230ktpm milestone and
- > increasing UG2 production as PGM prices strengthen and
- > our average basket price has increased by 36.8% year-on-year



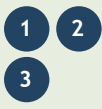
- > Artisan skills requirements for Styldrift addressed
- > Styldrift training centre well-equipped to meet current and future artisan skills requirements
- > Second five-year wage agreement signed with enrolled employees
- > 38.1% improvement in SIFR and 23.2% in LTIFR year-on-year

- > While we experienced a challenging shortage of artisans at Styldrift during 2019 this has now been addressed (see page 59)
- > While, tragically, we had two fatalities in 2019, we were able to increase the safety, overall, of our employees; we also maintained labour stability



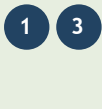
- > Ongoing strengthening of governance structures, including ICT governance throughout RBPlat
- > Entrenched ethical culture
- > Increased understanding of how we can use technology and the learnings from data analytics to drive productivity efficiencies and reduce costs in our operations

- > We have been able to further entrench our governance principles and protect the integrity and reputation of our business through our ethics management model
- > RBPlat is well-placed to put in place a data integration strategy and start delivering on this strategy



- > Strong community relationships
- > Substantial increase in learners writing maths and science for matric
- > 86.6% of our total discretionary procurement spent with HDSA businesses
- > 82.6% increase in our procurement from our doorstep HDSA businesses
- > R65.8 million invested in our SLP
- > 1 000 families have purchased homes in our home ownership scheme

- > Through our focus on engaging with our communities, investing in enterprise and supplier development and working to increase our discretionary procurement from our doorstep HDSA businesses, we are increasing the ability of our communities to become sustainable



- > Increase in our Mineral Resources
- > Maintained B score for both CDP climate change and water disclosures, which exceeded the industry average
- > Increased use of water, energy and materials as a result of increase in production and inclusion of the Maseve concentrator

RBPlat with its shallow high grade resources is well-positioned to take advantage of the strong PGM market

Costs

Impact on operating costs

- > Recommencing UG2 mining at BRPM South shaft to increase UG2 production
- > Mobilisation of additional resources to ensure Styldrift 230ktpm ramp-up is achieved (see page 65)

Capital expenditure

- > Upgrade of Maseve concentrator and expansion of current tailings storage facilities

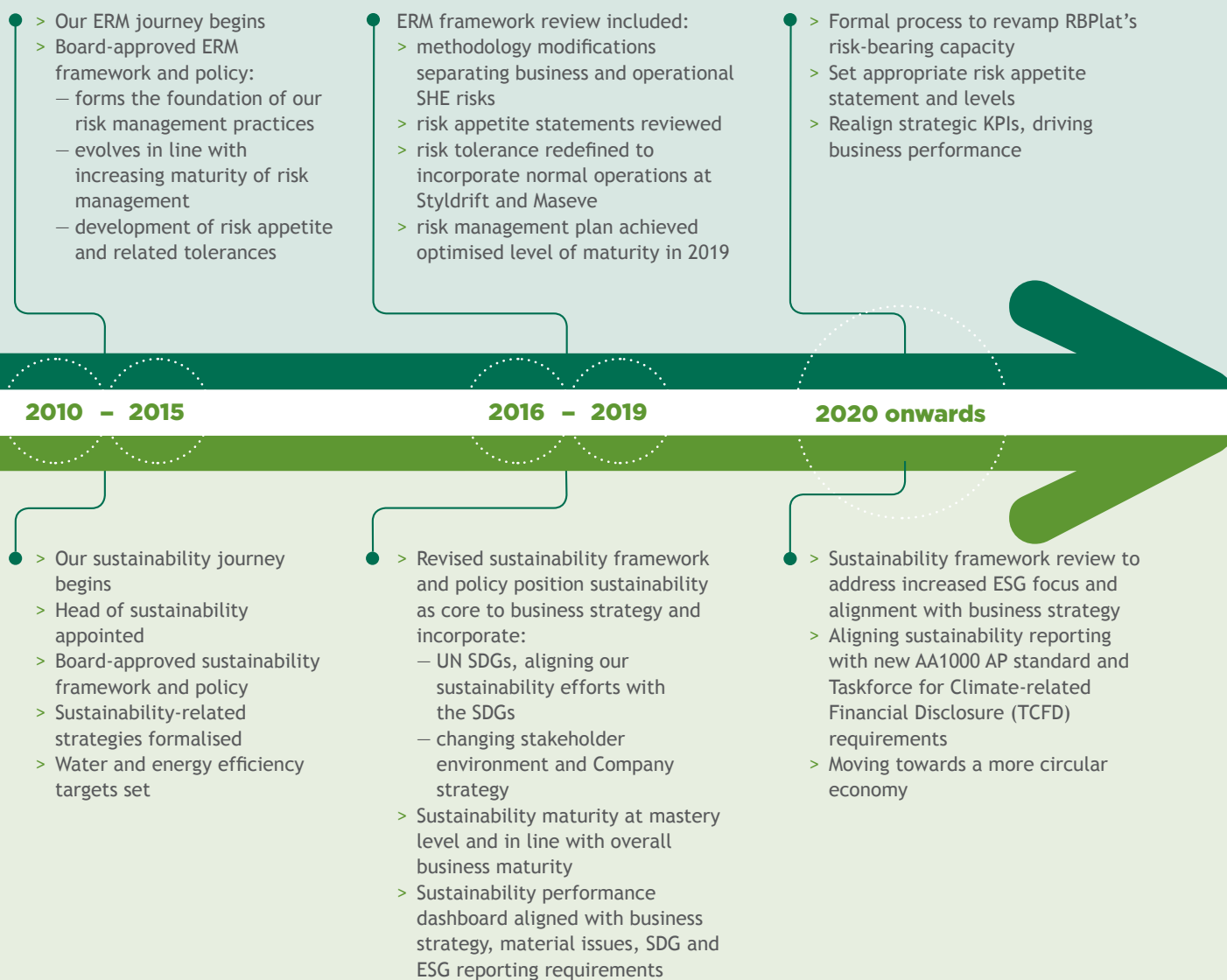
Stakeholder relationships

Maintaining good relationships with our doorstep communities, which is key, requires that we make a substantial investment in delivering on our SLPs and enterprise and supplier development. The investment in our employee home ownership scheme and our five-year wage agreement contribute to good relations with our employees and the unions

Adding value to our business through our risk and sustainability management journey

Our risk management journey

The management of risk is key to the achievement of business sustainability and the long-term Company strategy. Our enterprise and 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 stakeholder value. By maintaining an optimised level of risk management and risk governance at RBPlat we are able to provide the business with the information it needs to effectively manage its risks and opportunities and continually take corrective action that will allow it to deliver on its business strategy and the targets put in place to measure our performance against strategy.



Our sustainability journey

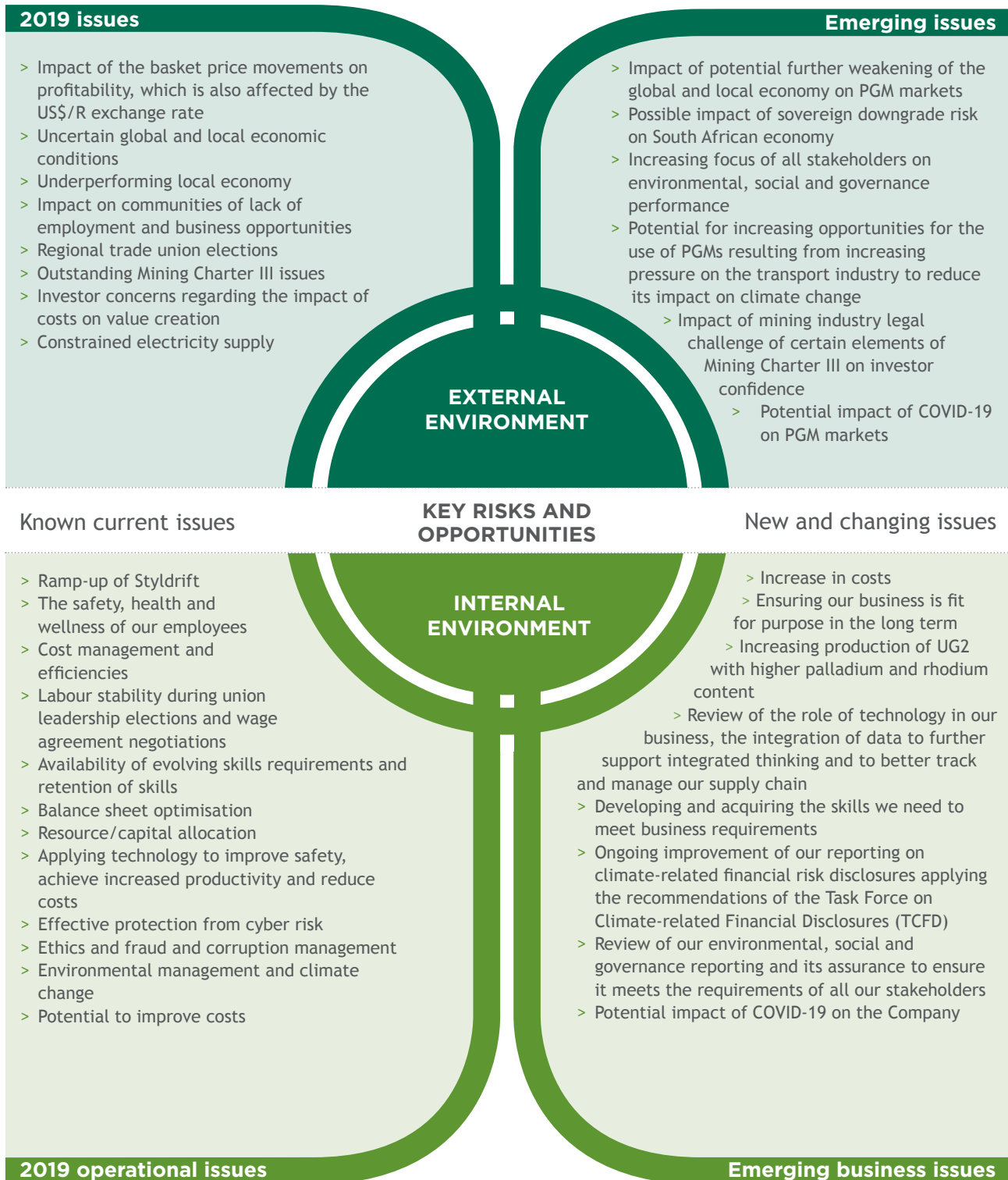
Our sustainability strategy, which is embedded in our business strategy:

- > allows for meaningful stakeholder engagement
- > strengthens our ability to achieve sustainability through good governance, our application of King IV™, compliance with legislation and regulations and the JSE Listings Requirements

- > contributes to our financial position through its focus on the issues that will make our business sustainable
- > provides our people with the tools to reduce our impact on the environment in which we operate, keep our people safe, build the resilience of our communities and manage our business in a sustainable manner.

Our changing business context

A summary of the known, new and changing issues in our global, local, internal and external environments



Introduction

Our business

Leadership and governance

Our performance

Accountability and shareholder information

The issues material in our operating context

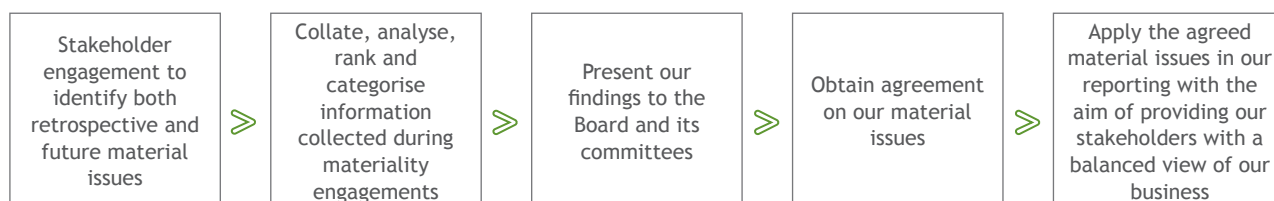
Our materiality process

Our retrospective and forward-looking materiality determination process is an integral part of our efforts to embed integrated thinking in RBPlat, and to identify the issues that should form the basis of our internal and external reporting.

During 2019, our external engagement included the investment community, the communities in which we operate, government, industry bodies and non-governmental organisations. This year our engagement with the investment community, in addition to the usual engagements at our Annual General Meeting, the presentation of our results and one-on-one meetings, included a Board roadshow during which members of our Board met with some of our investors and got feedback from them on various matters material to them (see page 102 of this report).

Our engagement with the communities in which we operate involves a number of engagement structures (see page 31) and in 2018 and 2019 included our Chief Executive Officer's engagement with local businesses to understand their challenges and find additional ways in which RBPlat can assist them (see pages 91 to 94 for what this has involved in 2019) and we also conducted our second community perception survey.

Our internal materiality process includes engaging in workshops with managers and having one-on-one sessions with heads of department, executive management and members of our Board. Our entire materiality process is set out below:



The table that follows includes our material issues and how they relate to our top 10 risks in 2019 compared to 2018.

- Extremely high risk
- High risk
- Moderate risk

Our top 10 risks and material issues

Strategic pillars impacted	Inherent risks 2019	Material issues	Our response to the risks, material issues and opportunities they present
<ul style="list-style-type: none"> (1) (2) (3) 	<p style="text-align: center;">1</p> <p>Styldrift ramp up (project and production)</p> <p>2018: 1</p>	<ul style="list-style-type: none"> > Achieve Styldrift 230ktpm milestone by the third quarter of 2020 > Availability of evolving skills' requirements and retention of skills 	<ul style="list-style-type: none"> > Infrastructure and skills in place to enable the achievement of the run rate milestone of 230ktpm by the third quarter of 2020 (see page 59)

Our top 10 risks and material issues

Strategic pillars impacted	Inherent risks 2019	Material issues	Our response to the risks, material issues and opportunities they present
	2		
(1) (2) (3)	Controlling operating costs 2018: (5)	<ul style="list-style-type: none"> > Cost management and efficiencies > Applying technology to achieve increased efficiencies and reduce costs 	<ul style="list-style-type: none"> > Following completion of infrastructure at Styldrift and the enrolling of sufficient artisans to address fleet maintenance, we are better prepared to deliver efficiencies going forward (see page 59) > With UG2 mining now re-established at BRPM South shaft, we will be focusing on cost-effective production at both North and South shaft, going forward (see page 54) > Review of operations to reduce costs (see page 57) > Increased use of technology in supply chain management to better track and manage performance (see page 88) > Establishing conveyor belt between Styldrift and Maseve as soon as possible once environmental impact assessment is approved to reduce transportation costs and improve efficiencies
	3		
(1)	Labour and community instability (potential cost and impact) 2018: (4)	<ul style="list-style-type: none"> > Labour stability > Stakeholder relationships > Expectations and concerns of the communities in which we operate > Meeting Mining Charter III targets and our <i>More than mining</i> aspiration 	<ul style="list-style-type: none"> > Successful negotiation of a second five-year wage agreement, a first in our industry, at terms in line with PGM industry average wage increases for the next three-year period (see page 71) > Ongoing focus on community engagement, local enterprise and supplier development, job creation and skills development opportunities for community members (see page 96)
	4		
(1) (3)	Safety performance 2018: (3)	<ul style="list-style-type: none"> > Safety, health and wellness of our employees 	<ul style="list-style-type: none"> > Focus on improving safety leadership skills resulting in improved safety performance (see page 77) > Use of data analytics to predict and avoid incidents > Addressing noise-induced hearing loss through our hearing conservation programme (see page 80) > Majority of our employees and volume contractors are members of Platinum Health Medical Aid, which allows for a managed care system of medical attention (see page 79)
	5		
(1) (2) (3) (4)	Capital funding structure and strategy 2018: (2)	<ul style="list-style-type: none"> > Resource allocation/capital allocation > Uncertain global and local conditions 	<ul style="list-style-type: none"> > The investments required to ramp up Styldrift to 230ktpm, upgrade the Maseve concentrator to 160ktpm and upgrade the BRPM and Maseve tailings dams (see pages 62 and 63) > Rights offer to raise R1 029.1 million > The gold streaming agreement RBPlat has with Triple Flag provided us with an upfront payment of R2.1 billion, R1.851 billion of which was used to settle the amount outstanding on our purchase of Amplats' 33% interest in the BRPM JV

The issues material in our operating context continued

Our materiality process continued

Our top 10 risks and material issues continued

Strategic pillars impacted	Inherent risks 2019	Material issues	Our response to the risks, material issues and opportunities they present
	6		
(1) (2) (3) (4)	Political and economic risk 2018: (7)	> Uncertain global and local economic conditions	> Through our participation in industry bodies and other forums, we monitor conditions and raise our concerns regarding sovereign, political and regulatory risks (see page 105) > Ongoing engagement with investors to address their concerns and keep them informed (see page 102)
	7		
(1) (2) (3)	Commodity prices 2018: (6)	> Impact of Merensky and UG2 basket price movements on profitability > Re-establishing UG2 at BRPM South shaft	> Retain our operational flexibility so that we can react rapidly to changes in commodity prices and the impact of the R/US\$ exchange rate on our basket price, and consequently our profitability (see page 12)
	8		
(1) (2) (3) (New)	Power curtailment and water supply shortages (New)	> Impact of power curtailment and water supply shortages on our operating environment	> Bankable feasibility study under way for the development of our own source of solar renewable energy, the first phase of which will service BRPM's initial load (see page 114) > The water treatment plant at BRPM has substantially reduced our reliance on potable water from Magalies Water (see page 119)
	9		
(1)	Environmental risks and climate change 2018: (8)	> Environmental management and climate change	> ISO 14001 environmental management system implemented (see page 112) > Ongoing monitoring of environmental licence requirements in place and we address deviations if and when they are identified > Regulatory compliance through external legal compliance auditing and business sustainability framework, strategies and policies in place (see page 104) > Review of water and energy efficiency targets (see pages 116 and 117)
	10		
(1)	Adequate and appropriate skills 2018: (9)	> Availability of evolving skills requirements and retention of skills	> Our substantial and ongoing investment in training and development now includes a Styldrif training centre with simulator training for machine operators. To address the availability of our evolving skills requirements, we have enrolled community members on diesel mechanic learnerships who are being trained to work on the Styldrif fleet (see page 81)

Emerging risks and opportunities

Risks that could impact our industry or the economy in the future and which could either prevent us from achieving our business strategy and/or our business plan or could facilitate both, include:

- > Cyber security
- > Our ability to innovate, benefit from disruption by leveraging technology, the Internet of Things (IOT) and intelligent mining, to increase productivity, reduce costs, optimise our value chain and positively impact the communities in which we operate
- > Climate change-related issues including decarbonisation of the economy
- > The possible direct impact on our operations and also on the world's large economies of the spread of pandemics (e.g. the coronavirus), which could negatively affect demand for PGMs

Evaluating performance against our corporate risk tolerance

Measuring performance against planned targets is a vital part of the governance and operational excellence that is part of our core business strategy. A dashboard consisting of several risk indicators, derived from our annual Exco and Board-approved business plan, is evaluated at an operational level across all areas of the business. The actual performance of each indicator is then evaluated against the risk tolerances and to ensure the Company operates within its risk appetite.

Applying principal component analysis we reduced the number of unique indicators from 48 to eight, by identifying the real drivers of performance while still maintaining 85% of the explanatory power. Two additional metrics, total cash operating cost and cash operating cost per tonne milled, were subsequently included to provide context to the cost per platinum ounce and 4E ounce metrics and improve the total dashboard's explanatory power.

These 10 indicators have been identified as the key success measures. They cover the key risks across the manufactured, human, social and relationship and natural capital areas of the business and allow us to measure the health and performance of the business. They focus on: safety, unit costs, development and social and labour expenditure.

Legend: ● Meets risk appetite ● Within limits ● Risk appetite breached

Description	Unit	Actual performance	Performance against risk tolerance	Focus area	Page reference for more information
Unit cost					
1 Tonnes milled	kt	3 847	●	BRPM, Styldrift and concentrators	See page 55
2 Total cash operating cost	Rm	5 675	●		See page 57
3 Cash operating unit cost (R/treated tonne)	R/t	1 475	●		See page 57
4 Cash operating unit cost (R/4E ounce metals in concentrate)	R/4E	14 139	●		See page 57
5 Cash operating unit cost (R/Pt ounce metal in concentrate)	R/Pt	21 770	●		See page 57
Development					
6 Total capital expenditure	Rm	1 661	●	Styldrift	See page 58
7 Total development	km	39.1	●		See page 53
Safety					
8 Total injuries	No	182	●	Investing in creating safer leaders	See our Databook 2019 page 22
9 Fatal injuries	No	2	●	Zero harm	See page 77
Social responsibility					
10 Social and labour plan (SLP) expenditure	Rm	65.8	●	Meeting our SLP commitments	See page 91





Leadership and governance

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Core sampling at the RBPlat coreyard

Chair's review

It is disappointing to once again be reporting on a year when the dismal state of the South African economy has made life very difficult for business and the communities in which we operate.

Globally, it has been an unsettled year politically, overshadowed by the impact of climate change and the need to take urgent action to reduce GHG emissions if we are to slow down climate change.

This year we reviewed RBPlat's efforts to integrate sustainability throughout its operations as part of our annual strategy review. We concluded that RBPlat has done well in this regard in terms of addressing the issues most material to its sustainability (see pages 22 to 24). These include our governance and social performance, environmental management and efforts to reduce the impact of climate change on our operations and the communities in which we operate. We have voluntarily participated in the Climate Disclosure Project's (CDP) climate change disclosures since 2011 and the CDP water disclosure since 2012. In 2019 we achieved B scores for both our submissions and exceeded the average performance of the global metals and mining sector for climate change and also exceeded the average global water performance. However, in light of a rapidly changing environment and our resolve to ensure we continue to put sustainability at the core of everything we do, we will be reviewing our sustainability framework, strategy and implementation plan during 2020, giving specific consideration to climate change, GHG emissions and the potential impact on our business of the carbon tax in the short, medium and long term.

I am proud of the work that RBPlat has done with regard to integrating the United Nations (UN) Sustainable Development Goals (SDGs) into our way of doing things, including developing key performance

indicators for each of the four SDGs that are our main focus. I refer you to our performance in this regard on pages 7 and 9 of this report and in each capital.

It is encouraging that platinum group metals (PGMs) are enjoying strengthened prices and that there is an expectation that this strengthening will continue just as Styldrift reaches full production by the third quarter of 2020 (see page 66).

Our social performance Safety

Sadly, while we have made good progress with continuing to improve our overall safety performance (see page 77 of the human capital section of this report) we had two fatalities in 2019. On 24 June 2019, Mr Joao Antonio Machava sadly lost his life in a scraper-related accident at BRPM's South shaft. On 22 November 2019, Ms Bontle Sitoe passed away from a pulmonary embolism, after she incurred a hairline fracture of her left ankle, as she stepped out of the office at Styldrift on 16 October 2019. She was at home recovering at the time of her death. On behalf of the Board of RBPlat I wish to extend our condolences to the families, colleagues and friends of Mr Machava and Ms Sitoe.

Employment equity

I was delighted to see the profiles of three women, whose passion for mining has resulted in them becoming respected leaders in the RBPlat mining team, featured

on pages 71 to 73 of the human capital section of this report.

I was particularly pleased to see how well Tshidi Ramorula, who was present at our listing on the JSE in November 2010, has done in her career. I know we still have some way to go to achieve the Mining Charter III targets for women in mining, but I am pleased to see the percentage of women in mining in RBPlat growing steadily and that women hold important leadership positions in our mines.

It is also very pleasing to see that Grant Magano, who grew up in the nearby village of Luka, was appointed Mine Manager at BRPM having started out in 2010 as Engineering Manager (see page 74).

Overall, RBPlat has made great strides with regard to transforming its workforce, and in particular all levels of management (see pages 72 and 73).



Labour stability

An important achievement for RBPlat in 2019 was another year of labour stability.

Striving for community sustainability

Our communities are facing extremely difficult times with unemployment at an all-time high in the North West province where we operate. RBPlat's investment in our SLP is going some way to contributing to community sustainability.

We also made good progress with our efforts to increase the sustainability of businesses in our doorstep communities during 2019, both through our enterprise and supplier development programme and by increasing the opportunities available for them to gain meaningful procurement contracts from RBPlat (see pages 98 and 99).

Governance

During 2019 the RBPlat Board maintained its focus on leading effectively by ensuring it was kept well-informed regarding business developments through engaging with the executive team and the quarterly reporting provided by its various committees. Board members also engaged with investors on remuneration matters, progress on the Styldrift project and both corporate and operating costs, among other things.

The maintenance of ethical standards and RBPlat's ongoing efforts to achieve an ethical culture remain a key focus of the Board and its commitment to being a responsible corporate citizen. Both the Audit and Risk Committee and Social and Ethics Committee are responsible for monitoring the management of ethics, fraud and corruption in RBPlat (see pages 40 and 41 for more information). The Social and Ethics Committee also monitors RBPlat's efforts to meet its obligations and responsibilities to society and the natural environment (see page 41).

In November 2020 it will be 10 years since RBPlat listed on the JSE and was one of the first companies to publish an integrated report. The

International Integrated Reporting Council (IIRC), which was founded in August 2010, also celebrates its tenth year in 2020. Its integrated reporting framework, which today guides most integrated reporting, was published in 2013. RBPlat continues to strive to improve on its reporting with the aim of providing its stakeholders with concise, accessible and transparent information and we are proud that over the years our efforts have earned our reports a number of awards. The integrated reporting workshop we hold every year, in which the Board and executive team participate, is an important part of our reporting process. In an effort to make our 2019 report more concise and easier to read we have transferred certain detailed information to our Databook 2019, which is available on our website at <https://www.bafokengplatinum.co.za/integrated-reports.php>.

The way forward

2020 is a milestone year for RBPlat during which it will be bringing the Styldrift project to full production. As a Board, we had to make some tough decisions during the course of the project, which included scaling down the project in 2015 to preserve cash when the South African PGM industry was hit by falling PGM prices and weak demand growth. It is rewarding to see the end of the project in sight.

Having completed the Triple Flag gold streaming agreement (see page 50 of financial capital for details), paid off our debt to Amplats and substantially reduced our capital investment in new projects we will be well-positioned to return some of the value created to our shareholders. To this end the Board of RBPlat has approved a dividend policy of distributing a minimum of 10% of free cash flow, before growth capital, through an annual dividend each financial year (see page 51 of financial capital for more information).

Hopefully, when we report to you in our 2020 integrated report the necessary steps will have been taken to put our economy on a growth path that results in the critically important creation of jobs and the restoration of

hope in the future of South Africa for all South Africans.

In conclusion

During 2019 we welcomed two Amplats representatives as non-executive directors on our Board, Avischen Moodley and Gordon Smith, who have both made a valuable contribution to our deliberations during 2019. We also welcomed Udo Lucht who replaced David Wilson on our Board. On behalf of the Board, I would like to thank David for the contribution he made to RBPlat during his five years as a member of the Board.

My thanks go to my fellow Board members for their commitment to ensuring the Board fulfils its responsibilities to all RBPlat's stakeholders.

2019 was a challenging year for the RBPlat team, executives, management and employees. On behalf of the Board I would like to thank all of you whose excellent work ensured that we continued to create value for our stakeholders.

Adv. Kgomotso Moroka SC
Independent Chair

Chief Executive Officer's review

Chief Executive Officer's strategic review

While overall 2019 was a bumpy year, both in terms of the negative impact of the poor state of the country's economy on our operating environment and our own operational

challenges, we were able to make good progress in terms of our key strategic objectives, one of which was to become sole owners of our business through our acquisition of Anglo American Platinum's (Amplats') 33% participation in the BRPM Joint venture.

Our performance against strategy

Towards operational excellence

RBPlat is fortunate to have enjoyed excellent labour stability during the 10 years since it took over operational control from Amplats. While operational and regional union elections and wage negotiations did result in a fall-off in production in our operations during 2019, I am happy to report that the elections took place without any incident and we successfully negotiated yet another five-year wage agreement with the new union leadership team representing our full-time employees. Our new wage agreement was achieved at a percentage increase over five years that aligns with the average percentage increase achieved by other PGM industry players for their three-year wage agreements (see page 71 of the human capital section of this report for details).



Achieve zero harm	Not achieved
Optimise volumes	Partially achieved
Reduce costs	Not achieved
Labour stability	Achieved
Meeting Mining Charter III commitments	Partially achieved
Integrating sustainability throughout our operations	Partially achieved



Maintain our IMS panel ratio at BRPM	Achieved
Achieve IMS panel ratio at Styldrift	Partially achieved
Processing flexibility and capacity	Achieved
Balance sheet flexibility	Achieved



Complete Styldrift, a high-grade asset	Partially achieved
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Royalty agreements	Achieved
Gold streaming agreement	Achieved
Mergers and acquisitions	Achieved

Key

	Achieved
	Partially achieved
	Not achieved



Introduction

Our business

Leadership and governance

Our performance

Accountability and shareholder information

I believe we can look forward to continued labour stability and working with the new union leadership to create value for all our stakeholders.

Our aspiration is to achieve zero harm and our goal is to keep our people safe and have zero fatalities in our operations. It is therefore very disappointing that we had two fatalities in 2019, which the Chair has already addressed. I would like to extend my condolences to the families, colleagues and friends of Mr Joao Antonio Machava and Ms Bontle Siteo. We will do everything we can to keep all our people safe and achieve our goal of zero fatalities in 2020.

Building flexibility to ensure sustainability

Key to the sustainability of our business is the ramping up of Styldrift to steady state at a competitive cost for a mechanised mine and our ability to maintain our operational flexibility.

The ramping up of our UG2 production at BRPM's South shaft to 20ktpm during 2019, in response to pricing opportunities, confirmed that we have the operational flexibility to respond rapidly to changing market conditions. It also made it possible for us to profitably extend the life of South shaft and save jobs. In the past we exercised caution and prudence, closing down the mining of UG2 at South shaft when market conditions meant it was no longer profitable. We expect the mining of UG2 at South shaft to remain profitable for the foreseeable future and therefore believe it is time to ramp up its production to 80ktpm by 2023. However, should a change in market conditions result in it no longer being profitable to mine the UG2 ore at BRPM's South shaft we will not hesitate to suspend production.

Positioning RBPlat to compete over the long term

During 2019, as can be expected during the ramping up of a mine, we encountered a number of difficulties at Styldrift. These included navigating poor ground conditions, which are to be expected, even in an ore body of the quality of that at Styldrift.

Central to a mining operation's ability to effectively manage and mitigate the impact of both known and unknown geological/geotechnical conditions is attaining operational flexibility through the establishment of spare IMS ore reserves. We will only fully attain this operational flexibility on completion of the overall project footprint. As a result, Styldrift will remain exposed to production risks during the ramp-up period. The intersection of a known fault in the north and north-eastern sections and western mining sections combined with a footwall shear zone in the south west, was no exception, contributing to lower than planned crew performances in these areas during the reporting period.

Performance was further impacted by the type of skills required in a mechanised mine, especially those of skilled fleet engineers, together with the challenge of operating with incomplete infrastructure for most of the year, both contributed to our difficulties, particularly in terms of managing costs. The skills shortage at Styldrift has largely been addressed, although we expect it will remain a challenge in the foreseeable future (see page 59 of the manufactured capital and page 81 of the human capital section of this report to see how we have addressed this issue). By year-end the infrastructure required to ramp up the mine to 230ktpm by the third quarter of 2020 had been completed. I refer you to page 66 of the manufactured capital section of this report for information on the progress we made in this regard during 2019 and the timelines we have put in place to ensure we meet our 230ktpm ramp-up goal.

I am confident that the work we have done in 2019 has ensured that we have the ability to reach full production at Styldrift in 2020 and steady state from 2021. The addition of this very modern mine to our operations will cement RBPlat's position as a low cost, high margin operator. Not only does Styldrift have a shallow, high grade, world class ore body that supports mechanisation, but its high quality infrastructure and our use of technology and automation will

allow us to achieve industry-leading safety and operational efficiencies.

The overall performance of BRPM and the processing part of our business is addressed in the manufactured capital section on page 64.

Investing in our future ability to create value

During the recent down cycle there was a dearth of capital investment in new projects in the South African PGM mining industry, with Styldrift being one of the few capital expansion projects in the industry. Styldrift is therefore one of the few new mines coming on stream at this time, which positions it well for the future.

As we advised at the start of the project, Styldrift is ramping up at a time when PGM prices are expected to remain strong. This is in contrast to previous projects of this nature, which ramped up when the market had already peaked.

Underpinning our aspiration of achieving *More than mining*

Integrating sustainability

RBPlat recognises that in order to achieve sustainability and resilience and mitigate risks it is essential that we manage not only our financial impact but also our environmental and social impacts through an integrated approach to doing business.

Our continued support of the UNGC, of which we are signatories, our contribution to the SDGs (see pages 7 to 9 for our performance in terms of the SDGs) and our application of the UN Voluntary Principles on Security and Human Rights, underpins our aspiration to achieve *More than mining*. The SDGs will not be achieved without the participation of business. I believe we have made good progress in meeting the targets we set ourselves in this regard, however, in order to improve on our performance we are participating with our fellow members of the International Platinum Group Metals Association in an initiative to identify opportunities where we can improve our SDG performance and potentially collaborate to do better.

Our Chair has addressed governance from her perspective as leader of our Board (see page 28). I would like to reiterate the commitment of our executive team to ensuring we practice good governance in RBPlat by applying the mandate we have been given by the Board to act in the best interests of all our stakeholders. This includes working to achieve value creating governance through the integration of good governance principles into our core business practices and processes and the protection of value through effective supply chain governance.

A no tolerance approach

One of the biggest and most complex issues we urgently need to address in South Africa is corruption. It is essential if we are to turn the tide that we have a no tolerance approach to any form of unethical behaviour in both our internal and external environment. I would like to reaffirm that at RBPlat we will not tolerate unethical behaviour and we are working hard to entrench an ethical culture in RBPlat (see pages 88 and 89) for information on our ongoing initiatives).

Our communities

During 2019 we continued to engage with our communities, find ways to improve the effectiveness of this engagement and to assist them to become more sustainable, which continues to be extremely challenging in the current economic environment. The sustainability of our supply chain is a key element in our overall sustainability. Following the engagement we had with local businesses in 2018, we put in place processes to assess and develop the capacity of our local businesses and increase our efforts to identify meaningful opportunities for our doorstep communities to participate in our supply chain. When I participated in a similar engagement in 2019 I was pleased to hear from local businesses that while they felt more could still be done they also felt we had made good progress with our efforts to both increase their ability to participate in our supply chain and the opportunities available in which they can participate. The case studies on pages 98 and 99 and the results of



our local procurement during 2019, which can be found on page 96 of this report and in our Databook 2019 at www.bafokengplatinum.co.za/integrated-reports.php, provide information on the progress we have made and the goals we have set in this regard for 2020.

The external environment

Hopefully, we will see an end to the otherwise cordial dispute regarding the outstanding Mining Charter issues with the court as arbiter in 2020.

During 2019 Eskom's need to curtail electricity supply had some impact on our production. The potential for it to further impact our operations in the next 18 months is concerning (see page 58 of the manufactured capital section of this report for information on our plans to minimise its impact).

The slow pace at which government moves to aggressively deal with the ailing state-owned entities and stimulate economic growth is leading to significant job losses, threatening the sustainability of communities and stagnating economic growth. While I understand and appreciate the pressures government is facing from many angles, it is in the interest of society that government must act decisively and expeditiously, otherwise we all stand to perish into a failed state.

The way forward

2020 will be a watershed year for RBPlat during which our key focus will be on the ramping up of Styldrift to 230ktpm. Achieving our goal of ramping up BRPM South shaft UG2 to 80ktpm by 2023 is also an important target.

RBPlat is well-positioned to fund most of its growth through internal cash flows during 2020. The signing of the gold streaming agreement with Triple Flag in October 2019 has allowed us to extinguish our debt with Amplats (see page 50 of the financial capital section for information). At the same time we will be investing less capital in new projects, all of which positions us well to return some cash to shareholders. As the Chair has advised, our dividend policy is now in place to reward our investors for

their confidence and patience from the value their participation in our business has allowed us to create (see page 57).

Ensuring a business remains fit for purpose is an ongoing process. We are conducting an in depth operational review in this regard, which commenced in 2019 but will continue throughout 2020 with a view to containing costs and improving margins.

In conclusion

I would like to thank our Board members for their guidance and support and for ensuring we are able to continue maintaining value creating corporate governance throughout RBPlat. Under their guidance we have a strategy in place that allows us to create sustainable value for our stakeholders and, where possible, meet and exceed our obligations and responsibilities as a responsible corporate citizen, and our aspiration to achieve *More than mining*. My thanks also go to our executive team and our employees whose hard work has allowed us to make good progress during an extremely challenging year. During the year both Glenn Harris, who was General Manager at BRPM from 2006 and Head of Operations from 2014 to 2019, and Mpueleng Pooe – our Executive: Corporate Affairs, left us. I would like to thank them both for the valuable contribution they made to RBPlat and wish them well in the future.

I would also like to thank our investors for their faith in our ability to deliver on our strategic objectives and look forward to proving that their faith in RBPlat's ability to deliver was well placed.

Steve Phiri
Chief Executive Officer

Our leadership

Our Board of Directors



Independent non-executive directors

Adv. Kgomotso Moroka (SC)

Chair of the Board

Age: 65

Qualifications: BProc, LLB

Date of appointment: June 2010

Tenure: 9 years 6 months

Independence: Independent

Skills and experience:

A practicing senior advocate, Kgomotso was a member of the Judicial Commission for 15 years and has played a leadership role across a range of industries.

Significant directorships:

- Standard Bank Group Limited
- Metmar Limited
- MultiChoice Group
- Nelson Mandela Children's Hospital and Children's Trust Fund

Peter Ledger

Age: 70

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

Date of appointment: February 2018

Tenure: 1 year 11 months

Independence: Independent

Skills and experience:

Peter's more than 40 years' experience in the mining industry includes spending 30 years in general management positions in southern Africa and being an executive director of Lonmin plc.

Zanele Matlala

Age: 56

Qualifications: BCom, BCompt (Hons), CA(SA)

Date of appointment: September 2018

Tenure: 1 year 4 months

Independence: Independent

Skills and experience:

Zanele, who is Chief Executive Officer of Merafe Resources Limited, was previously Group Financial Director of Kagiso Trust Investments and Chief Financial Officer of the Development Bank of Southern Africa.

Significant directorships:

- Dipula Income Fund
- Stefanutti Stocks Holdings Limited
- RAC Limited

Mark Moffett

Age: 60

Qualifications: BCom, CTA, CA(SA)

Date of appointment: September 2014

Tenure: 5 years 3 months

Independence: Independent

Skills and experience:

Mark, who is an independent consultant, previously spent over 25 years in senior financial positions, initially with Anglo American plc and the De Beers group, then as Chief Financial Officer of Xstrata Alloys and Group Controller for Xstrata plc.

Significant directorships:

- Exxaro Resources Limited

Thoko Mkgosi Mwantembe

Age: 58

Qualifications: MSc

Date of appointment: November 2014

Tenure: 5 years 1 month

Independence: Independent

Skills and experience:

The Chief Executive Officer of Kutana Investments, Thoko previously held executive positions at Telkom Limited, Siemens Telecommunications, Alcatel SA and Hewlett Packard SA where she was Chief Executive Officer.

Significant directorships:

- Old Mutual Limited
- Omnia Group Proprietary Limited

Mike Rogers

Age: 75

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

Date of appointment: December 2009

Tenure: 10 years

Independence: Independent

Skills and experience:

Mike served in operational, technical, managerial and executive capacities in the southern African mining industry for over 50 years. During this period, he gained experience in underground and surface mining and beneficiation in the coal, gold platinum, copper and antimony industries. He is a past president of the South African Institute of Mining and Metallurgy.

Louisa Stephens

Age: 43

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

Date of appointment: September 2014

Tenure: 5 years 3 months

Independence: Independent

Skills and experience:

Louisa, who is an independent financial trader at Prime Select Holdings, was previously Chief Investment Officer of Circle Capital Ventures Proprietary Limited and a fund manager at the uMnotho Fund. Her experience in acquisitions and leverage finance was gained while working in RMB's Investment Banking division.

Significant directorships:

- African Bank Group
- MultiChoice Group
- Institute of Directors in Southern Africa (NPC)

Non-executive directors

Udo Lucht

Age: 42

Qualifications: BCom (Hons), CA(SA), CFA

Date of appointment: September 2019

Tenure: 4 months

Independence: Not independent

Significant directorships:

- YeboYethu (RF) Limited
- RMB Holdings Limited (alternate)
- Rand Merchant Investment Holdings Limited (alternate)
- Liquid Telecommunications Holdings Limited (alternate)

Skills and experience:

Udo is Chief Investment Officer of Royal Bafokeng Holdings (RBH). Prior to joining RBH, he worked in Rand Merchant Bank's Investment Banking division as a senior resource finance transaction. Before joining the RBPlat Board, he was a non-executive director of Impala Platinum Holdings Limited and Vodacom Proprietary Limited.

Avischen Moodley

Age: 36

Qualifications: BBusSc (Actuarial Science)

FIA, CFA

Date of appointment: January 2019

Tenure: 1 year

Independence: Not independent

Skills and experience:

Avischen, who is the CFO: Managed Operations for De Beers Group, has 14 years' experience in the minerals industry, over eight years of which have been in the PGM industry. He also served on the BRPM Management Committee in 2011 and 2012.

Significant directorships:

- De Beers Consolidated Mines Proprietary Limited
- De Beers Canada Inc.
- De Beers Marine Proprietary Limited

Obakeng Phetwe

Age: 42

Qualifications: BCom (Hons), CA(SA)

Date of appointment: February 2018

Tenure: 1 year 11 months

Independence: Not independent

Skills and experience:

Obakeng is Chief Executive Officer of the Royal Bafokeng Nation Development Trust (RBNDT).

Significant directorships:

- Royal Bafokeng Holdings
- RMB Holdings Limited
- RMI Holdings Limited
- MOGs Oil and Gas Proprietary Limited

Gordon Smith

Age: 61

Qualifications: BSc Eng (Mining), MSc Eng, MBA, PhD, PrEng

Date of appointment: January 2019

Tenure: 1 year

Independence: Not independent

Skills and experience:

Executive Head: Technical, Safety and Sustainability for Amplats, Gordon has extensive minerals industry experience across precious metal, base metal, ferrous metal, chrome, diamond, semiprecious stone and coal operations. An associate professor at the University of the Witwatersrand School of Mining Engineering, he is an honorary life fellow and past president of the Southern African Institute of Mining and Metallurgy and a member of the South African National Institute of Rock Engineering.

Significant directorships:

- Rustenburg Platinum Mines Limited

Executive directors

Steve Phiri

Chief Executive Officer

Age: 63

Qualifications: BJuris, LLB, LLM, Dip Corp Law

Date of appointment: April 2010

Tenure: 9 years 8 months

Skills and experience:

Steve joined RBPlat from Merafe Resources, a ferrochrome company listed on the JSE, where he was CEO for six years. He previously headed up Corporate and Legal Affairs for RBN and was involved with the Nation's negotiations with Implats.

Hanré Rossouw

Financial Director

Age: 44

Qualifications: BEng, BCom (Hons), MBA (Oxon)

Date of appointment: October 2018

Tenure: 1 year 2 months

Skills and experience: Hanré joined RBPlat from Investec Asset Management where he was a portfolio manager covering precious metals and South African resource equities. Before joining Investec he was Chief Financial Officer of Xstrata Alloys, having previously been Head of Investor Relations and Senior Manager Strategy and Business Development at Xstrata plc.

Our leadership continued

Executive Committee (Exco)


Members of Exco attend the Board and committee meetings by invitation.

For more information on the skills and expertise of our Exco refer to www.bafokengplatinum.co.za/leadership-executive-committee.php




Steve Phiri (63)
Chief Executive Officer and Chair of Exco
 BJuris, LLB, LLM, Dip Corp Law
 Joined Exco in April 2010

Value added to Exco:
 Over 15 years as chief executive officer and company director; corporate legal and business and strategy development expertise



Hanré Rossouw (44)
Financial Director
 BEng, BCom (Hons), MBA (Oxon)
 Joined Exco in October 2018

Value added to Exco:
 Chief financial officer, investor relations, strategy and business development expertise



Neil Carr (60)
Chief Operating Officer
 BSc (Mechanical Engineering), EDP (INSEAD)
 Joined Exco in December 2010

Value added to Exco:
 Operational, mining, project management, human resources and general management expertise




Reginald Haman (45)
Executive: Strategy, Risk, Assurance and Sustainability
 MBA, PGDBA, Graduate Diploma in Company Direction, NHD, ND, EDP
 Joined Exco in October 2012

Value added to Exco:
 Strategy and business development, business risk management, sustainability, assurance, governance and special projects expertise



Lindiwe Montshiwagae (48)
Executive: Investor Relations
 BCompt (Hons), MCom (Financial Management), MDP
 Joined Exco in August 2016

Value added to Exco:
 Investor relations, corporate finance and strategy development expertise

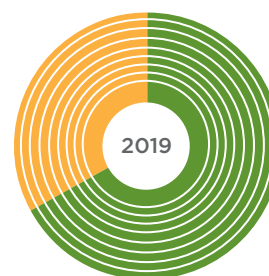


Vicky Tlhabanelo (59)
Executive: Human resources
 BCom (Hons), MM (Master in Management), Diploma Management and Accounting
 Joined Exco in April 2010

Value added to Exco:
 More than 20 years as an executive in various industries including banking, retail, research, agriculture, academic institutions, mining and development, human resource, leadership, strategy, special projects and general management expertise

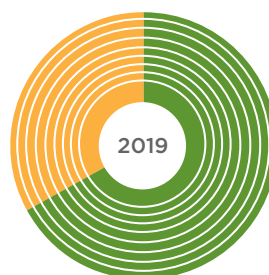
See the remuneration review on pages 125 to 134 for details of executive remuneration

Exco gender composition



- ▶ Male (67%)
- ▶ Female (33%)

Exco racial composition



- ▶ HDSA (67%)
- ▶ Non-HDSA (33%)

Skills and experience

Business development and strategy	57%
Finance, mergers and acquisitions	67%
Stakeholder engagement	50%
Human resources and industrial relations	17%
Mining, operational, technical and engineering expertise	33%
Risk management	17%

Creating value through good governance*

The independence of our Board protects shareholder interests:

> **54%** of our Board members are independent (2018: 64%)



- ▶ Independent non-executive (54%)
- ▶ Non-executive (31%)
- ▶ Executive (15%)

RBPlat benefits from having a Board with a wide range of technical and leadership skills that add value to our business.

These include:

Finance/commercial	85%
Mining/processing/engineering	54%
Strategy/analysis	92%
Risk/compliance	88%
Stakeholder relations	73%
ICT/technology	62%
Human resources	85%
Operational	69%
Governance	73%

Audit and Risk

All members are independent non-executive directors

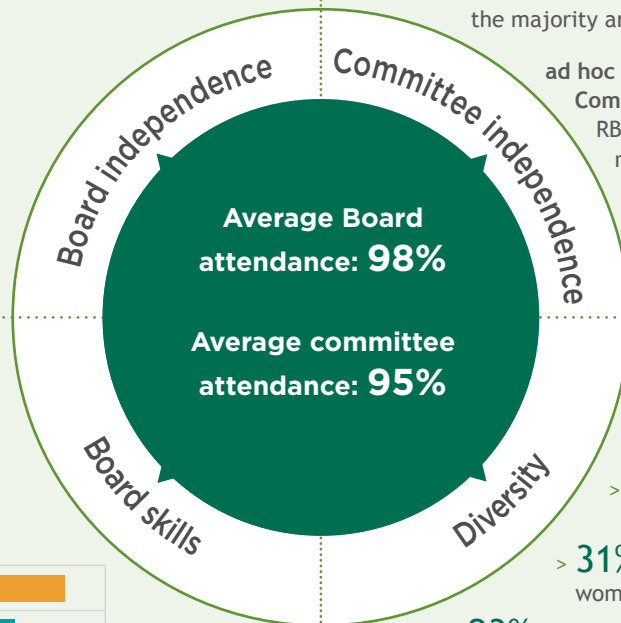
Nomination and Remuneration:

All members are independent non-executive directors

Social and Ethics:

All members are non-executive directors and the majority are independent

ad hoc Finance and Technical Committee membership includes RBPlat executives and Board members



Board diversity

> **54%** of our directors are HDSA (target of 50%)

> **57%** of our independent directors are HDSAs

> **31%** of our directors are black women (target 50%)

> **23%** of our directors are HDSA men

> Average age of our Board members is 47

Exco diversity

> **67%** of executives are HDSAs

> **33%** of our executives are women

Tenure of non-executive directors

0 – 4 years	6				
5 – 8 years	3				
9 – 10 years	2				

Trade-offs

While the inclusion of the two directors nominated to the RBPlat Board by Amplats (as a condition of the agreement covering the sale of its 33% interest in the BRPM JV to RBPlat) has reduced the gender and racial diversity of our Board and its independence, we have been fortunate to benefit from their extensive mining and corporate finance expertise during their tenure on the RBPlat Board.

Age of directors (see pages 125 to 134 for information on succession planning)

			Non-executive directors	
35 – 45	50 – 64	65 – 75	Executive directors	




* All the data provided on this page is as at 31 December 2019 and detailed governance information is available in our Databook 2019 on our website at www.bafokengplatinum.co.za/integrated-reports.php

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Creating value through good governance* continued




I am proud of our Board's collective commitment to leading ethically, acting in good faith and in the best interests of the business. 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.

Adv Kgomotso Moroka
Chair



The Board of RBPlat and its executive team work together to deliver on our purpose of creating economic value for all our stakeholders by delivering *More than mining*, ensuring that our strategy and business model are fit for purpose in the short, medium and long term and that we retain the flexibility to adapt rapidly to changing market conditions and ensure the sustainability of the business. We do so by constantly monitoring the macro environment and its potential impact on our business; our risks and opportunities; the performance of our business and our performance in terms of society, the environment and achieving the benefits of practicing good corporate governance.     




The purpose of our approach to governance

Our approach to corporate governance which includes our adoption of the King IV principles, is an essential part of our value creation process, is integrated into our Board-approved strategies, policies, standards, practices and procedures. It is designed to support the achievement of a high standard of corporate governance. It supports the achievement of business sustainability and the delivery of our purpose of achieving *More than mining* by enhancing accountability and transparency and facilitates effective performance, risk and opportunity management and compliance. 

To ensure RBPlat maintains a balance between its efforts to provide stakeholder rewards with its responsibilities as a responsible corporate citizen we have in place Board-developed risk appetite statements and risk tolerances, which the Audit and Risk Committee monitors on behalf of the Board (see page 25). Details of our management and governance of risk can be found on page 20 of this report and in Databook 2019 at www.bafokengplatinum.co.za/integrated-reports.php.   

Governance structures and delegation that achieve effective control and a clear balance of power

Our governance framework positions our Board as the custodian of corporate governance in RBPlat and provides it with effective control of the business. Its role and responsibilities are set out in its Charter and Memorandum of Incorporation (MOI), which also set out the shareholders' delegation of authority to the Board, which has a formal schedule of matters reserved for its consideration and decision. (See our Databook 2019 for a diagram of our governance structures at Board, executive management and operational level.)  

Through the appointment of strong, independent directors and the separation and a clear definition of the roles and responsibilities of the Chair and Chief Executive Officer, RBPlat has established a clear balance of power and authority at Board level. The Chief Executive Officer in turn delegates authority to his executive team, who are provided with clear definitions of their responsibilities and accountabilities. Their performance is measured against agreed key performance indicators and the Company's performance, which are also used to determine their compensation (see the remuneration review on pages 125 to 134).   

The Nomination Committee is mandated by the Board to monitor executive level talent management and succession planning. 



* More detailed governance information is available in our Databook 2019 on our website at <https://www.bafokengplatinum.co.za/integrated-reports.php>

Leading effectively

Engaging with the business on strategy

The Board, which has developed an understanding of the business through engagement with management and regular visits to the operations, steers and sets the strategic direction of RBPlat. Our annual strategy session, attended by the Board and the executive team, includes an in-depth review of the strategy and business plan presentations on issues material to the future of the business. This year it included an underground site visit to the Styldrift operation. [K](#)¹

Ethics

The Board addresses the challenging task in the current environment of governing ethics in a manner that supports the establishment of an ethical culture in RBPlat. It mandates both its Audit and Risk and Social and Ethics committees with responsibility for the monitoring and management of ethics, fraud and corruption in RBPlat (see page 88 of this report for information on our ongoing initiatives and those that have taken place during 2019 as part of our efforts to entrench an ethical culture). [K](#)²

Corporate citizenship

The Board ensures that RBPlat meets and where possible exceeds its obligations and responsibilities to society and the natural environment on which society depends, and contributes to the sustainable development of the communities in which we operate, mainly through meeting its Mining Charter III social and labour plan commitments (see pages 90 to 99 for information on our social and relationship performance and pages 106 to 122 for our performance in terms of the natural environment). [K](#)³

The Board also ensures that RBPlat meets its commitments as a signatory of the United Nations Global Compact (UNGC), which in 2019 included submitting an Advanced Communication on Progress.

Our Board diversity policy is in place, which includes gender diversity targets.

Stakeholder inclusivity

Adopting a stakeholder-inclusive approach

By effectively governing RBPlat through its oversight and monitoring of performance, and identifying stakeholders through engagement, and taking into consideration our stakeholders' interests, needs and expectations, our Board and management contribute value to both the business and its stakeholders (see pages 100 to 105 of relationship section of this report for more information). [K](#)¹⁶

Evaluating performance

Board performance

Evaluating its performance in terms of applying the King IV™ principles and outcomes provides the RBPlat Board with a mechanism with which to assess its governance performance and make improvements if necessary. In 2019 the Board's overall performance and that of its committees and individual members of the Board were also assessed by an independent body. The results of this process are discussed on page 38. [K](#)⁹ By effectively governing RBPlat through its oversight and monitoring of performance, and taking into consideration our stakeholders' interests, our Board and management contribute value to both the business and its stakeholders. [K](#)¹⁶

Executive performance

Executive performance is evaluated against agreed company and individual key performance indicators (KPIs), which include environmental, social and governance performance indicators. Performance against these KPIs forms the basis for the determination of short-term incentives, including salary increases and bonuses as well as long-term incentives (see pages 125 and 134 of the remuneration review for details).

Assessing the effectiveness of our Board and its committees

During 2019 a comprehensive evaluation of the effectiveness of our Board and its committees was conducted by independent external evaluators.

Overall assessment

Overall, the evaluators concluded that the Board and its committees discharge their duties effectively and have recommended certain actions to enhance Board and director development.

Board independence

Two of our independent directors, Adv. Kgomotso Moroka (Chair of the Board) and Mike Rogers (Chair of the Social and Ethics Committee), have more than nine years' service on the Board. It was therefore necessary to review their independence. Having conducted in-depth assessments of their fellow directors, Board members concluded that they can still be considered to be independent.

Board deliverables

Furthermore, based on the recommendations arising from its evaluation the Board will be deciding on actions it plans to take to further improve its effectiveness.

Based on its engagement with investors, key areas of focus for the Board during 2020 will be as follows:

- > The sustainable ramp-up of Styldrift to 230ktpm
- > Restructuring of the business to reduce costs, remove duplication, increase efficiencies and make it fit for purpose in the long term
- > Succession planning for the Board and executive management
- > Increased integration of the ICT strategy with our strategy, operations and business plans

Individual assessments

In addition, the Board, its committees and individual directors and some key positions were also assessed. These individual assessments included the Chair, the Chief Executive Officer, the Financial Director and the Company Secretary. While these office holders were found to be competent and sufficiently experienced to carry out their roles, certain areas of improvement were recommended to enhance development and effectiveness.

What kept our Board busy this year and what will keep it busy in 2020

Strategy link	Topic	Focus in 2019	Page reference for information on performance	Focus in 2020
1 2 3 4	Business plans	Performance against plans: <ul style="list-style-type: none"> > Progress towards achieving Styldrift 230ktpm milestone > Safety, health and wellness performance > Cost management > Labour stability (wage negotiations and NUM elections) 	Pages 65 and 66	<ul style="list-style-type: none"> > Styldrift and South shaft UG2 ramp-up > Leadership transformation and succession planning > Overhead cost structure > Production performance and delivery against targets > UG2 mining and its sustainability > Improve oversight of climate-related matters
1 2 3 4	Strategic plans	Performance against strategy	Page 29	<ul style="list-style-type: none"> > Review performance against strategy and ensuring it remains relevant in a rapidly changing environment
1 2 3 4	Performance in terms of risk appetite dashboard	Realigning risk appetite and tolerances with Company strategy and business plan, track performance against it and put corrective measures in place to get back on track where necessary	Page 25	<ul style="list-style-type: none"> > Review the Company's risk-bearing capacity, set appropriate risk appetite statements and levels and realign the strategic KPIs that drive business performance
1 2	Funding requirements and balance sheet optimisation	Review rights offer and Triple Flag gold streaming agreement to reduce leverage on our balance sheet	Page 50	<ul style="list-style-type: none"> > Ongoing balance sheet optimisation
2	Ensuring RBPlat maintains the flexibility it requires to respond rapidly to changes in market conditions	Meet UG2 targets at BRPM South shaft	Page 64	<ul style="list-style-type: none"> > Monitor market conditions, ensure we can respond rapidly to changes in market conditions and create value for our stakeholders
1	Stakeholder engagement on matters material to our stakeholders' decision-making	The Board engaged with investors on issues of concern to them at the AGM and during roadshows to investors	Page 102	<ul style="list-style-type: none"> > Maintain transparent engagement with investors and keep them updated on progress with addressing matters of concern to them
1	The impact of meeting the requirements of Mining Charter III	Monitored RBPlat's performance against the new Charter and the industry's efforts regarding outstanding matters	Pages 72 and 73, 96	<ul style="list-style-type: none"> > RBPlat's performance against the Mining Charter > Mining industry's efforts to resolve disagreement on key Mining Charter III principles

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What kept our Board committees busy this year and what will keep them busy in 2020 continued

Strategy link	Focus in 2019	Page reference for information on performance	Focus in 2020
Audit and Risk Committee			
1	<p>Review operational and financial metrics at Styldrift</p> <p>Reinforced supply chain governance structures and ensured alignment in the business through centralisation following supply chain investigations</p>	Pages 65 and 66, 88	<p>Focus on Styldrift and its ramp up to 230ktpm and application of knowledge gained during its ramp-up to 150ktpm to achieve operational excellence with the assistance of the ad hoc Technical Committee.</p> <p>Ensure cost structures are aligned to provide line of sight operationally</p>
1 2	Progress with addressing the gaps in RBPlat's technology and information governance	Pages 83 and 84 Databook 2019 	Data integration strategy that will support integrated thinking and ensure integration of IT into RBPlat's business plans and strategy; and finalise an integrated cost-effective digital strategy
1	The need to ensure we comply with the changes to the JSE process for the appointment of external auditors	Page 11 Databook 2019  	Address rotation of external auditors and review decision to keep Internal Audit function inhouse and at the same time ensure RBPlat has the right skills on board in both functions going forward
1	Assessing independence of the Internal Audit function, that the checks and balances are in place to ensure it maintains independence and that there is a regular review of its independence and the quality of work	Page 11 Databook 2019 	Gain insight into how best to maintain operational sustainability and monitor ongoing efforts to improve cost-effectiveness and efficiencies
1	<p>Linking risk management with the new business plan</p> <p>Ensuring independent review of risk, assurance and sustainability functions in place</p>	Pages 5, 8 and 10 Databook 2019 	Scrutinise climate-related financial information in order to better understand climate risks and opportunities
1 2 3	Rights offer and Triple Flag streaming agreement aimed at reducing leverage on our balance sheet	Page 50	Ongoing focus on capital allocation and balance sheet optimisation
1	Established capital management scorecard	Page 50	Liaise with the Remuneration Committee on the capital management scorecard
1	Monitoring of fraud risk management	Page 88	Ongoing monitoring of fraud risk management

Strategy link	Focus in 2019	Page reference for information on performance	Focus in 2020
Social and Ethics Committee			
1	Monitoring of efforts to ensure an ethical culture in RBPlat	Page 88	Continued focus on maintaining ethical standards throughout RBPlat
1	Climate change management	Page 113	Implementation of revised water and energy management strategies
1	Keeping abreast of changes in environmental and sustainability legislation	Page 124	Monitor progress towards addressing climate change and implementation of new rehabilitation legislation
2	Sustainability (including ESG) performance	Page 124	Update climate strategy to include TCFD findings
1	Progress with entrenching an ethical culture at RBPlat	Page 88	Ongoing monitoring of conduct in terms of the code of conduct and whistleblowing
1	Implementation of human rights training for security practitioners	Page 71	Ongoing monitoring and oversight
2	Progress with the implementation of our Mining Charter III social and labour plans (SLPs)	Page 91	Progress with the implementation of our Mining Charter III SLPs
1	Addressing safety, health and wellness performance	Page 77	Addressing safety, health and wellness performance
1	Liaising with Remuneration Committee on the ethics of remuneration and the aim of increasing the influence of environmental, social and governance (ESG) matters on remuneration	Pages 125 to 134	Liaising with Remuneration Committee to assess and monitor the effectiveness of KPIs to reflect ESG performance on remuneration

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What kept our Board committees busy this year and what will keep them busy in 2020 continued

Strategy link	Focus in 2019	Page reference for information on performance	Focus in 2020
Nomination Committee			
1	Board and executive succession plans	Page 125	Ongoing monitoring of status of Board and executive succession plans
Remuneration Committee			
1	<ul style="list-style-type: none"> > Shareholder engagement on remuneration policy > Remuneration reporting alignment to King IV guidelines > Development of minimum shareholding requirements and policy > Development of malus and clawback policies > Improve key performance area (KPA) structure by increasing Company performance weighting for executives > Introduction of safety modifier to replace previous safety KPA measure: <ul style="list-style-type: none"> – (5%) for one to two fatal accidents – (10%) for three fatal accidents – (20%) for more than three fatal accidents > Implementation of revised forfeitable share plan, incorporating measures for ESG and capital management 	Pages 125 to 134	<p>Implementing minimum shareholding requirements, malus and clawback policies</p> <p>Ensuring alignment of remuneration policy to King IV principles</p> <p>Improving remuneration reporting to ensure alignment with shareholder expectations</p>
ad hoc Technical Committee			
3	Mainly concerned with progress at Styldrift, capex, performance against operational business plan and optimisation of operations	Pages 65 and 66	Progress at Styldrift, performance against business plan and optimisation of operations
ad hoc Finance Committee			
1	RBPlat's overall funding requirements, review of business plans, viability of corporate actions and compliance with applicable legislation	Page 67	Funding requirements, business plan performance, compliance with applicable legislation

A black and white photograph of a large industrial structure under construction. In the foreground, a large crane is positioned on a truck. The structure consists of multiple levels of steel beams and platforms. The sky is overcast.

Our performance

- 44 Financial capital
- 52 Manufactured capital
- 68 Human capital
- 83 Intellectual capital
- 90 Social and relationship capital
- 106 Natural capital

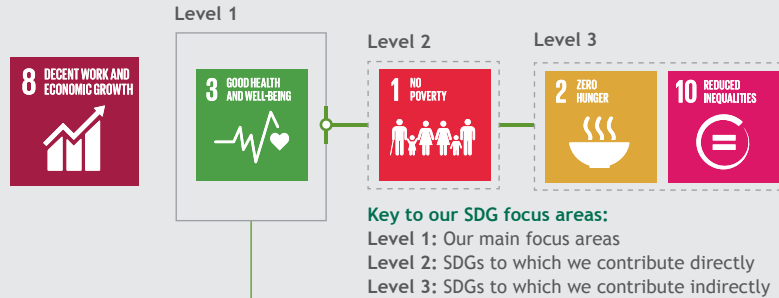


Financial capital

In 2019 our investment in our financial capital addresses our most material financial capital issues in the short, medium and long term, which are:

- > **Balance sheet optimisation**
see page 50
- > **Cost management and efficiencies**
see page 47
- > **The impact of the Merensky and UG2 basket price movements on profitability**
see pages 47 and 48
- > **Resource allocation/capital allocation**
see page 51

Other SDGs impacted



Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all is one of RBPlat's four main UN SDG focus areas. It involves our ability to grow our stock of financial, manufactured, human, intellectual and social capital. The key performance indicator (KPI) against which we measure our financial capital contribution to SDG 8 is through revenue generation

Key features in 2019

106.6% increase
in revenue to R7 491.9 million

248.4% increase
in EBITDA to R1 756.4 million

147.2% improvement
on headline earnings year-on-year to R123.1 million

48.6% increase
in royalties from Implats year-on-year

Our KPI

SDG 8 target SDG 8.1

Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries



Revenue generation

R7 491.9 million

2018: R3 627.1 million

Statement of financial position

Summary consolidated statement of financial position at 31 December 2019

	% change year-on- year	2019 R (million)	2018 Restated [^] R (million)
Non-current assets	3.2	22 160.7	21 483.9
Property, plant and equipment	4.8	15 367.4	14 661.6
Mining rights	(2.6)	5 502.7	5 647.7
Environmental trust deposit and guarantees investments	8.3	245.9	227.0
Deferred tax asset	(16.6)	58.2	69.8
Employee housing loan receivable, benefit and other	12.4	986.5	877.8
Current assets	19.0	4 790.0	4 026.7
Employee housing asset and benefit	(8.9)	720.1	790.7
Inventories and trade and other receivables	35.4	3 185.2	2 352.5
Derivative financial asset	100.0	70.5	—
Cash and cash equivalents	(7.8)	814.2	883.5
Total assets	5.6	26 950.7	25 510.6
Equity and liabilities			
Total equity	6.8	16 186.6	15 158.3 [^]
Non-current liabilities	6.0	9 024.5	9 595.9 [^]
Deferred tax liability	(2.1)	3 846.5	3 766.6 [^]
Convertible bond liability	(6.4)	1 049.5	986.7
PIC housing facility	(10.9)	1 440.9	1 299.6
Interest-bearing borrowings	20.9	1 305.5	1 650.0
RPM deferred consideration	33.8	1 073.4	1 621.6
Lease liabilities	(100.0)	16.2	—
Restoration, rehabilitation provision and other	(7.8)	292.5	271.4
Current liabilities	(130.0)	1 739.6	756.4
Total equity and liabilities	(5.6)	26 950.7	25 510.6
Net asset value per share (cents per share)	(16.4)	63.2	75.6 [^]

[^] Refer to Note 27 in the annual financial statements for details of the restatement relating to correction of error

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 2019 consolidated financial statements available online and do not contain full details. Any investment decisions by investors or shareholders should be based on consideration of the full set of consolidated financial statements published online on RBPlat's website (www.bafokengplatinum.co.za)

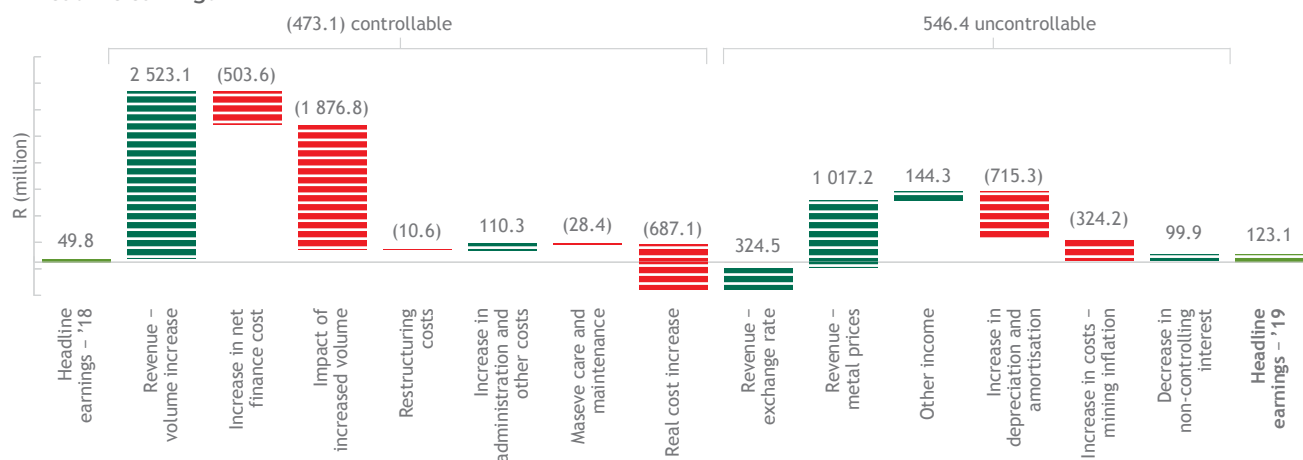
Summary of consolidated statement of comprehensive income for the year ended 31 December 2019

	% change year-on- year	2019 R (million)	2018 R (million)
Revenue	106.6	7 491.9	3 627.1
Cost of sales	(105.3)	(6 810.6)	(3 317.2)
Gross profit	119.8	681.3	309.9
Other income	116.0	267.9	124.0
Administration expenses	(18.7)	(337.2)	(284.0)
Corporate office	24.4	(187.3)	(247.8)*
Housing project	(351.2)	(53.5)	21.3
Industry membership and market development	0.6	(16.6)	(16.7)*
Maseve care and maintenance and other costs	(69.6)	(69.2)	(40.8)
Restructuring costs	(100.0)	(10.6)	—
Gain on bargain purchase	(100.0)	—	118.3
Scrapping and impairment of non-financial assets	(124.0)	(58.9)	(26.3)
Net finance (cost)/income	(679.6)	(429.5)	74.1
Profit before income tax	(60.9)	123.6	316.0
Income tax credit/(expense)	1.7	(59.5)	(60.5)
Non-controlling interest	100.0	—	(99.9)
Profit attributable to the owners of the Company	(58.8)	64.1	155.6
Headline earnings	147.2	123.1	49.8
Basic earnings per share (cents per share)	(66.3)	26.3	78.1
Diluted earnings per share (cents per share)	(64.1)	26.3	73.3
Basic headlines earnings per share (cents per share)	101.6	50.4	25.0
Diluted headline earnings per share (cents per share)	101.6	50.4	25.0
Dividend per share (cents per share)	—	—	—

* R16.7 million of corporate office costs has been reallocated and disclosed separately as industry membership and market development

Financial capital continued

Headline earnings



2019 was a remarkable year on RBPlat's journey to deliver on its strategic objectives. Our financial performance for the year reflects the significant progress we made with our:

- > pursuit of value-enhancing opportunities in our first full year as 100% owner and operator of our business. This followed the finalisation of the acquisition of Anglo American Platinum's 33% participating interest in the BRPM Joint Venture (BRPM JV) and the subsequent dissolution of the JV
- > organic growth strategy as Styldrift successfully achieved commercial production in late 2018 and was included in the Group's

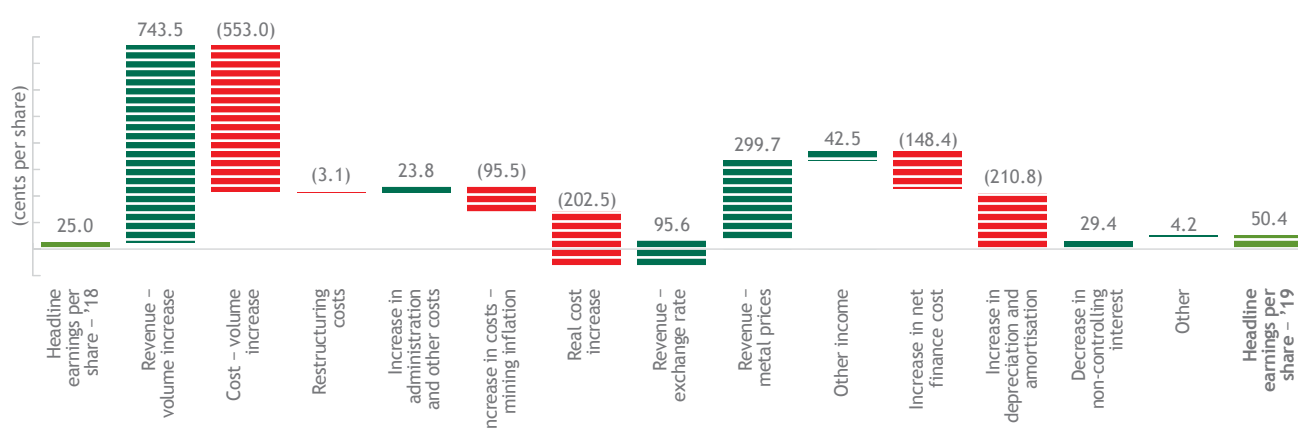
statement of comprehensive income from 1 January 2019. The mine's ramp-up to its full capacity of 230ktpm in the third quarter of 2020 is expected to result in continued improvement in the profitability and cost-competitiveness of Styldrift, a trend that was already evident during the second half of 2019

- > enhanced flexibility as the ramp-up of Styldrift and the integration of the recently acquired Maseve concentrator increases the operational flexibility of our business, which now comprises two mines and two concentrators. The operational flexibility provided by our access to both the Merensky

and UG2 reefs allowed us to respond to pricing opportunities that arose, particularly with regard to palladium and rhodium, by extending the life of BRPM's South shaft through recommencing the mining of UG2 at South shaft.

The transformation of our business, assisted by improving macro market conditions, resulted in a 147.2% improvement in headline earnings to R123.1 million in 2019 (2018: R49.8 million). Our headline earnings per share improved year-on-year to 50.4 cents (2018: 25.0 cents) while our basic earnings per share was 26.3 cents compared to 78.1 cents for the year ended 31 December 2018.

Headline earnings per share



Factors impacting earnings

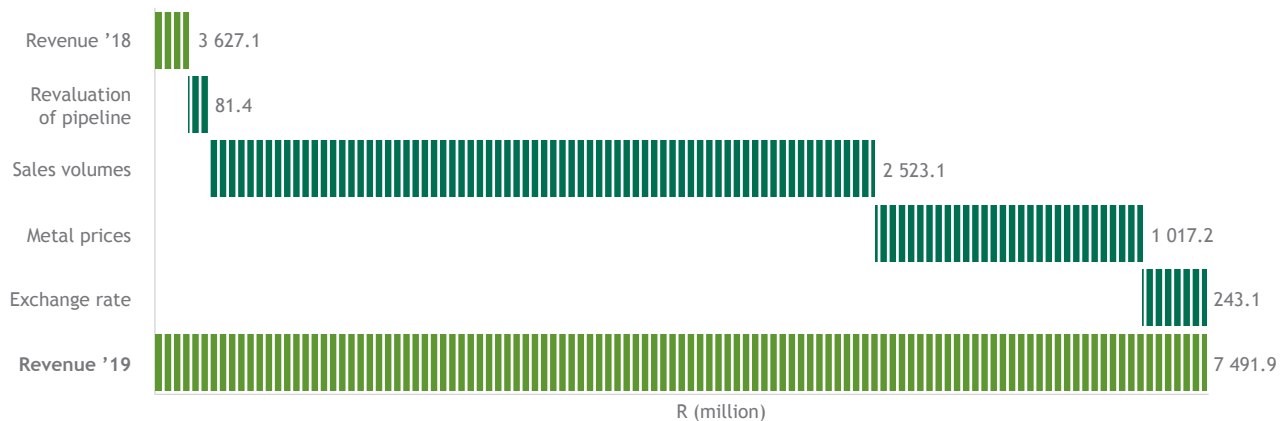
During 2019 our earnings per share (EPS) were also impacted by:

- > a decrease in non-controlling interest following the acquisition of the remaining 33% share in our business from Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum Limited
- > interest charges relating to the RPM deferred consideration
- > borrowing costs previously capitalised, which were expensed during the period
- > scrapping and impairment of non-financial assets relating to our housing development
- > high-cash costs and high levels of depreciation due to the Styldrift ramp-up.

Revenue

The addition of Styldrift revenue and an improved macro environment, resulted in a 106.6% increase in revenue to R7 491.9 million for the period, compared to R3 627.1 million in 2018. Following the ramp-up of Styldrift, 4E and platinum ounce production increased by 9.0% and 9.2%, respectively. Platinum contributed 38.4% (2018: 46.4%) to the revenue of our operations in the reporting period, while palladium and rhodium contributed 47.2% (2018: 36.2%). The basket price per platinum ounce increased by 36.8% to R28 743.0 (2018: R21 005.8) assisted by an increase in palladium and rhodium prices and a weaker rand, with our average exchange rate received for the period improving by 5.3% to R14.55 per US dollar.

Revenue



Cost of sales

The inclusion of Styldrift was also the main contributor to the 105.3% increase in cost of sales to R6 810.6 million (2018: R3 317.2 million). Styldrift's contribution to cost of sales was R3 252.4 million, with an average cash operating cost per 4E ounce of R16 504. Although Styldrift's cost of sales during 2019 was higher than expected, we expect the operation to deliver a significant improvement in unit costs as it ramps up to full

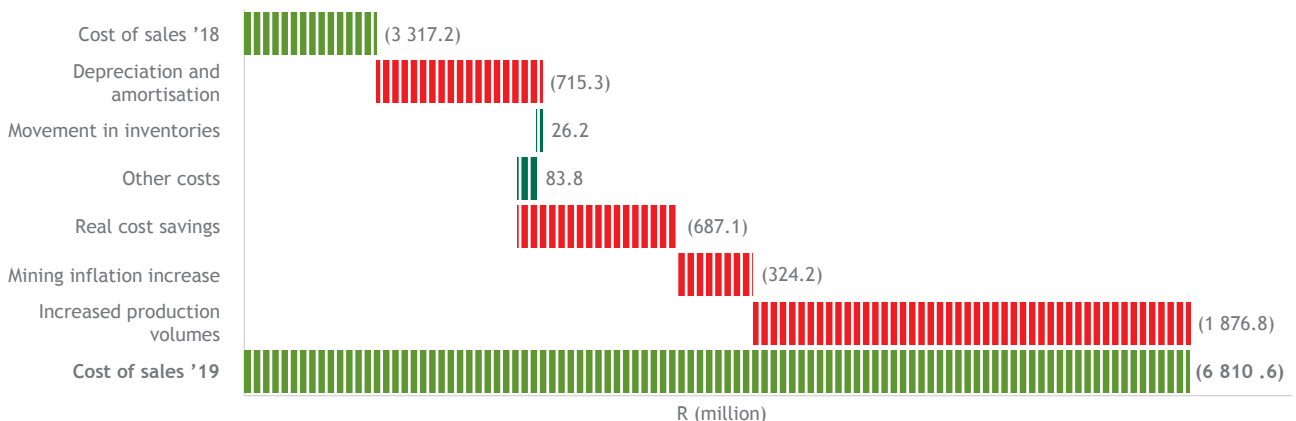
capacity. BRPM's contribution to total cost of sales increased by 4.5% year-on-year to R3 432.3 million (2018: R3 285.0 million), which is well in line with mining inflation. The contributors to the 20.0% increase year-on-year in BRPM's average cash operating cost per 4E ounce to R12 562 includes the ramp-up of UG2 ore mining at South shaft, Eskom power curtailment and lower production.

Our focus on delivering cost optimisation and the ramp-up of Styldrift has resulted in a further reduction in the fixed cost component

of our cash costs, having achieved a 0.5% improvement in the period under review to 69.1% (2018: 69.6%).

During the second half of 2019, RBPlat initiated a review of corporate costs and a new optimisation programme. This process, which will continue in 2020, has already delivered a more streamlined executive team with improved reporting lines and accountabilities. Our corporate office charges decreased by 24.4% year-on-year to R187.3 million.

Cost of sales

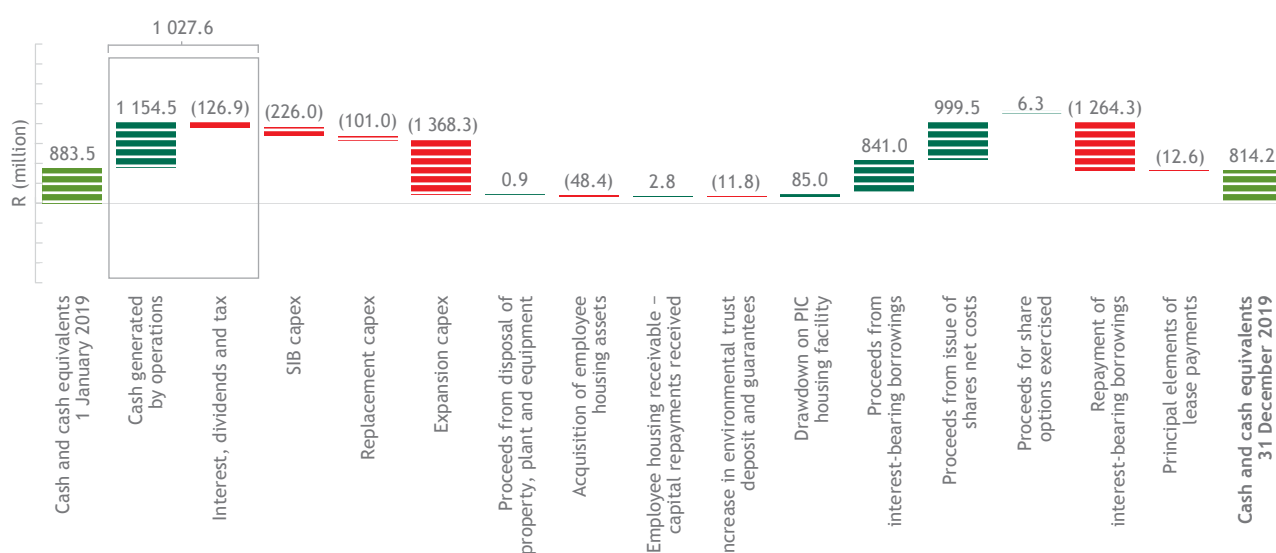


Financial capital continued

Summary of consolidated statement of cash flows for the year ended 31 December 2019

	% change year-on- year	2019 R (million)	2018 R (million)
Net cash inflow from operating activities	54.3	1 027.6	665.9
Net cash (outflow) from investing activities	51.3	(1 751.8)	(3 600.5)
Net cash inflow from financing activities	(73.6)	654.9	2 485.0
Net decrease in cash and cash equivalents	84.6	(69.3)	(449.6)
Cash and cash equivalents at beginning of period	(33.7)	883.5	1 333.1
Cash and cash equivalents at end of period	(7.8)	814.2	883.5

Cash flow



Gross profit

Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased 248.4% from R504.1 million to R1 756.4 million, with our EBITDA margin increasing to 23.4% from 13.9% in the previous comparative period. RBPlat's consolidated gross profit increased by 119.8% to R681.3 million from R309.9 million in the comparative period.

Supported by a strong pricing environment, BRPM reported a 217.5% growth in gross profit to R1 086.2 million. In its first year of commercial production Styldrift reported a gross loss of R279.0 million due to high cash costs and high levels of depreciation as a result of the ramp-up.

Other income

Other income increased by R143.9 million, or 116.0% compared to 2018. This was partly as a result of the R70.5 million foreign exchange gain on the currency hedge for the expected proceeds of the gold streaming agreement, the R13.7 million net realised gains or the fair value of foreign exchange contracts and an increase in Impala royalties of 48.6% to R146.8 million.

Cash flow

The growth in our business and improving market conditions contributed to a 54.3% increase in cash inflow from operating activities to R1 027.6 million. We invested a total of R327.0 million in stay-in-business and replacement capital expenditure, to deliver free cash flow

before expansionary capital expenditure of R700.6 million. Expansionary capital expenditure for 2019 including borrowing costs capitalised and elimination of intercompany management fee amounted to R1 368.3 million, with net cash flow from investing activities totalling R1 751.8 million, a 51.3% reduction from 2018. Net cash inflow from financing activities of R654.9 million was supported by R1 029.1 million proceeds from the rights offer.

Summary of consolidated segmental analysis

	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment (C) R (million)	Corporate office and consoli- dation adjustment Restated^ (D) R (million)	Total Restated^ (A+B+C+D) R (million)
Summary of segmental statement of comprehensive income – for the year ended 31 December 2019						
Revenue	4 518.5	2 973.4	7 491.9	105.3	(105.3)	7 491.9
Cost of sales	(3 432.3)	(3 252.4)	(6 684.7)	(105.3)	(20.6)	(6 810.6)
Cash cost of sales excluding depreciation and amortisation	(3 090.7)	(2 681.0)	(5 771.7)	(105.3)	151.0	(5 726.0)
Depreciation	(349.9)	(574.2)	(924.1)	—	(26.6)	(950.7)
Amortisation	—	—	—	—	(145.0)	(145.0)
Movement in inventories	8.3	2.8	11.1	—	—	11.1
Gross profit/(loss) per segment and total	1 086.2	(279.0)	807.2	—	(125.9)	681.3
Profit/(loss) before tax per segment and total	1 264.8	(273.8)	991.0	(57.3)	(810.1)	123.6
Summary of segmental statement of financial position – as at 31 December 2019						
Non-current assets	5 192.2	15 732.4	20 924.6	964.1	272.0	22 160.7
Current assets	2 410.9	1 350.8	3 761.7	751.0	277.3	4 790.0
Non-current liabilities	103.2	25.3	128.5	1 533.6	7 362.4	9 024.5
Current liabilities	7 642.5	590.1	8 232.6	81.6	(6 574.6)	1 739.6
Summary of segmental statement of comprehensive income – for the year ended 31 December 2018						
Revenue	3 627.1	—	3 627.1	230.7	(230.7)	3 627.1
Cost of sales	(3 285.0)	(14.7)	(3 299.7)	(230.3)	212.8	(3 317.2)
Cash cost of sales excluding depreciation and amortisation	(2 938.6)	(13.8)	(2 952.4)	(230.3)	260.7	(2 922.0)
Depreciation	(331.3)	(0.9)	(332.2)	—	(9.1)	(341.3)
Amortisation	—	—	—	—	(38.8)	(38.8)
Movement in inventories	(15.1)	—	(15.1)	—	—	(15.1)
Gross profit/(loss)	342.1	(14.7)	327.4	0.4	(17.9)	309.9
Profit/(loss) before tax	476.9	(35.6)	441.3	67.7	(193.0)	316.0
Summary of segmental statement of financial position – as at 31 December 2018						
Non-current assets	5 190.5	15 089.9	20 280.4	881.5	322.0	21 483.9
Current assets	2 145.4	805.4	2 950.8	872.5	203.4	4 026.7
Non-current liabilities	92.3	18.6	110.9	1 381.6	8 103.4^	9 595.9^
Current liabilities	7 163.6	201.6	7 365.2	63.0	(6 671.8)	756.4

^ Refer to Note 27 in the annual financial statements for details of the restatement relating to error

Scrapping and impairment of non-financial assets

In 2019, there was no scrapping of non-financial assets compared to the R25.9 million in 2018 relating to the feasibility study cost previously capitalised in respect of the possible addition to the BRPM concentrator plant to mill ore from Styldrift. The plant addition was set aside after the acquisition of Maseve, which included a concentrator plant with capacity to treat ore from Styldrift.

In 2019, an impairment of R58.9 million relating to employee housing assets was recognised as a result of suspension of construction of houses for Phase II.

Finance income and finance costs

Finance costs increased from R26.8 million in 2018 to R553.6 million in 2019, mainly as a result of the interest on the RPM deferred consideration of R211.8 million (2018: R11.5 million) and interest on our credit facilities including the convertible bond, expensed of R231.5 million (2018: R6.5 million). Within our RBPlat housing segment, the R89.7 million increase in the expensed interest on the PIC housing facility, which was previously capitalised, was offset by a R43.8 million increase in interest received mainly from additional house sales.

Balance sheet and funding

As at 31 December 2019 the RBPlat Group had cash and cash investments of R814.2 million (2018: R883.5 million). This includes restricted cash of R129.5 million ringfenced for our Employee Home Ownership Scheme and R84 million earmarked for the payment of the convertible bond coupon. In 2019, RBPlat was able to fund 68.1% (2018: 37.3%) of its capital expenditure from cash generated by its operations. Net debt, calculated as interest-bearing borrowings less cash and cash equivalents, ended the period at R491.3 million presenting a 41.0% decrease from 2018.

Capital raise

In March 2019, RBPlat successfully raised R1 029.1 million through a rights offer. Overall, 46 777 694 shares were issued at a price of R22.0. The rights offer was oversubscribed and resulted in our free float increasing to 58.8%.

BRPM JV acquisition

The Company announced terms for the acquisition of the remaining 33% participating interest in the BRPM JV from RPM, a wholly owned subsidiary of Amplats on 5 July 2018. The transaction was structured in two phases:

- > Phase I – the acquisition of Amplats' 33% participating interest in the BRPM JV for a consideration of R1.863 billion
- > Phase II – acquisition of the RPM mining rights from RPM.

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

On 16 July 2019, the Department of Mineral Resources and Energy (DMRE) confirmed that it has granted unconditional consent in terms of section 11(1) of the Mineral and Petroleum Resources and Development Act, 2002, to the transfer of RPM's undivided interest in the mining rights. Accordingly, in terms of Phase II of the transaction, RBR will proceed to register full title in respect of RPM's 33% undivided interest in the mining rights attributable to the BRPM JV (which entails consolidating RPM's 33% participation interest with the 67% already held by RBR in such mining rights). Accordingly, the Company confirms that in addition to Phase I

of the transaction having been completed, the conditions precedent to Phase II of the transaction have now been met.

On 30 January 2020, RBPlat settled the full balance of the deferred consideration outstanding at that date, amounting to R1 851.0 million. The balance was settled in cash from proceeds of the gold streaming agreement.

Gold streaming

In October 2019, RBPlat announced a gold streaming agreement through its wholly owned subsidiary, Royal Bafokeng Resources Proprietary Limited, with Triple Flag Mining Finance Bermuda Limited (Triple Flag). In terms of this agreement, the Company will receive an upfront cash payment of US\$145 million (equating to approximately R2.1 billion) in exchange for the future delivery of gold from the RBPlat mining operations (excluding Styldrift II and the Impala royalty areas), payable over the life of mine. RBPlat will deliver 70% of its payable gold production to Triple Flag until 261 000 ounces are delivered under the stream, and 42% of payable gold production thereafter. For every ounce delivered as part of the stream, Triple Flag will pay 5% of the spot gold price to RBPlat. The transaction closed in the first quarter of 2020 following regulatory and other approvals.

Capital allocation

Our capital allocation framework is integrated into our strategy, budget, planning and management processes in order to balance risk and returns in the application of financial capital in our business. Critically, the assessment of financial risk and returns is extended to also consider the impact on our manufactured, human, intellectual, social and relationship and natural capital.

Our governance structures, including the delegation of authority framework, ensures that capital allocation decisions are mandated to the appropriate level that can best assess the potential risk and rewards, while ensuring accountability of actions.

We apply a rigorous valuation process to motivate, support and track the performance of our organic growth projects, as well as potential mergers and acquisitions. This process recognises the significant uncertainty of macro economic factors with the aim to balance return and risk throughout commodity cycles.

The funding of financial capital is a further important component of our capital allocation framework. This is done through an ongoing assessment of the optimal sources of capital, including equity and various sources of debt, in order to maximise shareholder returns while maintaining an appropriate level of risk.

Dividend policy

Shareholder returns are an important expression of capital allocation, with our preference being to return excess cash to shareholders through sustainable dividend payments.

While the development of Styldrift has presented a significant investment phase for RBPlat, the successful ramp-up of Styldrift together with the

ongoing cash generation from BRPM and the Impala royalties, is expected to underpin strong cash flow generation that will support sustainable dividends. As such, the Board has approved a policy of distributing a minimum of 10% of free cash flow, before growth capital, while maintaining discretion to consider balance sheet flexibility, and prevailing market conditions. This will be done through an annual dividend each financial year, with consideration also given to special dividends, where appropriate.

The way forward

Our ability to deliver volume growth, while improving efficiencies and costs, remains key in the current environment. To meet our stewardship responsibilities in terms of RBPlat's financial capital and creating value for our stakeholders, we will make every effort to protect and grow our financial capital in the short, medium and long term, through responsible investment in capital expenditure to increase profitability and grow the business.

To achieve this, we will:

- > be prudent with our use of the cash flow from our operations and our debt facilities, and ensure we meet our financial obligations
- > maintain financial flexibility to exploit opportunities to create value for our stakeholders
- > continue with the process we started in 2019 as part of our ongoing drive to reduce costs and increase efficiencies. This includes a focus on realigning our supply chain and information technology with the changes in our business following the ramp-up of Styldrift to an operating mine and to ensure it is fit for purpose (see page 88 of the intellectual capital section of this report)
- > invest in the mining infrastructure and footprint required to ramp up Styldrift to 230ktpm by the third quarter of 2020
- > invest in the expansion of the Maseve concentrator to increase its production to 160ktpm
- > invest in the expansion of the BRPM and Maseve tailings storage facilities
- > continue to invest in delivering on our safety, climate change and social and labour plan commitments.



Manufactured capital

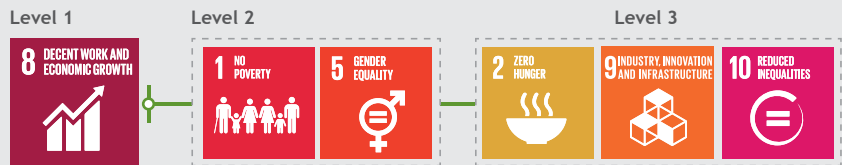
In 2019 our investment in manufactured capital addressed our most material manufactured capital issues in the short, medium and long term, which are:

- > **Achieve Styldrift 230ktpm milestone during the third quarter of 2020**
see page 65
- > **Re-establish UG2 mining at South shaft**
see page 64
- > **Cost management and efficiencies**
see page 57
- > **Resource allocation/capital allocation**
see page 63

Key features in 2019

- 12.5% increase** in tonnes milled
- 9.0% increase** in 4E ounces
- 12.2% increase** in BRPM unit cost per tonne milled
- 10.2% improvement** in tonnes milled per total employee costed (t/TEC)
- 52.0% decrease** in capital expenditure

Other SDGs impacted



Key to our SDG focus areas:

- Level 1: Our main focus areas
- Level 2: SDGs to which we contribute directly
- Level 3: SDGs to which we contribute indirectly

Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all is one of RBPlat's four main UN SDG focus areas. It involves our ability to grow our stock of manufactured capital. The key performance indicators (KPIs) against which we measure our manufactured capital contribution to SDG 8 is through our production of platinum group metals (PGMs) and productivity

SDG 8 targets

SDG 8.1

Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% growth in domestic product per annum in the least developed countries

SDG 8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

Production KPIs

Performance

	2019	2018
4E metals in concentrate	401koz ↑ 9.0%	368koz
BRPM	241koz ↓ (9.4%)	266koz
Styldrift	160koz ↑ 56.9%	102koz
Tonnes milled/total employee costed (TEC)	36.8t/TEC ↑ 10.2%	33.4t/TEC
Total tonnes milled	3 847kt ↑ 12.5%	3 420kt
BRPM concentrator tonnes milled	2 689kt ↓ (5.5%)	2 847kt
Maseve concentrator tonnes milled	1 158kt ↑ 197.7%	389kt

Introduction

RBPlat benefited from the recovery and strengthening of the macro PGM market fundamentals in 2019, resulting in a healthy basket price. However, the domestic environment remained challenging given the general elections in May 2019; the local union leadership elections; wage negotiations; an unpredictable Eskom power grid; a dearth of trackless competence and skills; and the expectations of our doorstep communities. From an operational perspective, the year represented a continued transitional phase across the Group as Styldrift moved from a project environment to commercial operating status, and BRPM was required to maintain steady results despite a rapidly depleting South shaft Merensky Reserve.

Our key operational focus for the year was on:

- > achieving meaningful and sustainable improvements in our safety performance in our pursuit of zero harm
- > continuing to ramp up Styldrift with the aim of achieving a 230ktpm run rate by the third quarter of 2020
- > recommencing UG2 mining at our South shaft operation and ramping it up to 20ktpm by the fourth quarter of 2019
- > initiating long lead concentrator projects that will allow us to optimise recovery and sustain production in the longer term. These include the Maseve 160ktpm MF2 expansion as well as the BRPM and Maseve tailings storage facility expansions.

While we achieved pleasing improvements in our injury frequency rates, regrettably, despite all our efforts to keep our people safe, we did not achieve our goal of zero fatalities (see page 27 of the Chair's review and page 77 of the human capital section of this report).

By year-end the bulk of the LOM infrastructure required to support the ongoing ramp-up of Styldrift to 230ktpm by the third quarter of 2020 was in place; Styldrift had delivered 1 600kt of ore; BRPM's South shaft had met and exceeded its UG2 production target of 20ktpm; Maseve concentrator 160ktpm MF2 expansion progressed to detail design phase with long-lead items ordered; and construction on both tailings storage facilities had commenced.

While we achieved significant production and construction milestones at BRPM, Styldrift and the concentrating facilities, the overall volume and cost performance across our operations was disappointing, despite a 12.5% and 9.0% increase, respectively, in milled tonnes and 4E metals in concentrate. 4E metals in concentrate amounted to 401koz (6.7% below the lower end of our guidance) and the unit cost per 4E ounce exceeded guidance by 6.3% at R14 139. Addressing the underlying contributors to this, which is a priority for the business, is discussed in more detail in this capital.

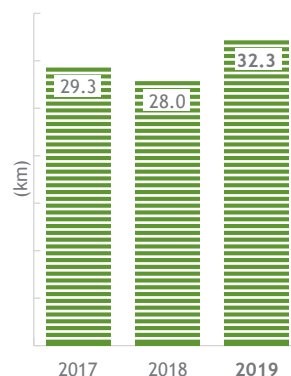
Key statistics

Mining production

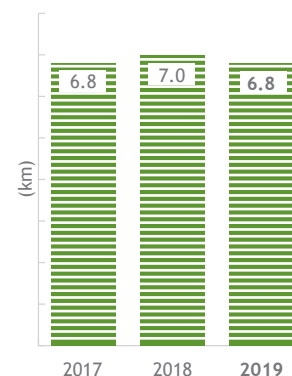
Development

- > 11.7% increase in total development for the business to 39.1km
- > 15.4% increase in BRPM total development to 32.3km mainly attributable to increased working cost development in line with the ramping up of UG2 production at BRPM South shaft
- > 2.9% decrease in total development at Styldrift to 6.8km in line with infrastructure requirements as the project footprint nears completion.

BRPM total development



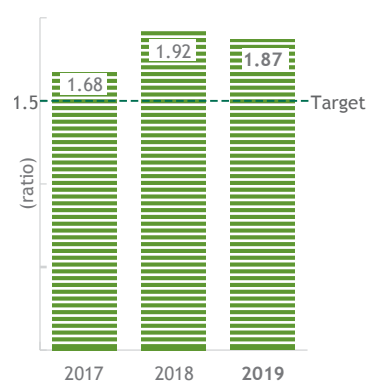
Styldrift total development



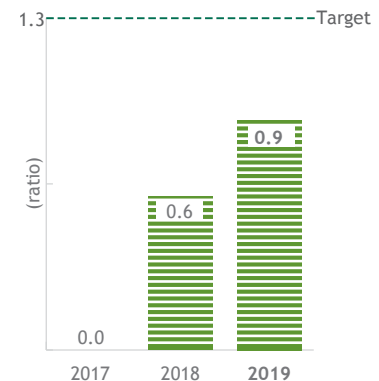
IMS panel ratio

- > BRPM's IMS panel ratio of 1.87 exceeds the target of 1.5
- > Styldrift is expected to achieve its 1.3 target with the completion of section 5 North (5N) by the first quarter 2021.

BRPM IMS panel ratio



Styldrift IMS section ratio



Manufactured capital continued

Key statistics

12.5% increase

in stoping m² to 610 000
(2018: 542 000)

12.8% increase

in total tonnes delivered to
3 829kt (2018: 3 395kt)

9.1% increase

in Merensky tonnes delivered to
3 240kt (2018: 2 969kt)

38.3% increase

in UG2 tonnes delivered to 589kt
(2018: 426kt)

12.5% increase

in total tonnes milled to 3 847kt
(2018: 3 420kt)

9.0% increase

in Merensky tonnes milled to
3 266kt (2018: 2 997kt)

37.4% increase

in UG2 tonnes milled to 581kt
(2018: 423kt)

3.3% decrease

in BRPM tonnes milled to
2 222kt (2018: 2 299kt)

45.0% increase

in Styldrift tonnes milled to
1 625kt (2018: 1 121kt)

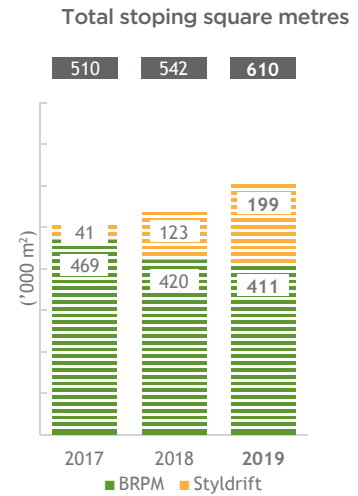
UG2 tonnes milled made up

15.1%

of total production (2018: 12.4%)

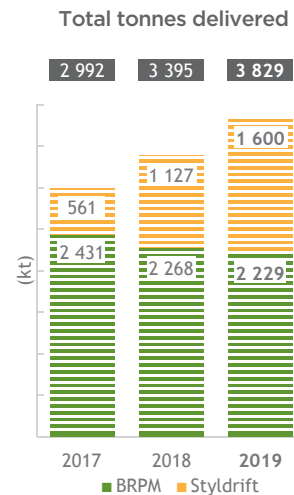
Ore production

- > 12.5% increase in stoping square metres to 610 00m²
- > 2.1% decrease in BRPM contribution to 411 000m²
- > 61.8% increase in Styldrift's contribution to 199 000m² as it continues steadily ramping up.

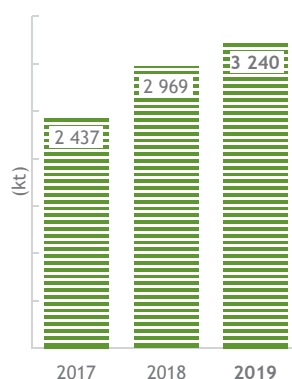


Tonnes delivered

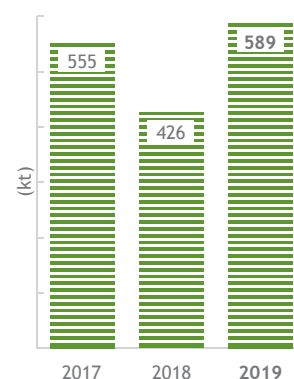
- > 12.8% increase in total tonnes delivered to 3 829kt
- > 1.7% decrease in BRPM tonnes delivered to 2 229kt:
 - 11.0% decrease in Merensky tonnes delivered to 1 640kt directly attributable to depletion of Merensky reserves at South shaft
 - 38.3% increase in UG2 tonnes delivered to 589kt, in line with the recommencing of UG2 mining operations at South shaft
- > 42.0% increase in Styldrift tonnes delivered to 1 600kt, in line with ramp-up progress.



Total Merensky tonnes delivered

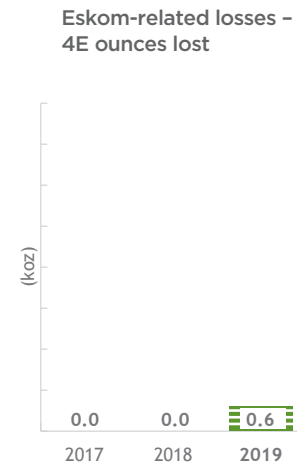
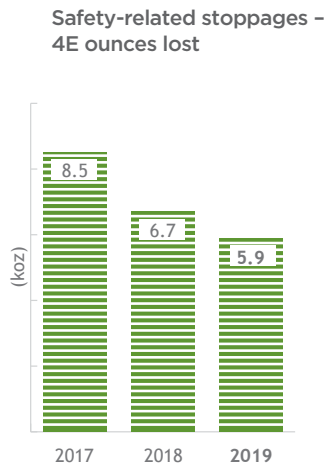


Total UG2 tonnes delivered



Operational disruptions

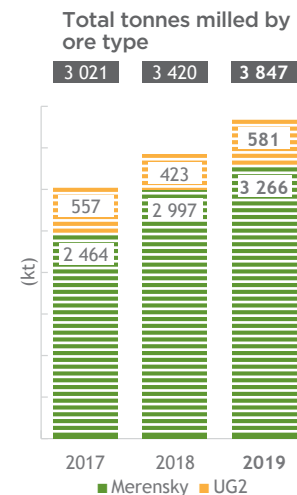
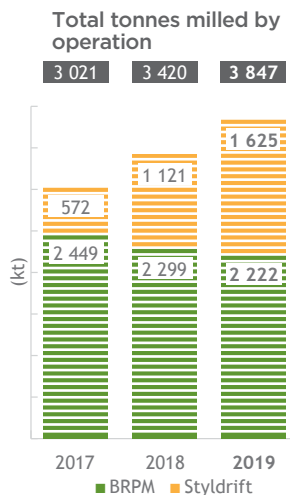
- > 6.5koz 4E total loss in 2019 as a result of safety and load shedding-related disruptions
- > 5.9koz 4E or 51kt tonnes milled lost to section 54-related stoppages
- > RBPlat's power management strategy helped mitigate the impact of load shedding (see page 58).



Concentrator production (processing)

Tonnes milled

- > 12.5% year-on-year increase in total tonnes milled to 3 847kt
- > 9.0% increase in Merensky tonnes milled in line with increased production volumes from Styldrift
- > 37.4% increase in UG2 tonnes milled to 581kt.



Built-up head grade

- > 1.3% reduction in overall built-up head grade to 3.91g/t (4E)
 - 9.3% increase in Styldrift built-up head grade to 3.77g/t (4E) (2018: 3.45g/t (4E))
 - 4.8% reduction in BRPM built-up head grade to 4.01g/t (4E) (2018: 4.21g/t (4E)).

BRPM built-up head grade reduction is attributable to:

- > higher off-reef dilution at North shaft Phase III Merensky, due to geological complexity experienced in current mining areas
- > the increased contribution of lower grade South shaft UG2 to the overall ore mix.



Manufactured capital continued

9.0% increase

in 4E metals in concentrate to 401koz (2018: 368koz)

9.2% increase

in Pt metal in concentrate to 261koz (2018: 239koz)

56.9% increase

in Styldrif 4E metals in concentrate to 160koz (2018: 102koz)

1.6% decrease

in overall concentrator recovery

6.1% increase

in total labour in line with Styldrif ramp-up and capital construction requirements

10.2% increase

in tonnes milled per employee costed (t/TEC) to 36.8t/TEC in line with the mechanised scale of economy benefits as Styldrif ramps up (2018: 33.4t/TEC)

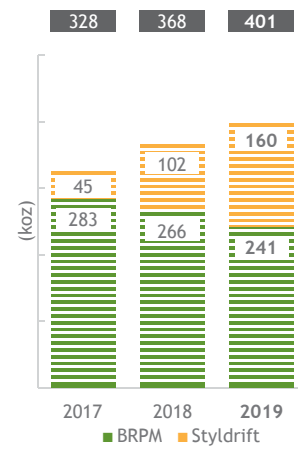
Metals in concentrate

- > 1.6% reduction in overall recovery (4E) to 83.07%
- > 9.0% increase in 4E metals in concentrate to 401koz and 9.2% increase in Pt metal in concentrate to 261koz was as a result of improved volumes but impacted by a lower recovery

Key contributors to the lower recovery:

- > 1.3% reduction in built-up head grade
- > lower recovery potential of the Maseve MF1 circuit
- > lack of availability of BRPM secondary mill in second quarter of 2019.

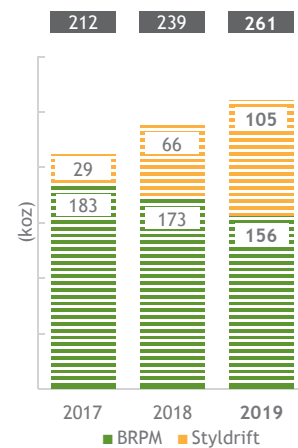
4E metals in concentrate



Overall recovery (4E)



Pt metal in concentrate

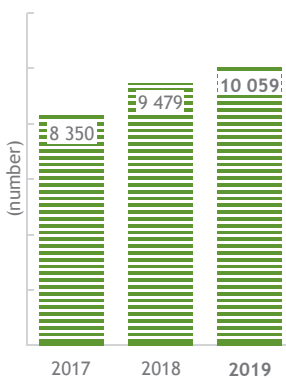


Labour

Labour complement

- > 6.1% increase in total labour year-on-year to 10 059, in line with project and operational requirements
- > Increase in working cost labour to 8 899 employees (2018: 5 843) attributable to Styldrif ramp-up labour requirements and the project achieving commercial operating status as of January 2019.

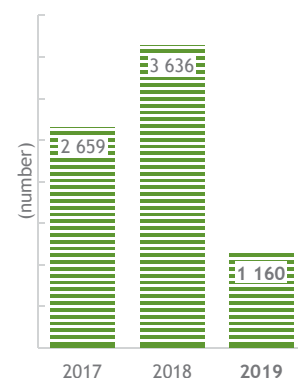
Total labour



Working cost labour

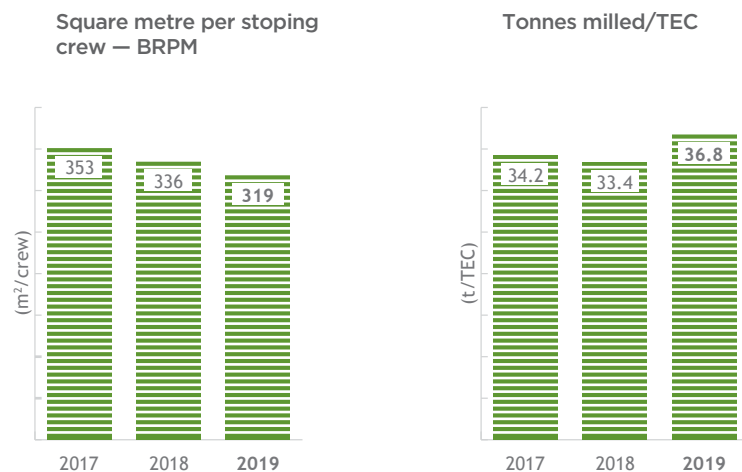


Capital labour



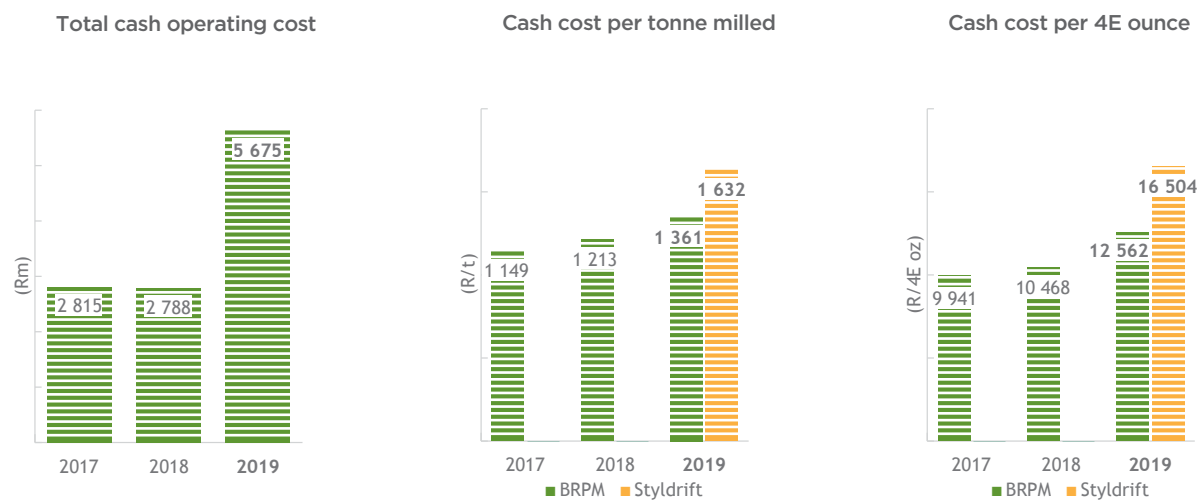
Labour efficiencies

- > 5.1% reduction in BRPM stoping crew efficiencies year-on-year due to:
 - the impact of the lower productivity of the South shaft UG2 crews during initial ramp-up
 - lower South shaft Merensky team efficiencies as Merensky ore reserves are depleted
 - impact of localised geology on North shaft Phase III Merensky crews in the second half of 2019
- > 10.2% improvement year-on-year in tonnes milled per total employee costed to 36.8 – this improvement is directly attributable to the increased efficiencies associated with higher mechanised productivity as Styldrift ramps up.



Operating costs

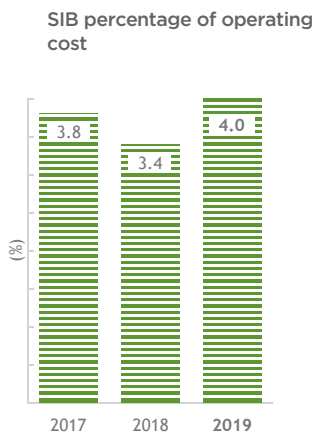
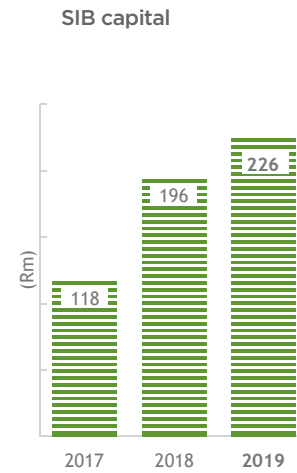
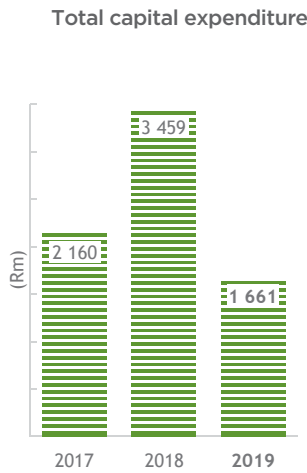
- > R2 887 million year-on-year increase in cash operating cost for the business to R5 675 million
 - this increase was a direct result of Styldrift reaching commercial operating status as of 1 January 2019
- > Cash operating cost per tonne milled equated to R1 475
- > Cash operating cost per 4E ounce amounted to R14 139.



Manufactured capital continued

Capital expenditure

- > 52.0% year-on-year reduction in total capital expenditure to R1 661 million
- > 58.5% decrease in expansion capital expenditure to R1 334 million (2018: R3 213 million) in line with Styldrift capital footprint construction schedule requirements as the project enters its final phase
- > R51 million increase in replacement capital expenditure to R101 million:
 - increase relating to the extension of the North and South declines at Styldrift beyond current 230ktpm capital footprint
 - done to establish the ore reserves required to sustain production in the longer term
 - Phase III Merensky replacement expenditure at BRPM amounted to R21 million for the year – project is now completed
- > SIB capital expenditure for the year amounted to R226 million, equating to 4.0% of operating cost.



58.5% reduction

year-on-year in expansion capital expenditure

Styldrift's SIB costs of R125 million amounted to **4.7%** of operating cost

More detailed information on these statistics is available in our Databook 2019 at www.bafokengplatinum.co.za/integrated-reports.php



Eskom load curtailment operational response strategy

Currently, our primary operational strategy is to minimise the impact of load curtailment by restricting certain mining and metallurgical processes, specifically ore hoisting and crushing, during load curtailment periods. To date, this strategy has proven effective in dealing with Stage 1 and 2 restrictions, by allowing our mining and milling activities to continue uninterrupted.

We manage Stage 3 restrictions by suspending processing at our Maseve concentrator and preferentially maintaining production at our BRPM concentrator to mitigate ounce losses.

When Stage 4 restrictions are in place we maintain mining operations and suspend all metallurgical processing activities. Restrictions in excess of Stage 4 necessitate the suspension of

all operational processes other than essential services.

We are currently reviewing the potential to synchronise our on-site emergency generating capacity with the mine electrical reticulation grid to improve our ability to effectively manage load curtailment in the short term. Longer term, more cost-effective and energy-efficient solutions are being investigated as part of our broader sustainability strategy.

Styldrift operation

Progress towards the 230ktpm ramp-up at Styldrift

Ore reserve development, commissioning of infrastructure, onboarding of skilled employees, and the optimisation of the operational systems required to achieve the third quarter 2020 230ktpm ramp-up milestone, remained the primary objectives of the project during the reporting period.

Styldrift's ramp up continued to progress steadily during 2019, however, as can be expected in a new operation in ramp-up, planned progress was impacted by several technical and operational challenges.

The challenges

The slower than planned performance was underpinned by challenges stemming from:

- > the termination of the mining contractor during the first quarter of 2019
- > the implementation of full calendar operations (Fulco)
- > late commissioning of strike belts and associated ore handling infrastructure
- > the difficulty experienced in the recruitment and onboarding of competent trackless engineering and mining skills resulting in maintenance backlogs and an overall decrease in trackless fleet availability and, ultimately, utilisation
- > delays in commissioning of logistics and engineering support infrastructure (stores, workshops etc.)
- > timeous extension of section strike belt forward moves.

This was exacerbated by geology and geotechnical requirements due to the lack of IMS flexibility within the operation as the mine ramps up.

Because we did not have all the infrastructure in place at Styldrift to move ore to a central point until year-end (in particular the strike belts on 600 level and ore handling infrastructure on 642 level), our fleet had to travel beyond the specific parameters we have set down for how far a load haul dump (LHD) vehicle should travel to achieve optimal performance. This resulted in increased mining production cycles and impacted the availability of equipment, which

was further exacerbated by the lack of skilled mechanics and auto-electricians. These deficiencies frequently resulted in below plan performance and high fleet maintenance costs.

Twelve of the required strike belts, two on-reef dip belts and the associated life of mine (LOM) ore handling infrastructure are now in place, and the surface and underground stores facilities are nearing completion. We have also made good progress during the second half of the year with the onboarding of artisans and skills training initiatives (see page 81 of human capital) to address our trackless fleet maintenance requirements. Ninety percent of the trackless fleet required to support steady state production is on site, with the remaining units planned for delivery during the first half of 2020.

Spare IMS section ore reserves play a pivotal role in establishing the operational flexibility necessary to effectively mitigate the impact of geology and geotechnical requirements on a mining operation. The Styldrift design allows for this capacity in two ways, namely spare in-stope IMS panels and an additional four spare IMS sections on completion of the 230ktpm footprint. However, given that this flexibility will only be fully attained on completion of the project footprint, Styldrift remains exposed to production risks because of geology on the mineable face length and associated mining efficiencies. The intersection of known fault systems in the north, north-eastern and western mining sections, combined with a footwall shear zone in the south west, were no exception, further contributing to lower than planned crew performance in these areas during the reporting period.

By year-end we had achieved significant improvements in trackless fleet availability and tip-to-face tramping distances, as guided in our interim results, and are confident that our operating platform for 2020 is well-established, equipped and staffed to deliver on our goal of achieving 230ktpm run rate by the third quarter of 2020.



Styldrift Settler No 2 collar construction

Manufactured capital continued

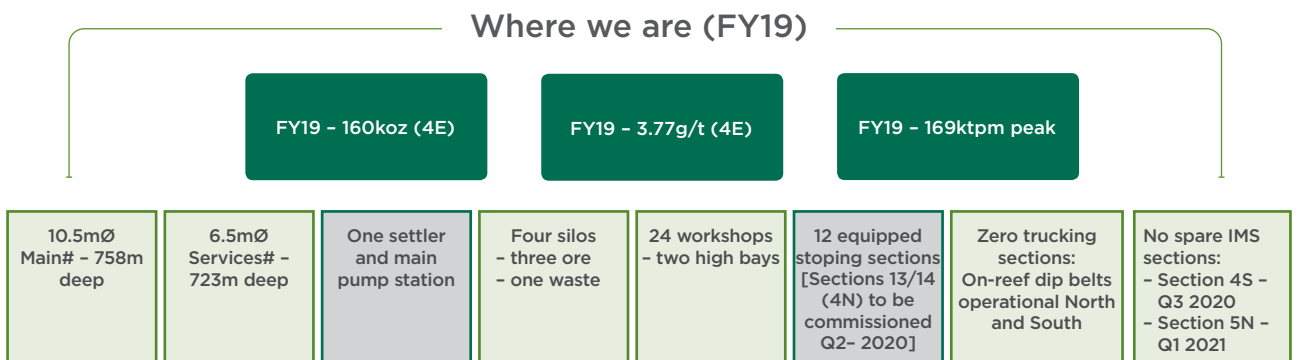
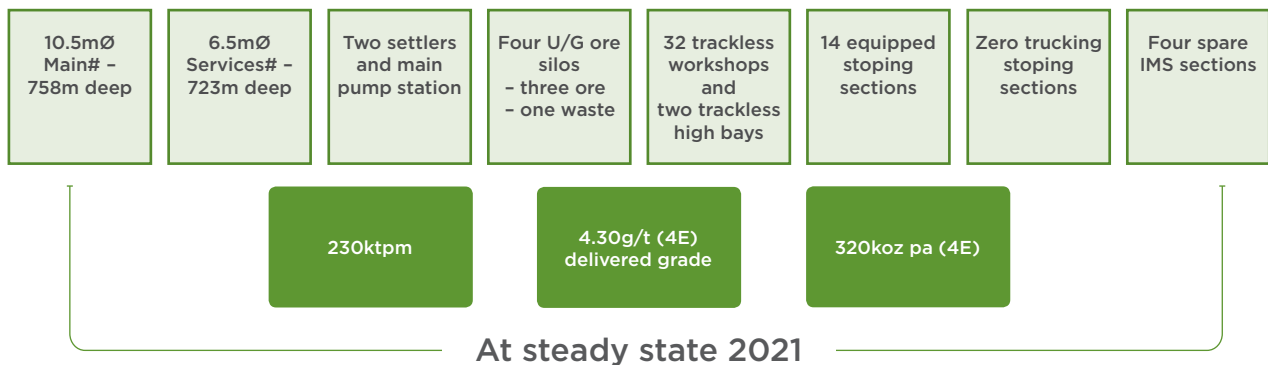
Styldrift operation continued

Infrastructure

During 2019 we made significant progress in completing key infrastructure required to support the overall ramp-up, which included:

- > commissioning of additional six strike belt sections on 600 level, as well as the associated ore handling facilities on 642 level
- > Ventilation shaft No. 2
- > Silo 3

- > Settler 1 and the main pump station
- > underground stores and associated IT network
- > six additional trackless workshops bringing the total to 24
- > extension of the on-reef dip conveyors to reduce reliance on dump-trucks to the north and south
- > 600 level store loop and tractor trailer system.



642 Merensky South decline conveyor

Performance improvement key to success

Progress on key factors impacting on crew performance

Operational challenges

- Tip-to-face trammig distance
- Trackless fleet availability
 - > Trackless employee competence
 - > Securing and retaining trackless artisans
 - > Extended trammig distance
 - > Lack of IMS to effectively deal with geological impacts

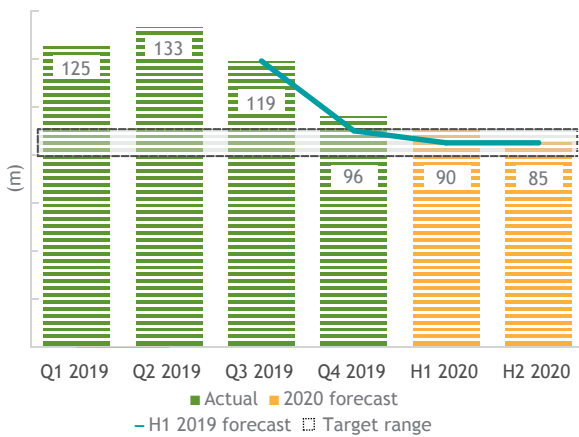
Description	Steady state	H1 2019 status		FY 2019 status	
		Equipped section	Unequipped section	Equipped section	Unequipped sections
Number of sections operating	14	6	6	12	2
Average section face length	102m	✓	✓	✓	✓
Fleet availability	85%	✓ (73%)	✓ (73%)	✓ (84%)	✓ (84%)
Average tip-to-face distance	80m - 90m	✓ (133M)	✗	✓ (96m)	✗
Spare IMS sections	4	✗	✗	✗	✗

✓ Fully achieved

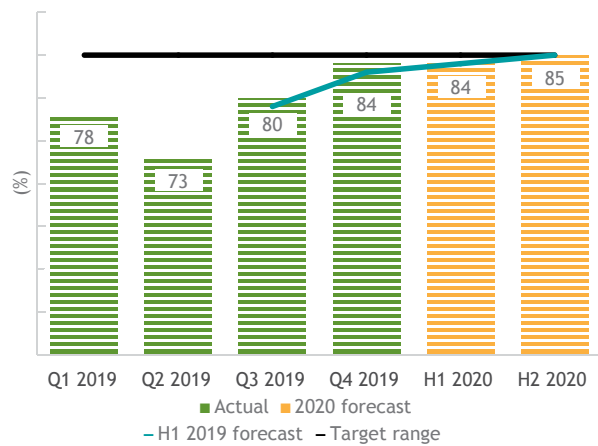
✓ Partially achieved

✗ Not in place

Average tip-to-face distance



Overall primary fleet availability



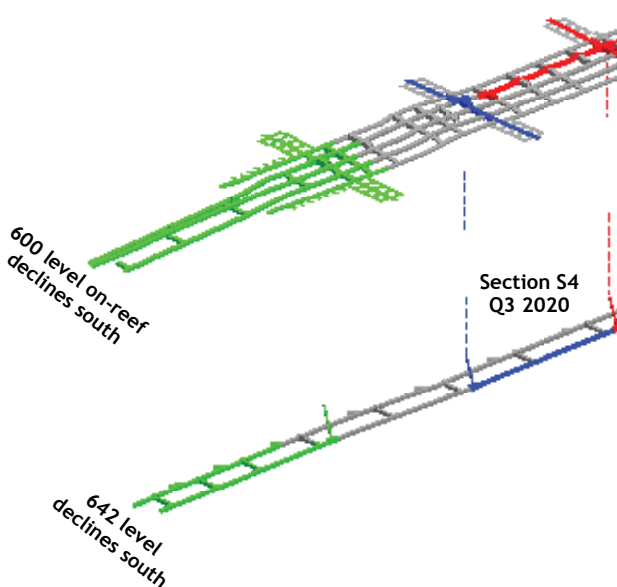


Manufactured capital continued

Styl drift operation continued

Legend

- Mined out up to end of December 2019
- 2020 development
- Installed conveyor belts at end of December 2019
- 2020 conveyor belt and ore handling infrastructure
- Section ore passes



Safety

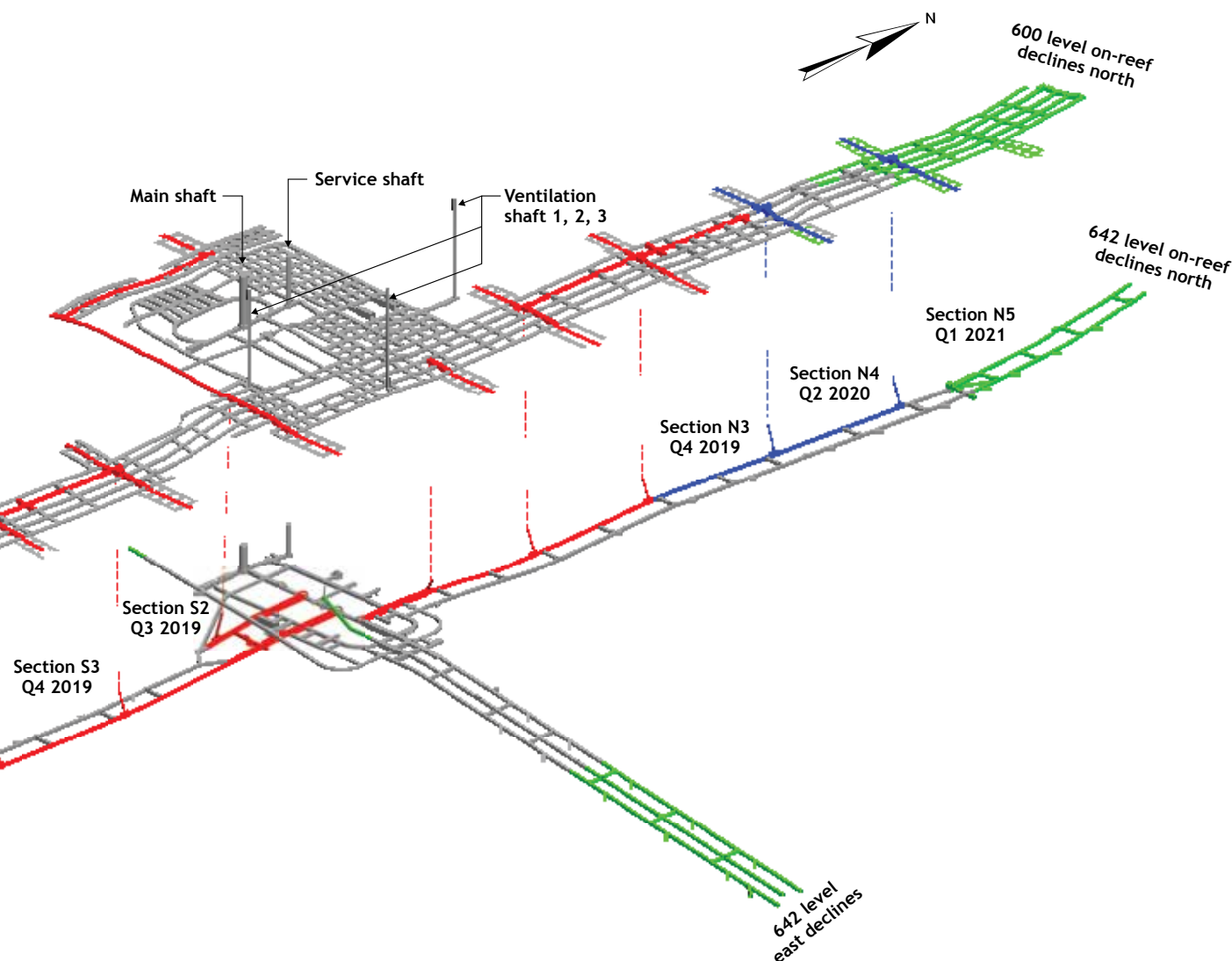
Despite an encouraging reduction in our TIFR and SIFR and achieving 1.5 million fatality-free shifts at Styl drift by October 2019, the mine unfortunately recorded a non-mining-related fatality in November 2019.

Implementing Fulco

Fulco, which involves equipping and manning a mine 24 hours a day, seven days a week, was implemented at Styl drift in February 2019. We believe that Fulco is the right approach to mechanised mining as it ensures that our investment in expensive machinery is optimally utilised and that we extract the best possible value from our investment in a mechanised mine.

Production

Stoping square metres for the reporting period increased by 61.8% compared to 2018, with tonnes delivered increasing by 42.0% or 473kt to 1 600kt from 1 127kt in 2018. Total development decreased by 2.9% to 6.8km in line with the project infrastructure requirements as the 230ktpm capital project footprint nears completion.



Total tonnes milled amounted to 1 625kt compared to 2018. This combined with a 9.3% increase in built-up head grade yielded a 56.9% and 59.1% increase in 4E and platinum metals in concentrate. 4E metal production amounted to 160koz with platinum metal production of 105koz.

Cash operating costs

Cash operating cost for the reporting period amounted to R2 651 million, with cash operating cost per tonne milled and per 4E ounce equating to R1 632 and R16 504, respectively. The cash operating cost of R16 504 exceeded our market guidance in the second half of 2019 by 6.5%. Key contributors to this increase were:

- > higher than planned trackless maintenance and fleet operating costs
- > early onboarding of trackless staff and mining crews
- > additional training costs incurred to address skills and competence
- > lower recovered grade being impacted by higher than planned stoping width and lower concentrator recoveries.

Capital expenditure

Capital expenditure amounted to R1 430 million, made up of R1 225 million for expansion capital (mining and concentrator infrastructure), R80 million replacement capital and R125 million stay-in-business (SIB) capital.

Expansion capital expenditure of R1 225 million was in line with project requirements and progress during the year under review. During the second half of the year we also initiated the North and South decline replacement projects, with a total of R80 million being spent for the year.

SIB expenditure increased to R125 million equating to a 25% year-on-year increase, which was aligned with trackless fleet and section strike belt forward move requirements.

Total expenditure for the project to date amounts to R12.87 billion. During the course of the year further capital was approved for the purchase of additional trackless fleet, optimisation of shaft logistics and on-reef ore handling

infrastructure and training facilities. This together with the 2020 expenditure estimate of R0.8bn results in an estimate at completion of R13.8bn. A detailed review of overall project scope and associated costs will be finalised during the first half of 2020.

BRPM operation

Having taken the decision at the beginning of 2019 to respond to pricing opportunities, in particular those of palladium and rhodium, by recommencing with mining UG2 at BRPM's South shaft we set ourselves a target of ramping up to 20ktpm by November 2019. We were able to achieve our target ahead of schedule when we delivered 20ktpm of UG2 from South shaft in the third quarter of 2019.

Production

Total BRPM development increased by 15.4% to 32.3km with the increase mainly attributable to increased working cost development, in line with ramping up of UG2 production at South shaft. Total square metres mined decreased by 2.1% to 411 thousand square metres, the decrease being mainly as a result of lower Merensky production from South shaft as reserves deplete.

BRPM delivered tonnes decreased by 1.7% to 2 229kt, with Merensky delivered tonnes decreasing by 11.0% to 1 640kt. UG2 delivered tonnes increased by 38.3% to 589kt in line with the recommencement of UG2 mining operations at South shaft. The reduction in Merensky tonnes at BRPM is directly attributable to the depletion of Merensky reserves at South shaft.

Total tonnes milled for the reporting period decreased by 3.3% on the back of lower delivered mining volumes. This combined with a 4.8% reduction in built-up head grade and lower associated recoveries yielded a 9.4% and 9.8% reduction in 4E and platinum metals in concentrate, respectively. 4E metal production equated to 241koz and platinum metal production to 156koz.

Cash operating costs

BRPM cash operating costs increased by 8.5% to R3 024 million compared to 2018. The increase is attributable to on-mine inflation and additional costs associated with the re-establishment of UG2 production at South shaft.

Key cost drivers were:

- > Inflation in excess of the 4.1% CPI related to enrolled labour at 2.6%, contract labour at 4.5% and utilities at 7.6%
- > South shaft UG2 development and establishment costs

The 8.5% increase in cash operating costs combined with the 3.3% reduction in milled volumes, 4.8% lower built-up head grade and 1.3% lower recovery yielded unit cost increases of 12.2% and 20.0% per tonne milled and

4E ounce respectively. Cash cost per tonne milled amounted to R1 361 and cash cost per 4E ounce equated to R12 562.

Capital expenditure

BRPM capital expenditure for the reporting period amounted to R100 million, equating to a 2.5% reduction compared to 2018. R21 million was spent on Phase III replacement capital and R79 million on SIB. SIB as a percentage of working cost was 2.6%.

North shaft Phase III project

This project extends the shaft decline system and ancillary infrastructure from 10 level down to the mine boundary at 15 level. The completion of two belt extensions in the fourth quarter of 2019 and the purchase of two additional LHDs to improve machine availability has allowed the project to reach steady-state production of 2 500 tonnes a day. By year-end the project, which started in 2010, was completed with a R254 million saving against a budget of R1 409 million. We will initiate the project close out process in the first quarter of 2020.

Concentrators

The purchase of the Maseve concentrator allowed us to achieve organic growth and increase our tonnes milled by 12.5% year-on-year. However, currently the recoveries at the Maseve MF1 plant, which were 80.13% in 2019, are 4% lower than those at the BRPM concentrator, which achieved recoveries of 84.34%. We have completed a feasibility study into the upgrading of the Maseve concentrator to MF2, which, in addition to improving recoveries, will increase the plant's capacity to 160ktpm from its current 110ktpm. The upgrading of the Maseve concentrator and an incremental increase at the BRPM concentrator will provide us with the concentrating capacity we need to process the South shaft UG2 production beyond 2020 and the Styldrift steady-state production of 230ktpm.

BRPM concentrator production tonnes milled reduced by 5.5% or 158kt to 2 689kt compared to 2018, with the concentrator 4E recovery reducing by 1.0% to 84.34%. Concentrator recovery was impacted by overall lower built-up head grades, Eskom grid instability and the loss of the secondary mill for the period March to May 2019.

The extension of the tailings dam facility at Maseve is well under way for completion in 2020 (see page 120) and the extension of the BRPM facility commenced in the fourth quarter of 2019 and planned for completion in the fourth quarter of 2021.

Manufactured capital continued

The way forward and what to expect from our operations in 2020

Our Chief Executive Officer has referred to our restructuring efforts in his review on page 31, which are designed to ensure RBPlat is fit for purpose in the long term and to reduce costs and increase efficiencies in the short to medium term. Our key focus area in this regard will be to ensure the effective resourcing and ongoing alignment of our operations in line with the growing contribution of Styldrift, at the same time as the mining mix at BRPM extracts more lower grade UG2. The contribution of UG2 mining at BRPM will increase to approximately 35% of our overall production during 2020 and is expected to reach 50% during 2023.

Operational flexibility at BRPM remains a key challenge as South shaft Merensky reserves are depleted and the shaft transitions to mining the more complex UG2 ore body. Productivity and mining efficiencies on the UG2 reef, which is characterised by a thinner, undulating UG2 band, are lower than the Merensky reef. The lower grades of the UG2 will create upward unit cost pressures at BRPM, which during 2020 will only partially be offset by the increasing scale of the business as well as operational reorganisation. We therefore expect BRPM cost inflation to be consistent with mining inflation of 8% in 2020 as we opportunistically extract UG2 due to the rapid access and negligible capital requirements of doing so. BRPM grades and recoveries will be consistent with 2019 as South shaft continues to operate and extract margin-bearing UG2, despite the lower grades and costs associated with this.

The ramp-up of Styldrift is expected to reach 230ktpm during the third quarter of 2020, delivering between 2.0Mt and 2.2Mt for 2020 as the remaining production and IMA sections are developed. During the year the increasing contribution from stoping teams will lead to an improved and more consistent delivered grade, but this will continue to be impacted by limited face flexibility, crew learning curves and the continued contribution of low grade on-reef development forming part of the ore stream until year-end.

We expect both Styldrift grade and recovery to improve as the relationship between stoping square metres and development approaches steady state.

As is typical during the ramp-up phase of a mine, during which all the fixed costs are incurred but the production volumes are not in place to absorb them, unit costs will therefore not reflect economy of scale benefits until we achieve steady state.

In line with Styldrift's ramp-up the Maseve plant has been commissioned and is operating as an MF1 concentrator at 110ktpm. This treatment plant was originally designed to operate as an MF2 concentrator and during 2020 is being upgraded to an MF2 configuration. This will result in improved recoveries and provide more flexibility and capacity to treat varying ore mixes post 2020, particularly with respect to UG2 should the prevailing market conditions continue.



Development rig at North shaft Phase III hybrid mining section

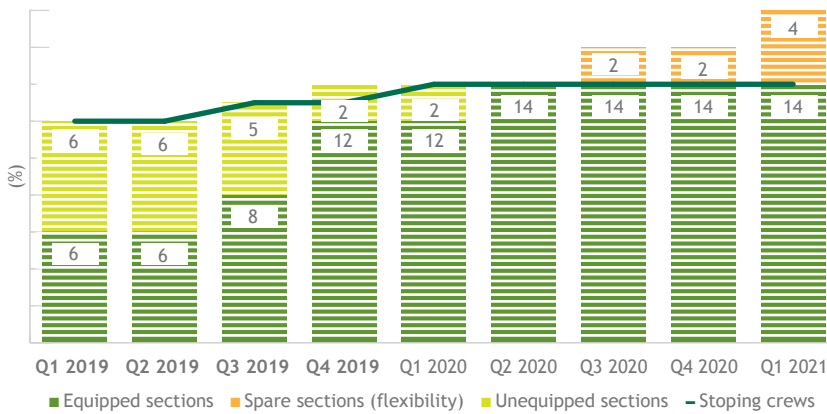
Styldrift



Styldrift Mine with storm water and settling dams in the foreground

As we proceed to 230ktpm in 2020 our operational flexibility will continually improve as reflected graphically below:

Operational flexibility improvement at Styldrift




LOM infrastructure in place

- > Rock handling
- > Logistics
- > Water handling
- > Workshops
- > Electricity
- > Ventilation

Manufactured capital continued


Our 2020 operational roadmaps

BRPM – Structuring for a sustainable future




Quality

- 1 Operational discipline**
 - Mining quality and discipline to optimise grade
 - Optimise shaft logistics
 - Focus on monitoring and control systems to ensure mining to best cut
- 2 Improve operational efficiencies**
 - Direct performance management
 - Pre-develop undulating South shaft UG2 ore body and optimise extraction
 - Optimise mining of higher grade central high facies of North shaft UG2



Volume


- 1 Maintain production design capacity**
 - Replace declining South shaft Merensky volumes with UG2
 - Maintain IMS flexibility
- 2 Identify opportunities for incremental increases in production**
 - North shaft UG2
 - Additional sweeping and vamping
 - ‘White’ area mining



Cost


- 1 Optimised shaft operations**
 - Reduced number of operating levels
 - Improved u/g utility networks
 - Review organisational structure to ensure fit for purpose
- 2 Stringent cost controls**
 - Review all major supply and volume contracts
 - Optimise reclamation
 - Improved cost management systems and processes (opex/capex) – business analytics
- 3 Identify mechanisation and automation opportunities and implement where appropriate**

Styldrift – Secure ramp-up and leverage a world-class ore body



Volume

- 1 Increased operational flexibility**
 - Commission additional two stoping sections H1 2020
 - Introduce redevelopment crews
 - Two spare IMS sections during H2 2020
- 2 Improve stoping and development efficiencies**
 - 85% trackless fleet availability
 - Tip-to-face tramming distance (80m to 90m)
 - Mining/engineering cycle alignment
 - Improved logistics (store-to-face)
- 3 Complete production support infrastructure**
 - Trackless workshops and ancillary bays
 - Stores, u/g offices, bulk emulsion transfer, etc.



Quality

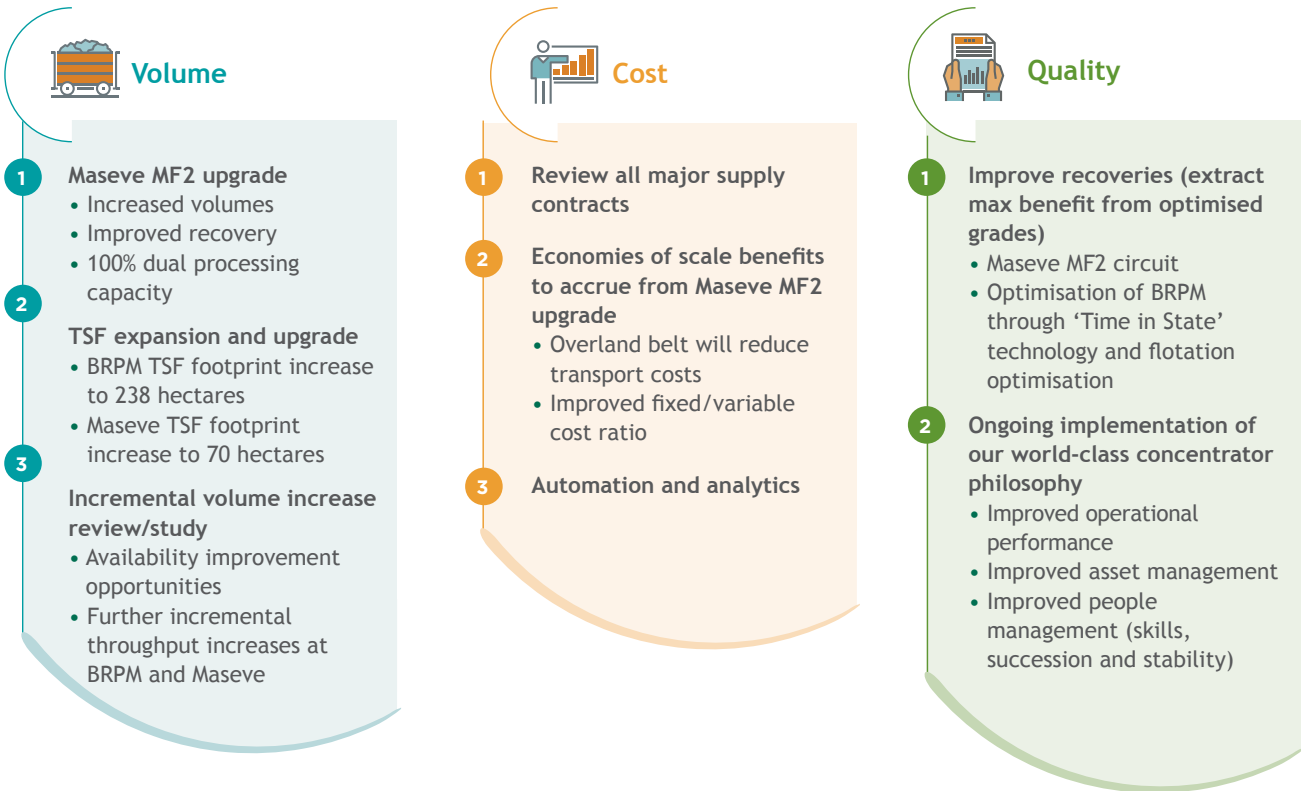
- 1 Grade improvement**
 - Mining quality and discipline with specific reference to stope width
 - Increased stoping contribution
- 2 Optimise engineering infrastructure and fleet availability**
 - Improved maintenance and asset management processes
 - Artisan competency, upskilling and availability
 - Swing fleet to facilitate the rebuild programme
- 3 Automation and analytics**
 - Asset tracking (men, fleet etc.)
 - Live fleet telemetry
 - Data analytics



Cost

- 1 Economies of scale benefits**
- 2 Stringent cost controls**
 - Review of all major supply contracts
 - Improved cost management systems and processes (opex/capex) – business analytics
- 3 Transition from capital project to operating staff complement**
 - Review of organisational design – align with operational requirements

Concentrators – Improved operational performance and processing flexibility



Group production in 2020

Group production guidance for 2020, subject to any unforeseen operational disruptions and changes in market conditions, is forecast to increase to between 4.2Mt and 4.5Mt at a 4E built-up head grade of 3.90g/t to 4.00g/t, yielding 450koz to 485koz 4E metals in concentrate.

Unit cost guidance for the Group is forecast to be between R13 300 and R14 400 per 4E ounce.

Group capital expenditure for 2020, including escalation contingencies, is forecast to be approximately R2.2 billion. Styldrift mining and infrastructure for the 230ktpm ramp-up footprint (R0.8 billion), the Maseve overland belt (R0.1 billion), the Maseve plant upgrade (R0.3 billion) and tailings storage facility upgrades (R0.3 billion) will be the main drivers. SIB expenditure for the Group is expected to be between 6% and 7% of operating cost.



Aerial view of Maseve concentrator and mill feed silo



Human capital

In 2019 our investment in our human capital addresses our most material human capital issues in the short, medium and long term which are:

- > **the safety, health and wellness of our employees**
see page 77
- > **labour stability**
see page 71
- > **the transformation of our workforce**
see pages 72 and 73
- > **meeting our evolving skills requirements and retaining skills**
see page 81
- > **human capital commitments in terms of Mining Charter III**
see pages 72 and 73, 81


Key features in 2019

38.1% improvement
on SIFR

23.2% improvement
on LTIFR

 **17.8%** of our employees are **women** in mining

 **57%** of our executive management are HDSAs (exceeding Mining Charter III targets by 7%)

 **61%** of our senior management team are HDSAs (exceeding Mining Charter III targets by 11%)

Other SDGs impacted



Two of the SDGs, which are main focus areas for RBPlat, involve our ability to grow our stock of human capital. They are SDG 3: Good health and well-being and SDG 8: Decent work and economic growth. Our ability to make a contribution to both these SDGs also plays an important part in growing our stock of social capital. By contributing to our main focus SDGs we also impact level 2 and 3 SDGs



- 1
- 2
- 3
- 5

Protecting the human rights of our employees

To meet our commitment to being a responsible corporate citizen we have also incorporated the UN Global Compact (UNGC) Principles 1, 2, 3, and 5 into our human resource strategy, policies and plans.

We also uphold the United Nations' (UN) Declaration of Human Rights and the International Labour Organisation's Fundamental Principles and Rights at Work, which form part of our commitments as a signatory to the UNGC. For information on human capital performance in terms of our UNGC commitments (see pages 7 to 9 of this report and our Databook 2019 on our website at www.bafokengplatinum.co.za/integrated-reports.php).

Our Social and Ethics Committee meets its responsibilities for ensuring RBPlat is a responsible corporate citizen and that 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.

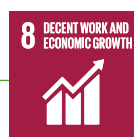
The human capital strategy and policies are driven by the Executive: Human Resources. Their implementation is the responsibility of the human resource teams at our operations.

Human capital governance

Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all is one of our four main SDG focus areas

Other SDGs impacted

Level 1



Level 2



Level 3



SDG 8 targets

SDG 8.5


By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value


SDG 8.7

Take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour. Eradicate forced labour, and by 2025 end child labour in all its forms including recruitment and use of child soldiers

SDG 8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment

Workforce KPIs*	Performance	
	2019	2018
Total workforce	10 087 ↑ 6.1%	9 508
Enrolled employees	5 177 ↑ 9.0%	4 748
Contractors <i>(includes fixed term contractors, labour hire and volume contractors)</i>	4 910 ↑ 3.2%	4 760
 Percentage of women in mining at RBPlat	17.8% ↑ 4.1%	17.1%

 Additional information is available in our Databook 2019 at www.bafokengplatinum.co.za/integrated-reports.php



There was a 6.1% increase in the size of our workforce year-on-year. While the workforce at Styldrift increased 12.7% year-on-year to cater for the ramp-up to the 230ktpm milestone there was a reduction in the BRPM workforce of 1.5% and a 32.3% reduction in the workforce at Maseve Mine, when 10 protection service employees were transferred to Shared Services.

To ensure our employees receive equal pay for work of equal value, our Remuneration and Nomination Committee continually monitors internal pay gaps across RBPlat to ensure remuneration is fair and responsible in the context of overall employee remuneration (see page 126 of the Remuneration review in this report).

In 2019 RBPlat employed 40 people with disabilities, 36 of whom are enrolled employees and four of whom are contractors (this includes fixed term contractors, labour hire and volume contractors). Currently 0.4% of our employees have disabilities against a Mining Charter III target of 1.5%. We will work to at least achieve the Mining Charter target in this regard.

In 2019 our youngest employee was 19 years old. RBPlat has never employed anyone below the legal employment age.

Upholding the rights of our employees to freedom of association

Workforce KPIs	Performance	
	2019	2018
Percentage of enrolled employees who are unionised – members of the National Union of Mineworkers (NUM)	86% ↓ (3.4%)	89%
 Employee voluntary turnover	2.6% ↑ 52.9%	1.7%
 Absenteeism rate for enrolled employees	5.4% ↓ (1.8%)	5.5%

Providing a safe and secure working environment

During 2019 all members of our security team were trained in human rights and our security protocols were reviewed and revised. RBPlat adopted the UN Voluntary Principles on Security and Human Rights, a set of principles designed to guide companies in the extractive sector in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms in 2018.

Employee benefits and remuneration

RBPlat concluded another five-year wage agreement with its enrolled employees, effective 1 July 2019. In terms of the agreement employees will receive an increase in their

annual salary of 7% in year one of the agreement (2019), 6% in year two, 6% in year three, 7% in year four and 7% in year five (2023).

We have also ensured parity between our employees and their industry peers for any employees whose remuneration falls below the entry-level minimum wage after application of these increases. Medical aid and housing allowances will also increase in line with repayments for the homes in our employee home ownership scheme in Waterkloof Hills Estate. We will negotiate a new wage agreement with our contractors, who are also represented by NUM, in 2020.

The benefits and remuneration we offer our employees are set out in the remuneration review on pages 125 to 134.

Transformation

Directly contributing to:



Achieve gender equality and empower all women and girls through our commitment to women in mining and indirectly contributing to:

Reduced inequalities by contributing to:



By 2030 empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status through the transformation of our workforce.

We have made good progress with the transformation of our workforce with HDSAs making up over 92%. While we have some way to go to achieve the management transformation targets set in Mining Charter III we have always exceeded the targets set for Mining Charter II and are committed to achieving the new targets. We work to eliminate inequalities and ensure our workforce is fairly and competitively rewarded (see the remuneration review on page 126).

KPI



Women in mining

923

(2018: 780)

Women with a passion for mining



On 8 November 2010 Tshidi Ramorula was present at RBPlat's listing on the JSE. She was there as the leader of BRPM's best performing stoping team. At the time she was asked what it was like for a young woman to lead men much older than her. She said she did not have a problem with it. The fact that at the age of 35 she was recently appointed Section Manager at BRPM's North shaft, having been promoted to Shift Supervisor in 2011 and Mine Overseer in 2016, is testimony to her ability to lead.


Tshidi, who is from the Bafokeng village of Luka, was awarded a bursary by the RBN to study for a BTech at the University of Johannesburg. During her

studies Amplats took over payment of her bursary, with an agreement with the RBN that she would work at BRPM once she graduated. Having completed her studies in 2008 she started work at BRPM in 2009. She already knew the mine well as she had completed her practical training at the mine. She loves her work but acknowledges it is hard to be a woman in mining. She said: 'It is particularly hard when you do not have support or someone who believes in you... but if we have support we can flourish and that is why I am where I am because I had support'.



Palesa Ratlhogo, who grew up in Klerksdorp and comes from a mining family, is currently a Mine Overseer at South shaft. She graduated from Vaal University of Technology in 2004 having studied financial information systems. While she was looking for a job in her chosen field she was offered a job as a learner miner, which she took and discovered she loved mining. She started out as a learner miner working as a contractor at the Buffels Gold Mine where she got her blasting certificate and then moved to Rustenburg where she worked at BRPM's North shaft as what was then known as a Crew Captain from 2004 to 2007 before moving to Implats where she worked for about a year. She became an enrolled employee at BRPM's South shaft in 2008 working as a miner. In 2011 she became a Shift Supervisor and has been a Mine Overseer since August 2018.

Palesa, who wants to further develop her management skills, is currently studying the management advancement programme (MAP) at Wits Business School. She says women are given an opportunity at BRPM to show what they are capable of and she has been given an opportunity to show her ability and grow. She would like to join the management team in the future.

 Our performance against the Mining Charter III HDSA targets

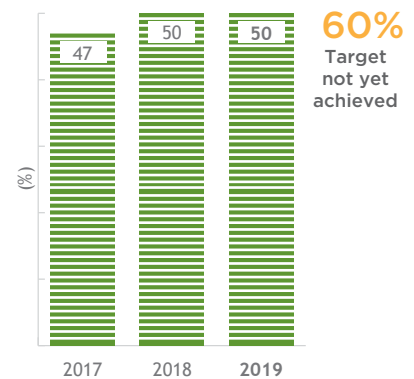
Executive management



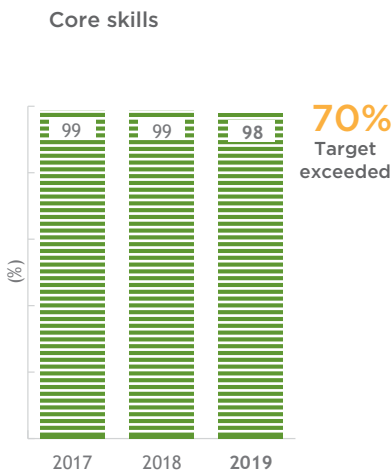
Senior management



Middle management



 Our B-BBEE certificate is available on our website at www.bafokengplatinum.co.za/our-commitments.php



Angela Ntshani, a mechanical engineer who comes from Langlaagte, is a new recruit as an engineer at the Maseve concentrator. She joined RBPlat in May 2019. Having gained a national diploma in mechanical engineering through the Vaal University of Technology she completed the junior engineer’s programme at AngloGold Ashanti and obtained her Government Certificate of Competency. She has since completed her BTech through UNISA.

Angela left the mining industry to work at Eskom for Rhotek Industries, initially doing project planning and then working in commissioning engineering. She soon returned to the mining industry joining Palabora Mining in 2015, which she left to join RBPlat in 2019.

She is enjoying the Maseve plant, which she says performs very well. She also likes the fact that she can easily walk the plant’s footprint and gain a bird’s eye view without all the planning that goes into moving around an underground mine. Her role at Maseve is giving her an opportunity to grow. She looks after all the engineering aspects of the plant.

It's not so much about having choices but what you do with an opportunity

Transforming our workforce and building a succession pipeline



Grant Magano, Mine Manager, BRPM

There's a lot written about how important it is for a person to choose their career carefully if they are to have a happy and fulfilled life. When they matriculated the choices available to Grant Magano and Chris Setuke were limited. In order to go to university they needed funding. They were both awarded mining industry bursaries, which gave them access to a tertiary education and the opportunity to be meaningfully employed. In Grant's case his bursary was for a degree in electrical engineering. Chris' bursary was for a degree in mining. They may not have had a lot of choice at the time, but that hasn't mattered. They have made careers for themselves in mining which they love and are passionate about and both men are high achievers flourishing in their careers.

From electrical engineer to mine manager

Grant Magano, 45, who grew up in the RBN village of Luka, was appointed Mine Manager at BRPM in 2019. When he matriculated in 1990 Grant was one of only two top learners from the 10 RBN high schools to be offered bursaries by Implats. The bursary he was awarded was available for the study of mechanical or electrical engineering. Grant chose to become an electrical engineer. Having graduated from the University of Natal in Durban he worked at Implats for 13 years. By the time he left Implats in 2010 to join RBPlat he was a senior engineer.

At RBPlat Grant started out as Engineering Manager responsible for all engineering-related issues at both the mine and the concentrator. How did Grant go from being an engineer in 2010 to becoming Mine Manager in 2019? He was always interested in the mining side of the business. 'Even as an engineer my first port of call when I walked into that mine was to find out from the production manager how we had fared the previous day. I would then find out about engineering-related matters and once they had all been addressed, I would spend time with the mine overseers.' That was how he came to understand what gave them sleepless nights.

Taking advantage of opportunities

He is grateful that at BRPM he was allowed to not only focus on engineering-related matters but to look at the overall business. He spent a lot of time with his mining colleagues. They spoke at great length about the mine as a business and how everything fits together.

'It was up to me to take advantage of the opportunities that were presented by this environment and I gladly took advantage of it and have never regretted for one minute having taken the decision to take an interest in the running, management and operation of this business. The type of conversation I will have with you about this mine today is very different from the conversation I would have had with you in 2011, when I would have probably talked about the upkeep of equipment and machinery. Today, I will tell you about whether we are productive, cost-effective and safe.'

Because he was able to demonstrate that he had an understanding of the mine as a business he was often given the opportunity to act as Mine Manager at BRPM. 'Every time I was afforded this opportunity, I took it and enjoyed it, despite all the pain that came with it. You do not sleep a lot and let me tell you sitting here you become a very humble man, it is a tough game but I still love it.'

'The safety of employees remains key on our mine. I take an injury to any employee as a personal failure. This person got hurt under my watch. What is it that I should have done to prevent this incident? It is not easy.'



Chris Setuke, Production Manager, South shaft

By chance it was the right career

Despite doing well in matric Chris Setuke, 35, the eldest son of an unemployed single parent who grew up in Phokeng, had not applied to university because there was no money. It was his mother's determination that helped him get a bursary. She sought the help of the Royal Family of the RBN. Through the assistance of the Queen Mother, he found himself in a room full of young people applying for bursaries at Anglo American Platinum. He was not sure what degree the bursaries were for, so before his interview he found out that everyone else there wanted to study mining engineering. He had no idea what mining engineering entailed. He quizzed his fellow applicants in the hope that they would provide him with some answers to the questions he would be asked in his interview.

He clearly did have the answers when he was the penultimate person to be interviewed that day, because he was one of only three applicants from the local community to be awarded a bursary to study mining engineering.

Following his graduation Chris was placed at BRPM, which was a new mine that delivered its first concentrate in 1999. He was highly qualified, but as he explained he knew nothing about the actual work that needed to be done. The mine was still new and there was no graduate programme in place as yet. It was a struggle for him to learn as there was no system in place to guide him as a graduate.

Learning from others

Chris managed to get his mine overseers certificate and his mine manager's certificate before he had even been appointed as a Shift Supervisor. 'During my three years as a Shift Supervisor I learnt the most from the humble experienced miners. I was young and it was difficult to give them instructions. I said to them: 'Listen, I am Chris, I am one of you. I am very educated and you need to acknowledge that, but I know nothing about the work and you guys must teach me'.

'I enjoyed it and learnt a lot and made good friends.' Following his time as a Shift Supervisor Chris' career progressed rapidly. His appointment as a Mine Overseer was rapidly followed by his appointment as an Acting Section Manager at 26, something very unusual in the industry. At 27 years of age he started acting as a Production Manager. In 2014 he received an honorary award from the University of Johannesburg for being the youngest

Production Manager in the South African platinum mining industry.

He has developed a reputation for being a trouble shooter and told us that CEO, Steve Phiri, told him that he must make peace that wherever there is trouble he will be sent there.

Leadership approach

Chris' approach to leadership is summed up in what he has to say: 'The one thing I want to get across is that in my whole career one thing I have learnt is that without people you are not a leader. You need to get people on your side. By virtue of being in authority it does not mean that people will follow.' He has continued to study focusing on his management and leadership skills, completing a project management course, and a Master's in Business Leadership at the Unisa Graduate School of Business Leadership and in 2019 he also completed the Executive Development Programme through Unisa Graduate School of Business Leadership.

Chris, who is currently Production Manager of South shaft, is proud to have delivered on the plan to ramp up UG2 production at BRPM's South shaft to 20 000tpm by quarter three of 2019 when the target had been quarter four. He is committed to ensuring RBPlat can mine South shaft profitably. He said: This Company has invested in me, so I need to invest in it.

'His final word: For someone who did not even know what mining was, by chance I chose the right degree'.

The safety, health and wellness of our employees



Accountability for safety

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

Oversight and monitoring: the Board's Social and Ethics Committee is mandated to oversee and monitor safety performance against agreed targets every quarter.

Operational accountability: Chief Operating Officer.

Health and Safety committees for each operation meet at least monthly with employees and management represented on all committees. Issues not resolved at operational level go to the central Health and Safety Committee.

Safety management

A safety strategy is in place based on the principle of achieving zero harm by developing an agile safety culture.

The pillars of the strategy: leadership, design, systems and behaviour, stand on a foundation of teamwork, discipline and our safety code of conduct.

BRPM and Styldrifft are ISO 45001:2018 certified. This certification replaced the OHSAS 18001 certification. Maseve is to be accredited to ISO 45001 in 2020.

Tragically, there were two fatalities in our operations in 2019. On 24 June 2019 Mr Joao Antonio Machava sadly lost his life in a scraper-related accident at BRPM's South shaft.

On 22 November 2019 Ms Bontle Siteo passed away from a pulmonary embolism. She had previously sustained a hairline fracture of her ankle when she fell while stepping out of her portable office at Styldrifft on 16 October 2019.

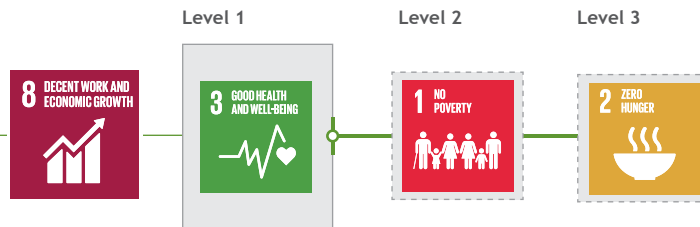
All of us at RBPlat would like to extend our condolences to the family, colleagues and friends of Mr Machava and Ms Siteo on their tragic loss.



Incident reporting using a tablet underground

Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all is one of our four main SDG focus areas

Other SDGs impacted



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

SDG 8.8
Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment

	Safety KPIs		Performance	
			2019	2018
Serious injury frequency rate (SIFR)*			1.140 ↓ (38.1%)	1.843
Lost time injury frequency rate (LTIFR)*			1.900 ↓ (23.2%)	2.475
Number of fatalities			2	— 2
Fatal injury frequency rate (FIFR)			0.095 ↓ (9.5%)	0.105
Number of days without an injury			240 ↑ 2.6%	234
Total injury frequency rate (TIFR)*			8.643 ↓ (6.7%)	9.267

* Per one million hours

Keeping our people safe

To achieve our aspirational goal of zero harm we have defined our focus areas for safety as:

- > strengthening our safety leadership to support our progress towards an agile safety culture
- > addressing risk taking behaviour
- > gaining a better understanding of what can make our workplace safer
- > employing technology to gather, analyse and use safety inspection data to avoid safety incidents.

Strengthening safety leadership

A great deal of work has been done over the past two years to strengthen our safety leadership, improve communication and team relationships, which is discussed in the learning and development section of this report on pages 81 and 82.

Future focus: addressing risk-taking

During 2018 we took 72 team leaders through a risk propensity exercise, which provided us with information on their natural reactions when exposed to a dangerous situation. We used this information to establish

a baseline and develop a remedial action plan, working with the University of the North West, to address propensity among some team leaders for high risk-taking and the impact of this type of leadership on the safety of team members who are not high risk takers. This work includes, continuing to help our employees to develop the skills to perform a risk assessment themselves and have a better understanding of what to do to keep them safe when they are exposed to a situation that could endanger their lives.

Health and wellness governance

The health and wellness of our people

Accountability

Our Social and Ethics Committee is accountable to the RBPlat Board for the oversight and monitoring of occupational health and wellness of our workforce against agreed targets and for monitoring our compliance with the requirements of the Mine Health and Safety Act 29 of 1996 (MHSA) in terms of medical surveillance reporting, injuries and occupational diseases.

K¹ K³ K⁸

Responsibility

Our Occupational Hygienist is responsible for ensuring our occupational health and hygiene policies and standards go through the relevant standards committees, as well as monitoring and auditing.

Line management is responsible for implementing occupational health and hygiene standards in the workplace.

Ensuring healthy lives and promoting well-being for all at all ages is one of our four main SDG focus areas

Other SDGs impacted



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

Through our efforts to identify the main health issues that can affect our workforce and the communities in which we operate, which include constantly monitoring and testing for these issues, we are able to receive early warning of health issues that could disrupt our operations. This allows us to take remedial action to minimise any potential impact and contribute to the achievement of SDG 3. We have set ourselves key performance indicators to address the SDG 3 targets we are able to contribute to, which are set out below.



SDG 3

SDG 3.3

By 2030 end the epidemic of Aids, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases. RBPlat supports, and is active in achieving the UNAIDS 90-90-90 treatment targets that by 2020: 90% of all people living with HIV will know their HIV status, 90% of all people with diagnosed HIV infection will receive sustained antiretroviral therapy and 90% of all people receiving antiretroviral therapy will have viral suppression.

SDG 3.8

Achieve universal health coverage including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

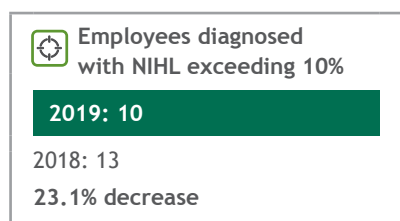
Health and wellness KPIs	Performance	
	2019	2018
HIV KPIs		
Number of voluntary HIV counselling sessions	12 964 ↑ 1.7%	12 753
Total number of HIV tests (employees and contractors)	12 757 ↑ 3.1%	12 379
Number of employees who stayed on antiretroviral treatment (ART)	785 ↑ 25.2%	627
Number of ART default cases	39 ↓ (40.9%)	66
TB KPIs		
Number of employees and contractors who tested positive for TB	42 ↓ (26.3%)	57
TB incident rate (annual) ¹ per 100 000	416/100 000 ↓ (34.1%)	631/100 000
¹ Our TB incidence rate is calculated using the average monthly labour figure. In 2019 our average labour increased and the number of cases decreased		
Achieve universal health coverage		
Percentage of volume contractors on a medical aid	74% ↑ 7.2%	69%
Percentage of enrolled employees on a medical aid	100%	100%

Achieving our aspirational goal of zero harm includes the health and wellness of our people and the communities in which we operate

Our main work-related health issues are:

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

NIHL



These cases are submitted to Rand Mutual Assurance (RMA) and the Workers Compensation Assurance (WCA) for assessment. RMA and WCA are mandated to administer compensation in terms of the Compensation for Occupational Injuries and Diseases Act No 130 of 1993 as amended.

As a South African mining company we are committed to ensuring that no employee's Standard Threshold Shift exceeds 25dBa from their baseline at 2 000, 3000 and 4 000hz in one or both ears. In 2016 we established a hearing capability baseline for our employees that measures the specific frequencies of noise to which people are exposed to at work. We measure any shift in the employee's hearing against this baseline.

Our hearing conservation programme makes it compulsory for all employees working in areas where the noise level exceeds 85dBa to wear hearing protection. We have changed from disposable hearing protection devices and introduced personalised hearing protection for employees identified as working in areas where the noise levels can exceed 85dBa.

The non-work-related health issues of HIV/Aids and TB

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

The Minerals Council of South Africa's (MINCOSA) initiative, known as Masoyise iTB, supports the Mine Health and Safety Council (MHSC) 2024 milestone for our industry to reduce our TB incidence rate to or below the national TB incidence rate and to have tested 100% of its employees by that date. We are on track to achieve these milestones (see the data in the SDG 3 table on page 79). The initiative also included HIV/Aids milestones that: 100% of employees should be offered HIV/Aids counselling and treatment (HCT) and all eligible employees should be linked to an ART programme. We have achieved these milestones.

In addition to these industry milestones RBPlat also offers the INH prophylaxis with the aim of reducing the development of active TB in patients with latent TB. In 2019 988 people were provided with Isoniazid (INH) treatment (2018: 657).

Wellness

Our priority wellness issues are:

- > 90% of our workforce should receive HIV counselling and testing
- > Enrolling of 90% of our HIV positive employees in our antiretroviral treatment (ART) programme
- > Ensuring 90% of those enrolled in our ART programme are viral load suppressed
- > Prophylaxis treatment with the antibiotic INH as a first line agent in the prevention and treatment of TB
- > Non-communicable diseases.

At RBPlat our first 90 is 97%, the second is 77% and the third 90 is 69%.

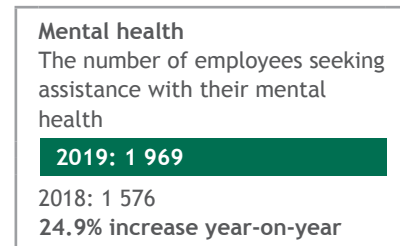
Good health and wellness contribute to good performance at work. Most of our employees and volume contractors are members of Platinum Health Medical Aid, an industry-specific closed medical aid (see SDG 3 table on page 79), which attends to members' wellness and non-work-related medical conditions. Platinum

Health also works with our Wellness Coordinator to provide our workplace wellness programme, which includes disease prevention, diagnosis, treatment management, rehabilitation and TB and HIV/Aids management. It is also supported by our wellness peer educators, members of our workforce who have volunteered for this role. They play an important part in our wellness education programme.

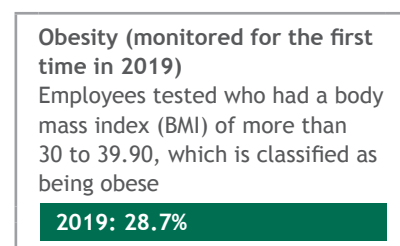
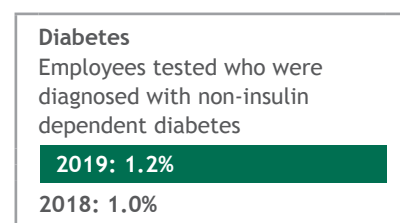
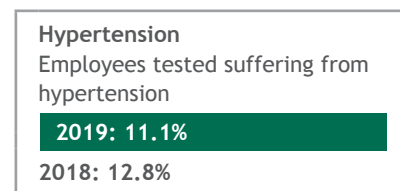
Non-communicable diseases

Non-communicable diseases such as obesity, hypertension, diabetes and high cholesterol levels are on the increase among our employees. Our chronic disease management programme is addressing these issues with the aim of optimising the health and well-being of our employees.

Mental health



The results of tests conducted by Platinum Health as part of our workplace wellness programme



In support of community healthcare

While the Department of Health (DoH) is responsible for the public healthcare delivery system, RBPlat assists the DoH whenever they request our assistance. The TB incidence rate in our communities is a concern. We have been assisting the DoH through a tracking project that identifies potential TB hotspots (see page 94 of social capital for additional information).



Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all is one of our four main SDG focus areas

SDG 8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

Investing in skills and development

The aim of our investment in training and development is not only to ensure we have the skills we require today but also to build a talent pool for the future.

Total training and development costs (including SLP HRD spend)

R129.2m

(7.0% of our payroll)

2018: R112.4 m
(7.3% of our payroll)

Total training cost per employee

R11 354

2018: R10 560
(7.5% increase year-on-year)

- > 78% of the people we trained in 2019 were core skills employees who received on average 8.5 days of training each during the year (2018: 6.5 days)
- > 18% of those trained were junior managers who received on average six days of training each during the year (2018: six days)

- > The remaining 4% of people trained were from middle and senior management. On average middle managers received two days of training (2018: three days) and senior managers received on average 2.5 days of training (2018: two days)

To meet our evolving skills requirements we provide:

- > legal and mandatory training
- > leadership and management development programmes
- > career progress programmes, which are an essential element of our talent planning
- > social and labour plan (SLP) training and development, which includes adult education training (AET) for both our employees, contractors and members of the community
- > learnerships
- > internships.

In addition we offer:

- > study assistance to our employees
- > an external skills development bursary programme
- > a graduate programme
- > a women in leadership programme.

Our BRPM training centre has maintained its ISO 9001 certification and has also retained its accreditation as a training provider from the National Mining Qualifications Authority (MQA), which ensures that anyone completing a training course in the training centre receives a nationally recognised certificate.

The Styldrift training centre, which has been established at Maseve, is equipped to provide simulator training on machines crucial to its mechanised

mining environment as well as having an actual load haul dump (LHD) vehicle available for training. The centre expects to achieve ISO 9001 certification during 2020.

Increased efficiencies focus in 2020

The Styldrift human resources team initiated a number of technology-driven initiatives in 2019. The integration of these various systems in order to increase the efficiency of its various processes within time and attendance and development will be its main thrust in 2020.

Investing in future skills

Styldrift currently has 20 young matriculants from our communities enrolled on diesel mechanic learnerships who are being trained to work on the machines in our fleet, which are the latest technology. They will provide the mine with a talent pool of skills critical to ensuring we have a well-maintained and available fleet.

In total, 10 community members completed N1 and N2 certificates in electrical engineering at the Mankwe Campus of the Orbit Technical and Vocational Training and Education (TVET) College.

The mine has also given opportunities to youths from the community who have not yet managed to gain a matric certificate and are therefore not equipped to find full and productive employment. They have been recruited for entry level positions. A condition of their employment is that they must continue studying for a matric

Human capital continued

qualification through our study assistance programme. Once they have obtained their matric certificate they will be able to train for whatever role they are suited to and have an opportunity to study further.

RBPlat is also working to ensure that it has access to and develops the skills we will need in the changing world of work.

Providing education opportunities

The aim of the part-time AET we offer is to increase the number of people who are literate and provide an opportunity for people to be able to educate themselves further and increase their opportunities to secure full and productive employment and decent work. This programme is available to both community members and our own employees. The programme, which is offered through morning and afternoon classes, is voluntary.



SLP training



Overall score

The overall score shifted from 4.7/10 to 5.0/10, which is a positive shift, particularly in light of the bar having been raised in terms of the expectations that employees have of their leaders. Scores improved in Care and Ability and remained the same for Means and Accountability.

The results of the audit have allowed us to identify areas for further improvement, which include increasing empowerment and the holding of people appropriately accountable.

This was derived from the respondents' feedback applying ratings to their leaders on: Care, Means, Ability and Accountability.

Investing in safer leaders

A key element of our zero harm approach is to focus on building leaders to support our progress towards a resilient and agile safety culture. The Legitimate Leadership programme ran from mid 2015 to September 2019 for senior supervisors and managers. The programme is first and foremost an ethical framework that argues for a values driven organisation rather than a needs driven culture by all those at work, but particularly by those in leadership roles. The programme aims to enable leaders to shift from taking to giving across the organisation. The pillars of the programme are Care, Means, Ability and Accountability.

Hero training

At BRPM Hero training, which gives individuals more power and provides them with tools to have hope, efficacy, resilience and optimism has been introduced for crews. A shiftboss programme, the Path to Heroes, will be introduced in the first quarter of 2020 with the aim of making the connection between Legitimate Leadership and the Hero programme.

This training is over and above the ongoing back-to-basics training and mandatory safety and risk training of our employees that they undergo every year.



AET support for the past three years



Community members engaged in 2019

341 community members were engaged as permanent employees at RBPlat's operations in 2019



Further details can be found in our Databook 2019 on our website at www.bafokengplatinum.co.za/integrated-reports.php

The impact of the Legitimate Leadership programme

A leadership audit carried out at the start of the Legitimate Leadership process provided a baseline understanding of leadership's alignment with the programme's criteria. Eighteen months later the audit was redone to understand what shifts had taken place and where there is a need to further improve leadership. The results were drawn from canvassing 272 people who are the direct reports of 71 leaders.

Direct reports were asked for their views on whether leaders had improved, stayed the same or got worse in the past three months, the results were fairly positive.



Intellectual capital

In 2019 our investment in our intellectual capital addressed our material intellectual capital issues in the short, medium and long term which are:

- > **Applying technology to achieve integrated thinking, increasing efficiencies, reducing costs and improving safety**
see page 84
- > **Machine learning and advanced analytics**
see pages 84 to 87
- > **Value-creating governance**
see page 87
- > **Fit-for-purpose supply chain**
see page 88
- > **Ethical culture**
see page 88

Technology governance that supports the achievement of our strategic objectives

The skills and competencies inherent in our human capital make it possible for us to build our stock of intellectual capital. They are also integral contributors to all six of the capitals on which our business is founded.

We focus on improving organisational processes through implementing relevant technologies, embedding learnings into the business and supporting a culture of innovation. Operating a mine requires a dynamic blend of skills and technologies and as such we actively support programmes that enhance and develop local talent, build a skills base in our local communities through our education support programme in local schools (see page 91) and our community skills development (see page 93); and making bursaries and graduate development programmes available to both current and future potential employees.

Progress with the use of technology to drive safety, productivity, efficiencies and reduce costs in our operations

In our 2018 integrated report we indicated what future technologies we planned to introduce at Styldrift. During 2019 the following technologies were introduced:

- > The use of simulators for trackless operator training and skill improvement
- > Expanded underground fibre backbone and Wi-Fi network to enable expanding SCADA network into the production sections, live asset tracking (personnel and machines), live fleet operating telemetry and traffic management, live ventilation monitoring per production section
- > Introduction of more advanced planning and scheduling platform which will allow integration with the existing enterprise systems (SAP) and performance-based scenario planning
- > Automation and remote monitoring of additional processes once underground internet access is available including winders and dispatch control
- > Installation of gas monitoring devices on all drill rigs for 'at the hole' monitoring
- > 3D ground condition monitoring systems

Intellectual capital continued

Our ambitions for 2020

To support integrated thinking and improve the accessibility, reliability and accuracy of information in RBPlat our ambition in 2020 is to put in place a data integration strategy and start delivering on this strategy. Our other ambition for 2020 is to finalise an integrated cost-effective digital strategy for the RBPlat Group.

Exploring the use of machine learning and advanced analytics to increase efficiency, effectiveness and profitability

Our concentrator team has begun using machine learning and advanced analytics in order to realise a benefit from the large amount of data the BRPM plant generates. Despite the amount of data available and a sophisticated control system, the

operation was still experiencing variable performance. A proof of concept study, conducted during 2017/2018, demonstrated the potential to add value by increasing efficiency and effectiveness through machine learning and advanced analytics. Roll out of the project using this technology and methodology began in March 2019 with the project addressing value and cost drivers.

The cost drivers addressed were:

- > Energy efficiency
- > Maintenance
- > Production
- > Quality

The value drivers addressed very important soft issues including:

- > Facilitating team learning
- > Establishing a common understanding of issues
- > Change and systemic thinking

The project also addressed work engagement and motivation, which are both significant elements affecting performance.

- > Initiatives were launched to mitigate operational risk exposure using information retrieved via data analytics and, where appropriate, monitoring solutions were implemented to facilitate proactive decision-making related to equipment condition, process behaviour and/or quality.

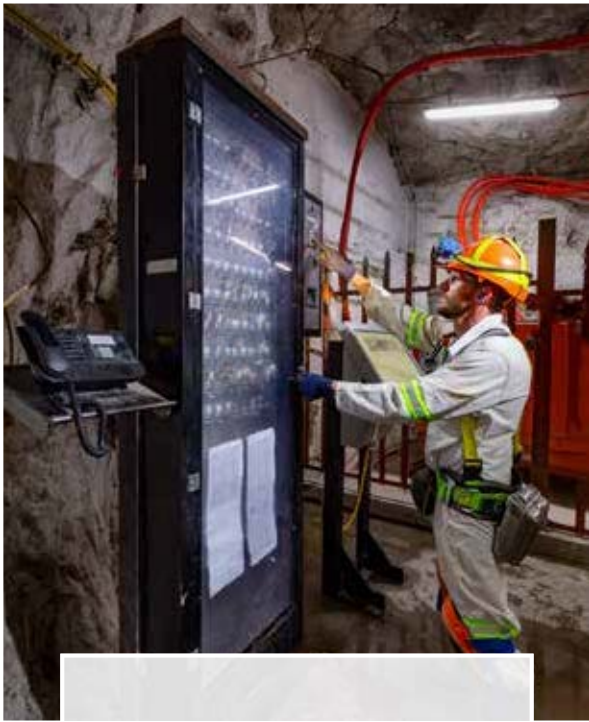


Using the 3D drilling simulator at the Styldrift training centre gives trainees the opportunity to learn in a virtual reality environment. The centre also has load haul dump (LHD) and bolter simulators available for training purposes

Technology at work at **Styldrift**



Section 2 North tipping point conveyor discharge



The Traka intelligent key issuing system increases security at Styldrift by only releasing a key to the driver allocated to a particular vehicle



An artisan downloads engine management and operating data from a trackless machine for analysis



An incident being recorded on the SILO safety, health and environment (SHE) database at Styldrift



The Styldrift control room where operators have a view of the entire mine, live video feed from key operating points as well as SCADA outputs



BRPM concentrator

The impact of some of the initiatives implemented during the project

An assessment of the primary mill trunnion lubrication flow was conducted, which revealed that the standby lubrication system will result in a mill trip should it be activated. Proactive corrective actions were implemented, which maintained the availability of the primary mill by preventing a potential 10 hours of downtime.

Deteriorating performance of the primary mill gearbox and the early warning low analytics provided meant that the gearbox could be replaced during planned shutdown preventing secondary damage to equipment and 10 hours of unplanned downtime.

Information from **data analysis**

and modelling was used to optimise the crusher and increase its capacity

Data analysis and modelling provided information regarding the root cause of low availability and throughput on the tertiary crushers. The mechanical and control improvements made as a result of this information unlocked the crusher capacity and resulted in it being able to deliver higher tonnages.

Providing an early warning avoided

10 hours
of unplanned downtime

Further work is being conducted in the milling and flotation circuits with the aim of improving recovery and final concentrate grade management.

Using data analytics to predict and avoid incidents

Our safety inspection process at BRPM was revised during 2019. We are now using the integrated risk management assessment (IRMA) database to develop the checklist for the electronic capturing of hazards, the risks they present and the associated controls that need to be in place to keep people safe in a particular area.

From mid-2019 we used this revised inspection process on tablets to conduct safety inspections underground at BRPM. The data collected through these inspections

Applying corporate governance to value creation

is analysed in real time by our SILO safety, health and environment (SHE) database and used to identify the control that failed. The task of addressing the failure can be assigned to the correct person through this system. We have seen an improvement in our safety performance since this process was introduced.

By year-end 2019 the electronic SILO inspection reports, which are necessary to perform the safety inspections for all operations, were in place.

Data use at Styldrifft

A data analytics implementation project is under way at Styldrifft. Data is gathered from LHDs at the feeders and is transmitted to surface using the fibre communications infrastructure. The underlying causes of poor cycle times and true mean part failure times can be used to improve maintenance efficiencies and effectiveness. Rapid parts failures are linked to the behaviours or oversights

causing them. Once these are identified changes can be made to eliminate sources of additional wear.


Equipment that consistently shows lower performance and reliability can be identified, and poor operator habits that lead to part damage can be addressed.

Personal tracking units are used to track the location and movements of personnel underground, enhance safety and assist in understanding the performance of the operation. Vehicle-based collision avoidance systems further enhance our safety by sounding audio-visual alarms and automatically slowing and eventually stopping equipment, as proximity and danger of contact with other vehicles or employees increases. Understanding the frequency, location, and timing of proximity alerts and the rate of automatic slow-downs and shut-downs further mitigates risk and increases production efficiency.



Data from an LHD is downloaded for analysis on a tablet in the workshop at Styldrifft

Our governance and leadership structures, our policies and processes, risk and sustainability management are all important elements of our intellectual capital as is our approach to remuneration, see the remuneration review on pages 125 to 134). Our terms of reference and charters are regularly reviewed to ensure they continue to provide an appropriate governance structure. During 2019, in the interests of improved governance, the Board Charter and the terms of reference of the Remuneration and Nomination and Social and Ethics committees were reviewed and amended. The terms of reference of our Audit and Risk Committee are scheduled for review and amendment in 2020. RBPlat has put a new Supply Chain Policy in place, the impacts of which are discussed in the section on a fit for purpose supply chain. RBPlat's Limits of Authority Policy and our Gift Policy have also been reviewed, amended and approved by the Board. Information on our Board's governance of RBPlat, our leadership structures and our application of King IV™ is available on pages 32 to 37 of this report.

Information on the governance of our supply chain and addressing the task of embedding an ethical culture in RBPlat is provided in this section of our report. Detailed information on our governance is published in our Databook 2019, which is available on our website at www.bafokengplatinum.co.za/integrated-reports.php 

A fit for purpose supply chain



During 2019 we drafted a new policy governing our supply chain, which improves the way we do things. One of the key purposes of these changes, which will affect both our own employees and end users, is to ensure we can preserve value by protecting our supply chain from the negative impacts of fraud and corruption. All our procedures and processes are being aligned with the new policy, which ensures that both policy and purchase violations are more visible and requires that these transgressions are reported to executive management.

During 2019 we also surveyed 68% of our major suppliers to gain an understanding of their commitment to adopting sustainable practices.

The success of the engagement was measured according to the number of targeted suppliers that responded and the quality of their responses. We achieved a response rate of 74%, which we consider to be a success. The results will be used to inform further engagement with our supply chain on sustainability issues and opportunities for improving supply chain resilience. For example, it was revealed that only 10% of respondents have climate change policies, 62% have not conducted climate change risk assessments and 83% have experienced detrimental water-related impacts. These and other metrics have proved to be invaluable for identifying and understanding the climate-related risks and opportunities in our supply chain and consequently, our business.

Improving performance

During 2019 a major challenge for our supply chain has been the availability of production critical stock at Styldrift and the management of stock while the underground infrastructure and logistics were still being completed. During the fourth quarter of 2019 the infrastructure was completed and by year-end the underground stores were much better stocked and the requisite logistics were in place, allowing stock to move faster in and out from surface to underground.

There is still some surface supply chain infrastructure to be completed which will take place in 2020.

We plan to address supply chain performance management and empower our teams with tools that will equip them to better understand what is happening in their environment. To support our ability to deliver on the new policy changes we will be optimising our structures and benchmarking ourselves against similar organisations. We will also be introducing business intelligence

tools to improve our supply chain performance and contribute to the achievement of our strategic objective of reducing unit costs, which is key to the creation of stakeholder value.

Having made good progress with our supply chain at Styldrift in the last quarter of 2019 we plan to complete all the outstanding supply chain infrastructure by early 2020 and ensure that the good work done in 2019, to stabilise the Styldrift supply chain, continues in 2020.



Entrenching an ethical culture through a focus on ethics and fraud prevention in 2019

- > proactive management of fraud and corruption risks including ongoing fraud risk assessments
- > communication regarding ethics and ethics-related policies to increase awareness of RBPlat's values and code of ethics and corrective action that will be taken if they are not adhered to
- > ethics *Know your policy* awareness competition
- > detailed review of hotline calls identified for review

- > improvements made to hotline reporting
- > corrective action to address policy transgressions
- > applied learnings from ethics survey
- > management, fraud and corruption workshops.

Going forward

- > ISO 37001: inclusion of anti-bribery management principles certification by 2022
- > repeat ethics climate survey to assess progress
- > updating of fraud risk register
- > biannual management of fraud and ethics workshops.

Protecting the integrity and reputation of our business

Addressing the threat that unethical behaviour poses to the integrity of our business and its reputation remains a key focus.

Our pre-employment screening verifies that the information provided by candidates is correct. We also require our employees to:

- > complete an annual declaration of interest and 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 relationships with RBPlat employees and suppliers.

We maintain a database of employees' declarations of interests and use data analytics to identify any areas of potential employee/supplier fraud risk.

Monitoring our fraud risks

We have established a fraud risk register through which we identify our main fraud and corruption risks. These are monitored monthly and reported on quarterly to the Audit and Risk and Social and Ethics committees.



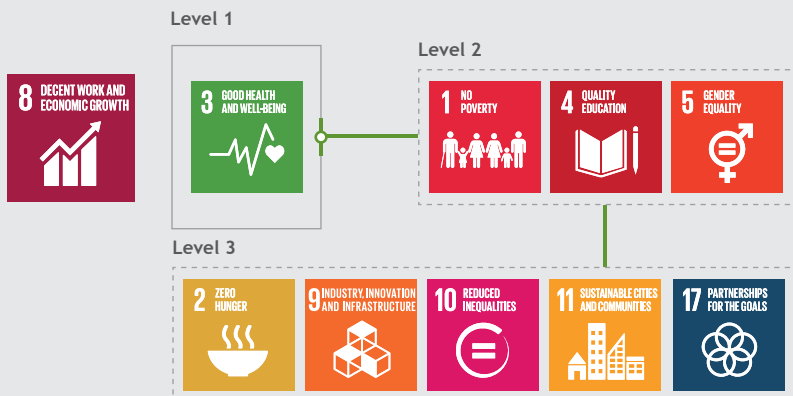


Social and relationship capital

In 2019 our investment in our social and relationship capital addresses our most material social and relationship capital issues in the short, medium and long term which are:

- > the expectations and concerns of the communities in which we operate
see page 102
- > meeting Mining Charter III targets and our *More than mining* aspiration
see pages 96 and 97
- > our stakeholder relationships
see pages 100 to 105

Other SDGs impacted



Key to our SDG focus areas:

- Level 1: Our main focus areas
- Level 2: SDGs to which we contribute directly
- Level 3: SDGs to which we contribute indirectly

SDG 8, which is one of our main focus areas, plays an important part in growing our stock of social capital. By contributing to this main focus SDG we also impact level 2 and 3 SDGs.



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

Our efforts to achieve *More than mining*, which has been our ambition since the formation of RBPlat, are governed by our incorporation of the UNGC principles in our policies and procedures and our commitment to make a meaningful contribution towards mine community development by not only meeting our own social objectives but by also meeting the requirements of our Mining Charter III SLP (see page 81 of the human capital section for information on our SLP training and development).

The process we follow to develop our SLP is consultative and includes a number of stakeholders including the communities themselves, municipalities, local government,

and the traditional authorities, which in our case is the Royal Bafokeng Nation (RBN).

The communities in which we operate have been adversely affected by the reduction in the number of jobs available in the mining industry, the poorly performing South African economy and the lack of development of industries in the area. It is therefore more important than ever before that we invest some of our social capital to address immediate short-term needs and that most of our investment goes to help the young people of these communities equip themselves for a sustainable future through education and skills development. K³

Delivering on our SLP commitments

Total SLP expenditure

Total investment over 10 years (2010 – 2019):
R944.5m

2019 investment:
R65.8m
(2018: R63.2m)



Construction work on a community house

Community infrastructure

Total investment over 10 years (2010 – 2019):
R51m

2019: **R5.3m**
(2018: R9.5m)

Education support

Total investment over 10 years (2010 – 2019):
R49.2m

2019: **R3.1m**
(2018: R5.0m)



The Grade R classroom RBPlat constructed at Mafenya Primary School

Level 3



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

Our doorstep communities

The Mafenya, Chaneng, Robega and Rasimone villages (known as MACHARORA) are the doorstep communities of BRPM and Styldrift. These villages have been the focus of our social and labour plans since 2010. The impact of our Maseve operations has to date been limited by the decision to only process ore and not to continue mining at Maseve. Thus our focus continues with the current doorstep communities. Our Maseve Mining Charter III social and labour plan commitments are, however, aimed at mitigating any impact on our doorstep communities and any other impacted areas.

2019

Fencing: Using a doorstep company to deliver the project, we supplied and installed a 4.1 kilometre cattle fence to protect community livestock.

Roads: Engineering work done on the design of the Mafenya Road will be completed in 2020, after which we envisage reconstructing and completing the road in phases over a period of five years (we engage with the Royal Bafokeng Administration (RBA) infrastructural planning

committee on this type of project to ensure alignment with their planning).

Community housing: Following consultation with the relevant community structures regarding the identification of needy families, we constructed 18 houses of 80m² each to be handed over to the identified families in the first quarter of 2020.

Plans for 2020

We will build additional homes for needy families, complete the design of the Mafenya Road and other community infrastructure needs.

Level 2



Level 3



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

Teacher development

RBPlat invests in the Thutho Thebe Educational Trust founded by the Queen Mother of the Royal Bafokeng Nation to improve education standards in the community. The trust focuses on teacher development, providing educational resources and materials for schools and strengthening school management structures and school governing bodies, while training parents to provide guidance on their children's schoolwork.

The RBPlat education support programme is one of the main and longest running special projects managed by the Royal Bafokeng Institute (RBI), whose areas of focus include early childhood development, its schools programmes, post-school programmes and teacher development.

The main focus of RBPlat's education support funding, which began in 2013, has been on an education intervention at Charora High School, which is the high school serving the MACHARORA doorstep communities. Both the maths and science classrooms were renovated and provided with updated equipment. We also funded the salaries of two additional experienced maths teachers and one additional science teacher. These teachers only started working with grade 12 learners studying for the matric exams in 2015. In 2019 the number of science teachers was increased to two.

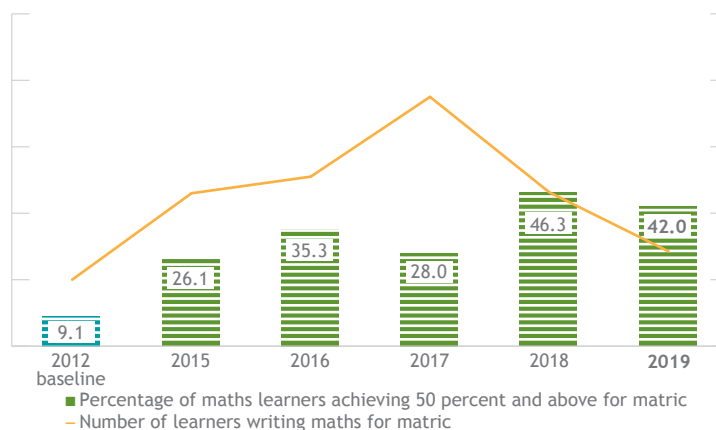
While we have used the matric results to track the progress of the intervention, these teachers have also worked with grade 10 and 11 learners and in 2019 assisted with grade 8 and 9 with the aim of building a stronger maths and science foundation.

Social and relationship capital continued

Measuring impact Maths

105% increase
in the number of learners
writing maths for matric
since the programme
started in 2013

Impact on maths performance at Charora High School*



* In 2017, 10 learners who previously failed maths were included in the class as a result of the Department of Education's progression policy. In 2018 six learners were progressed in terms of this policy and two were progressed in 2019. None of these learners were able to achieve a 50% pass. Their inclusion in the class affected the overall performance of the Group. If these learners are excluded the following percentage achieved 50% and above for maths in matric:

- 32.3% of the class in 2017
- 54.3% of the class in 2018
- 28.5% of the class in 2019

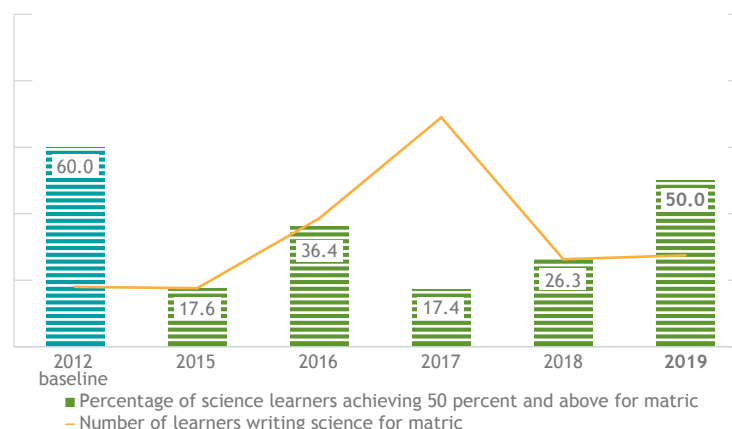
Science

111% increase
in the number of learners
writing science for matric since
the programme started in 2013



The science laboratory at Charora High School, which was provided by RBPlat

Impact on science performance at Charora High School*



* The science class results were also affected in 2018 by the inclusion of learners who previously failed science being included in the class as a result of the Department of Education's progression policy. If these learners are excluded the following percentage achieved 50% and above for science in matric:

- 20.3% of the class in 2017
- 31.3% of the class in 2018
- 27.5% of the class in 2019

The project has not only steadily improved the quality of the maths and science results, it has also resulted in an overall improvement in the quality of learner performance. Pupils at the school had never achieved distinctions for matric before the project started. In 2017 the learners achieved 11 distinctions, three of which were for maths.

Tertiary education

In total, 308 learners wrote matric between 2015 and 2018. Fifty-five of these learners (17.9%) pursued tertiary studies in various fields, however, the majority chose maths and science-related careers. Of the 30 of these learners who were studying for an undergraduate degree in 2019 and who passed, 43% of them were studying maths and science.

Encouraging maths learning in primary school

Between 2015 and 2019 RBPlat has sponsored a maths olympiad run by our education partner, the RBI. Of the four MACHARORA Primary Schools which took part in the competition, Rasimone Primary School was the best performer in 2019.

Scholarships to the Kitsong High school

The aim of Kitsong, an exciting new education venture in Phokeng

sponsored by the RBI, is to make quality private schooling accessible to anyone. The quality of the education offered at the school is reflected in the school's 2019 matric results (an 86% pass rate in the Independent Examination Board (IEB) matric exams). Linked with our investment in helping more children to study and gain 50% and over for maths and science for matric at Charora High School is RBPlat's efforts to encourage primary school children in our doorstep communities to study maths and science. To encourage them to do so we offered scholarships to five learners from our doorstep communities going into grade 8 at Kitsot in 2019 and we have provided

Community skills development

Total investment over 10 years (2010 – 2019):

R24.2m

2019: **R2.4m**
(2018: R2.1m)

Level 2



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

Poverty alleviation and job creation

Total investment over 10 years (2010 – 2019):

R37.5m

2019: **R0.2m**
(2018: R0.5m)

Level 2



Level 3



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

another five learners from our doorstep communities with scholarships to Kitsot in 2020.

Learner performance at the school is excellent. Our five learners have performed above the class subject average in maths (67%) and science (64%), with one of our learners coming first in maths with 86% and the lowest maths mark of our group being 67%. In science they did equally well with our best performer achieving 89% and the lowest mark a very credible 77%.

Plans for 2020

RBPlat will be continuing with its investment in its current education support programmes in 2020, however, the approach of the project is changing to focus more on primary school learners and the lower grades of the high school. Our intention is to

Developing skills for the mining industry

During the year under review, we continued to invest in the training of community members at the RBPlat mining academy. The 26 students enrolled in the academy in April 2019 to train as rock drill operators completed their six-month training in October 2019. Following their graduation, candidates were given permanent employment in the Company. A further group of 27 learners was enrolled in the academy in November 2019. They will complete their training at the end of March 2020 (see page 81 of human capital for information on the

Mining and agriculture are the main sources of income in the area of the North West province of South Africa where our operations are located. The drought in the region has badly affected local subsistence cattle farmers. To assist them RBPlat previously developed a database of the livestock, installed a spray race system and sprayed, tagged and treated the animals. We also repaired the existing dam, built a new dam and installed a windmill and a borehole. The biggest challenge is that there are far too many cattle for the available grazing. We continue to support the farmers through the livestock feeding programme we introduced in 2014, which in line with commercial farming methodologies provides feed during the dry months when grazing runs out.

help provide learners with a better maths and science foundation as we believe this will help achieve a better final result.

Triple Flag, with whom we signed a gold streaming agreement in October 2019, will be investing US\$100 000 annually in a fully funded scholarship programme over the life of the stream. The programme commenced with the 2020 academic year. These scholarships, which will be available for engineering, geological and other technical degrees, are expected to benefit more than 50 undergraduates from our doorstep communities and family members of our employees. This programme complements RBPlat's bursary scheme.

community members trained in electrical engineering by Styltdrift).

Our plans for 2020

We plan to take more than 50 cadets through the rock drill operators training during 2020 as part of our social and labour plan commitment.

Community leadership development

At the request of the MACHARORA community, RBPlat provided the leaders democratically elected to the Makgotla with training in administrative skills.

New opportunities

Our focus this year has been on creating opportunities for community members to become sustainable farmers. This programme included providing training in chicken farming for 16 people from our doorstep communities at the Buhle Farming Academy (www.buhle.org.za). There were 10 women and six men in the group ranging in age from 21 to 62. Once they completed their training each person was provided with a starter pack of 40 baby chickens and feed for the chickens for three months (see the case study on page 95 for more information).

Plans for 2020

In 2020 we plan to train community members in crop and poultry production and portable skills. We will also be providing community leadership development training.

Social and relationship capital continued

Health support

Total investment over 10 years (2010 – 2019):

R25.3m

2019: **R0.6m**
(2018: R1.3m)

Our contribution to health support during 2019 was mainly invested in infrastructure. It included an upgrade to the Chaneng clinic, which serves our doorstep communities, which included the ablution facility and two consulting rooms. We are also providing security guarding at the clinic.

In 2013 RBPlat commenced construction of a badly needed new

forensic pathology facility in the town of Phokeng at a cost of R13.5 million, which today serves the needs of the communities and mines in this area.

In addition we have assisted the Department of Health (DoH) with the tracking of potential TB hotspots in the community (see page 81 of human capital).

Level 1



Level 3



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

Employee housing and living conditions

Total investment over 10 years (2010 – 2019):

R257.8m

2019: **R5.9m**
(2018: R0.4m)

Our employee home ownership scheme

Our employee home ownership scheme was originally part of our commitments in terms of our Mining Charter SLP.

Phase I of our employee home ownership scheme in Waterkloof Hills Estate, a suburb of Rustenburg, completed in 2014:

> 422 homes of 80m². The Phase I homes were made available to core skills employees

Phase 2

> 734 homes of 140m² and 80m²

2019: 1 000 families living in the estate

Attractive to new employees: New employees joining RBPlat at Styldrift tell us that being able to own a home in the estate is a very attractive benefit.

Level 3



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly



Waterkloof Hills Estate, the RBPlat employee home ownership scheme

Challenges

- > **Affordability:** home ownership is new to the majority of families living in Waterkloof Hills Estate. As a result, they were not accustomed to all the costs involved. Also, our initial credit vetting process did not provide us with a full picture of the indebtedness of some of our employees and, consequently, their ability to afford the payments for their home. We have since remedied this situation and are much better equipped to assess employees' ability to afford a home. We continue to invest in ensuring our employees are provided with the information they need to understand what their financial commitments will be when they purchase a home.
- > **Distance from the mine:** The Mining Charter emphasised the need to ensure that the location of employee home ownership schemes

should ensure that their value would not be negatively impacted by the end of life of a mine. With this in mind it was agreed with the union leadership that the homes should be located near Rustenburg. This means that our employees need to travel approximately 40km to and from the mine. In the spirit of *More than mining* and to assist employees RBPlat provides subsidised bus transport to and from the mine.

- > **Providing schooling:** Initially, we expected that the home ownership scheme would grow more rapidly than it has. As a result there were not enough children in the estate to justify establishing a school. This situation has now changed and, partnering with the Department of Education (DoE) of the North West

province, we will be providing early childhood development facilities from 2020, followed by full schooling for all grades catering for 2 000 learners by 2022. RBPlat and the DoE will share the funding of these facilities and the DoE will be staffing the school. Rustenburg needs more schools so this school project will also provide for learners from outside the estate.



Trade-off

We were able to provide a black women-owned bus company with a growth opportunity when they were awarded a contract to transport our employees (see page 98).

A chance of a better life

The need to provide community members with the skills and resources to build a better life is a key element of our poverty alleviation and job creation programmes. Being able to produce food not only provides community members with a potential source of income, but also helps them feed their families. The training in chicken farming we funded for 16 community members will hopefully achieve this.

Among the 16 community members who received training in chicken farming some had previous experience in raising chickens and others had no experience at all. Lenah, an unemployed young woman told us: 'I just knew that I have to give the chickens food and water and a few other basic things. Here they have shown us how to do things differently. I am grateful for the skills they have imparted and will implement them'.

Neo Molemi, who is 27, has a small garden in which he grows vegetables, which he sells. He previously worked at a chicken farm and had always dreamt of being able to breed and sell

chickens, but didn't have the means to start his own business and has been unable to find employment. He says that the training is important as it gives him the theoretical background necessary to justify the practical side of things and the starter kit of chickens and chicken feed will get his business going.

Bigboy Semanya (29), from Robega village and 53-year-old Jeremia Pretoria from Rasimone village both already had chickens at home. Bigboy said: 'I hope the training I receive here will help increase my stock, the information we are receiving here is very good.' Jeremia told us that the training he received has opened up his mind to be more of a businessman as he now has the skills needed to handle such a business.

Other members of the group were Angie Molele (26) and Keotshpile Pitse (21) who are both unemployed. They are optimistic about the confidence the training has given them to start a business. They previously didn't have the financial resources to do so. The starter pack



Community members receiving training at the Buhle Farming Academy

they have been provided, together with their newfound knowledge, will help them get going. Keotshpile told us: 'I came here not knowing anything about this business but now my love for chickens has grown. Even at night we came to check if our babies are okay. I have developed a love for them'. Her passion was apparent and infectious.

Social and relationship capital continued

Enterprise and supplier development

Total investment over 10 years (2010 – 2019):

R8.5m

2019: **R2.0m**

(2018: R2.3m)

Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all is one of our four main SDG focus areas

SDG 8, which is a main focus area for RBPlat, involves not only our ability to grow our stock of human capital but also our ability to grow our social capital by promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work.

Our supply chain, through its procurement from historically disadvantaged South African (HDSA) businesses, and in particular doorstep and local HDSA businesses, can make an important contribution to SDG 8.3. By employing people from our doorstep communities we are able to contribute to SDG 8.5 by providing them with full and productive employment and decent work.

Other SDGs impacted

Level 1



Level 2



Level 3



Key to our SDG focus areas:

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SDG 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services

Procurement KPIs

Performance

2019

2018

	2019	2018
Procurement spend with HDSA businesses	R3 534.7m ↑ 12.3%	R3 146.6m
Percentage of total discretionary procurement spent with HDSA companies	86.6% ↓ (0.1%)	86.7%
Procurement from local* HDSA businesses	R1 687.9m ↑ 11.8%	R1 509.8m
Procurement from doorstep HDSA businesses	R179.1m ↑ 82.6%	R98.1m

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

We achieved a pleasing 11.8% increase in our procurement from local HDSA businesses in 2019. We were also able to increase our procurement from our doorstep HDSA businesses by 82.6%, following our focus on enterprise and supplier development in our doorstep communities during 2019.



Details of our procurement spend during 2019 is available on page 27 of our Databook 2019 at www.bafokengplatinum.co.za/integrated-reports.php.

SDG 8.5
 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Community employment KPIs

Performance

	2019	2018
Number of enrolled employees hired from our doorstep and local communities**	341 ↓ (47.6%)	651
Number of women employees from doorstep and local communities	527 ↑ 17.4%	449

** During 2019, 30 young people without a matric certificate and not in employment, education or training were employed at Styldrift. Their employment provides them an opportunity to enjoy full and productive employment. Their continued employment is conditional upon them taking advantage of the study assistance we provide and achieving a matric certificate. They will then also have the opportunity to study further and build a career.



Women at work at the BRPM concentrator

Introduction

Our business

Leadership and governance

Our performance

Accountability and shareholder information

Social and relationship capital continued



Creating value for our communities by delivering on our commitment to local business

Following our CEO's engagement with doorstep companies in 2018, RBPlat developed a strategy aimed at providing the support these businesses need to grow and become sustainable. This included engaging two consulting companies who specialise in business development and funding assistance, establishing the RBPlat business hub at which these consultants are based and providing access to vendor registration and computer and printing facilities. The business forums we established provide doorstep businesses with preferential access to procurement opportunities at our operations and our strategy includes setting aside certain procurement opportunities for our doorstep communities.

Our supply chain has a key role to play in delivering on the commitment our Chief Executive Officer made in August 2018 to support the growth and sustainability of doorstep businesses by providing them with access to business development skills, funding assistance and preferential access to procurement opportunities at our operations. Our efforts in this regard during 2019 have resulted in a significant improvement in our spend with these doorstep communities. We plan to achieve our ambition of increasing local discretionary procurement. We recognise that building and growing sustainable local businesses is a long-term process, however, some of the local businesses that we have assisted and from whom we procure have already made good progress and you can also read about their progress on these pages.

To further support our enterprise and supplier development goals we appointed a manager dedicated to enterprise and supplier development in 2019.

Our progress with regards to enterprise and supplier development



Prudence Rapoo



Lebogang Mataboge

Meaningful procurement from a black women-owned joint venture

Prudence Rapoo and Lebogang Mataboge, who both come from our doorstep communities, clearly have the courage it takes to become entrepreneurs. They both had good jobs (Prudence as a lawyer, and Lebo in insurance marketing), but their determination helped them find the courage to give up their jobs and work full-time at becoming successful entrepreneurs.

It has been a frustrating journey for both of them as their lack of technical expertise and capacity had until recently hindered their ability to secure substantial contracts.

Having identified a suitable technical partner, they were well-positioned to tender for the provision of bus transport.

To their delight they were awarded a tender to transport RBPlat employees and now their joint venture is using its 12 buses to transport our employees to and from their homes in the Waterkloof Hills Estate near the town of Rustenburg.

Prudence and Lebo plan to use this opportunity to prove themselves and expand their transport business in the future.



Tables detailing our performance against the Mining Charter III procurement and enterprise and supplier development targets are provided in our Databook 2019, which is available on our website at www.bafokengplatinum.co.za/integrated-reports.php. We are in the process of changing our systems and processes in order to align them with the requirements of the new Charter. As a result, we are not as yet able to meet all its reporting requirements.

A seasoned entrepreneur

Dan Sekano started work at BRPM in 1998. During the nine years he worked at the mine he was responsible for the maintenance of the mine's fleet and for the sourcing of equipment such as cranes. His work made him realise there was an opportunity to start his own plant hire business. A big obstacle to starting such a business was the capital required to fund the purchase of this type of equipment.

Armed with a letter of intent from a potential client he was assisted by Royal Bafokeng Enterprise Development (RBED), the joint fund it had in place with Absa and the excellent relationships he had established with equipment suppliers during his time at BRPM, to buy his first crane and start his business.

Now no longer an employee of BRPM he signed his first contract for crane hire in 2007 and he has now been a vendor with BRPM for over 11 years. Today, he has over 25 pieces of equipment, including four cranes, that are used by BRPM, Styldrift and the Maseve concentrator.



Dan Sekano

A meaningful employer

Dan, who grew up in Rasimone village, now lives in Mafenya village. He employs over 70 people, most of whom are members of our doorstep communities. Kedase Business Projects has trained local people and ensured they are certified to operate its equipment. Dan is in the process of taking on an additional employee who is qualified to assess the skills levels of his operators and certify them. He also plans to offer this service to other equipment hire companies.

Sustainability through diversification

Dan has not restricted his business to his original idea, instead he has used the capital he built from his first business to diversify. He currently also has a guesthouse, a recording studio and a business that produces television content.

Level 1



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

Our community supply chain goals for 2020

There are a number of initiatives intended to grow the number of doorstep companies that are suppliers to RBPlat which we will be busy with in 2020.

An initiative that will continue in 2020 is the identification of specific opportunities that can be set aside for doorstep companies.

An important initiative is our engagement with the local small businesses on our database with the aim of gaining a better understanding of their businesses, what services they can offer and their capabilities. We aim to grow our procurement from these businesses and their sustainability through this process. There are over 300 doorstep small businesses on our database. We were able to interview approximately 92 of these businesses in 2019 and will continue with further initiatives in 2020.

Addressing challenges for potential suppliers

When we interviewed community members it was clear that in the past many of them didn't know where to start when it came to registering as a potential supplier to RBPlat. The feedback we have received is that setting up of a business hub at the entrance to BRPM where they can register as a vendor, seek support from our procurement and enterprise development team and business development and funding assistance from service providers, has made the process much more user friendly.

Our stakeholder relationships

Our value: Promises delivered, is an important element of our engagement and response to our stakeholders

Defining the nature of our relationships

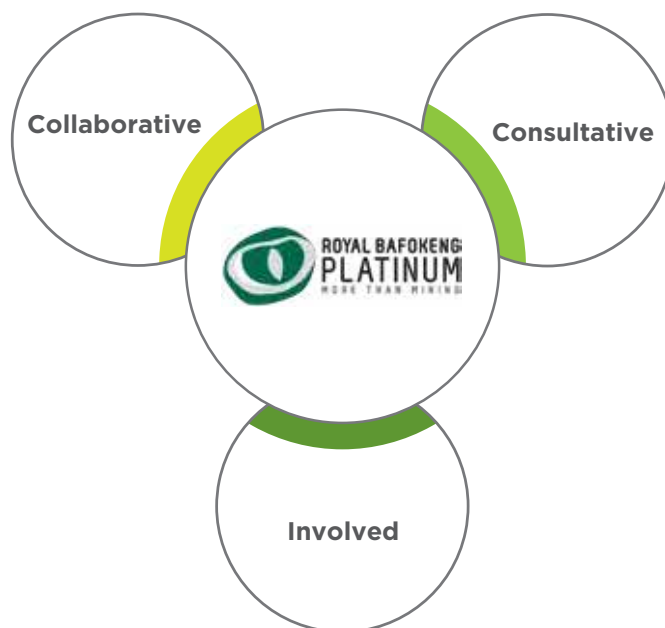
Stakeholder engagement is an integral part of everything we do.

To define our relationships we:

- > **Analyse** the impact, influence and value a relationship can have on RBPlat and on our stakeholders
- > **Identify** our:
 - key stakeholders based on their influence on our business
 - stakeholder goals
 - material issues and the risks and opportunities arising from our relationships with our stakeholders
- > **Categorise** them depending on their influence on RBPlat as consultative (key influence), involved (important influence) and collaborative (medium influence)
- > **Design and implement engagement strategies** and plans to assist us in developing and maintaining quality relationships with our stakeholders.

The nature of our relationships

Our relationships are categorised according to their influence on RBPlat

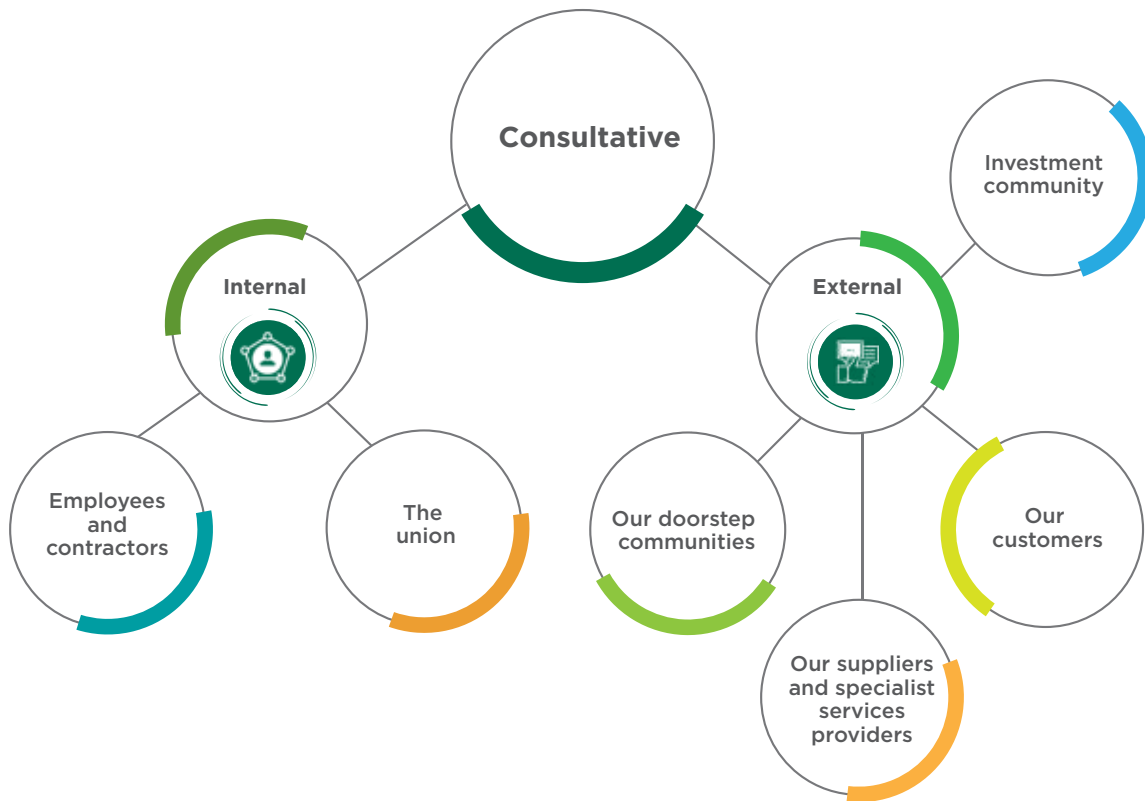






Assessing our relationships in 2019

In most cases the assessment of the quality of our relationships is based on an internal subjective assessment. We did, however, engage independent researchers to conduct a pilot stakeholder relationship assessment in 2015 and the conduct of a second survey began in the fourth quarter of 2019 and will be completed early in 2020. These assessments cover the quality of our relationships with our doorstep community leadership. Our assessment of these relationships is based on the results of our research.

We also conducted research (perception analysis) into how the investment community views RBPlat in 2018 and these results, as well as feedback from our regular engagement with the investment community, has been used to assess the quality of these relationships.

Key influencers



Stakeholder	Quality of the relationship	Material issues for both parties	Response in 2019
Consultative relationships			
Internal relationships			
Employees and contractors 		<ul style="list-style-type: none"> > Safe workplace > Affordability of housing in home ownership scheme and provision of schooling > Adherence to RBPlat code of ethics and fraud and corruption policy 	<ul style="list-style-type: none"> > Ongoing efforts to increase safety in the workplace > Housing affordability being addressed through improved credit vetting processes and ongoing engagement. Provision of schools starting in 2021 > Increased communication on ethical behaviour and improved policies, procedures and processes
The union (NUM) 		<ul style="list-style-type: none"> > Relationship between new NUM leadership and RBPlat > Negotiation of new wage agreement > Impact of full calendar operations (Fulco) at Styldrift 	<ul style="list-style-type: none"> > Ongoing engagement with NUM leadership to establish good working relationship and a mutual understanding of key issues > Wage agreement completed

Key:












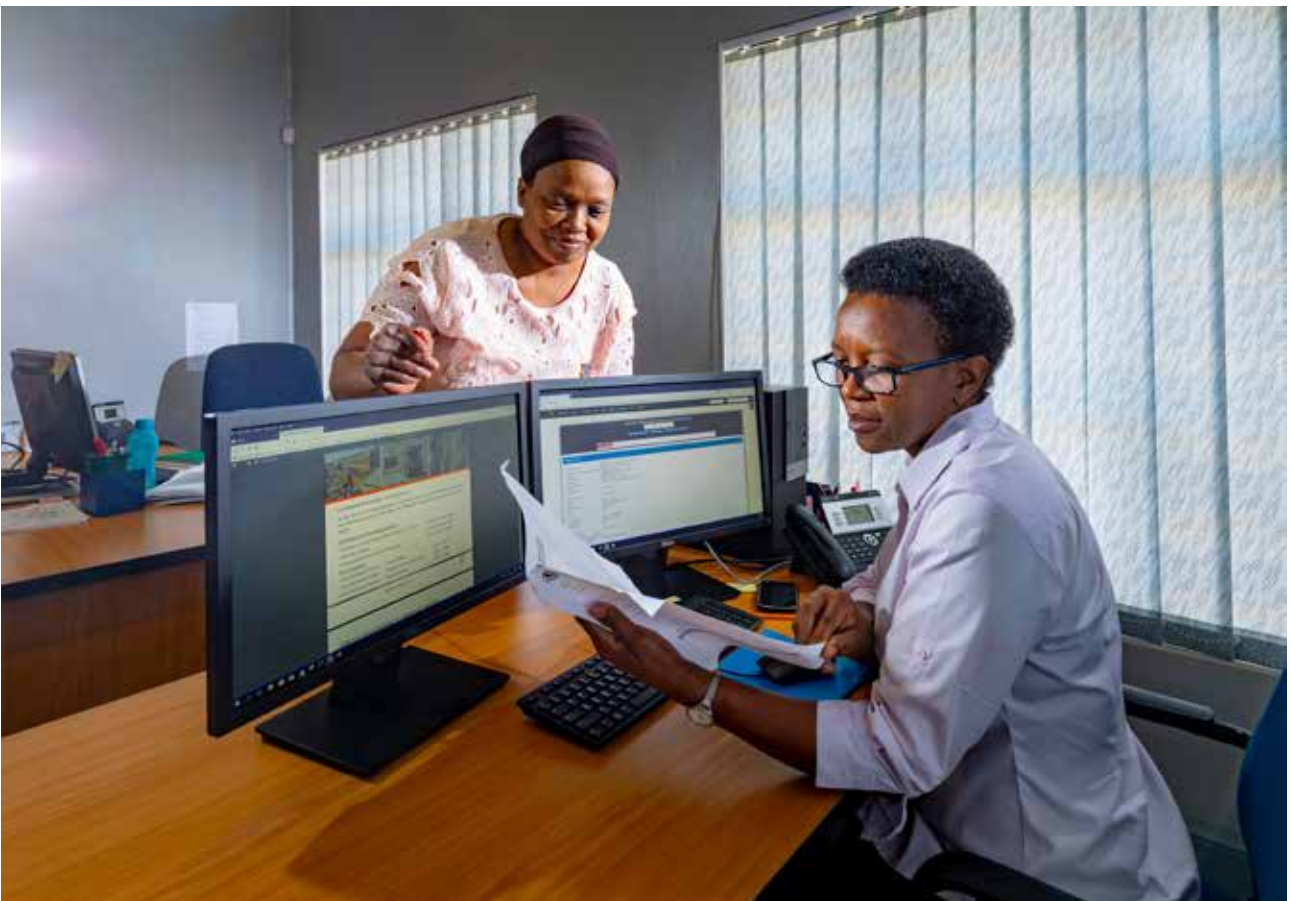
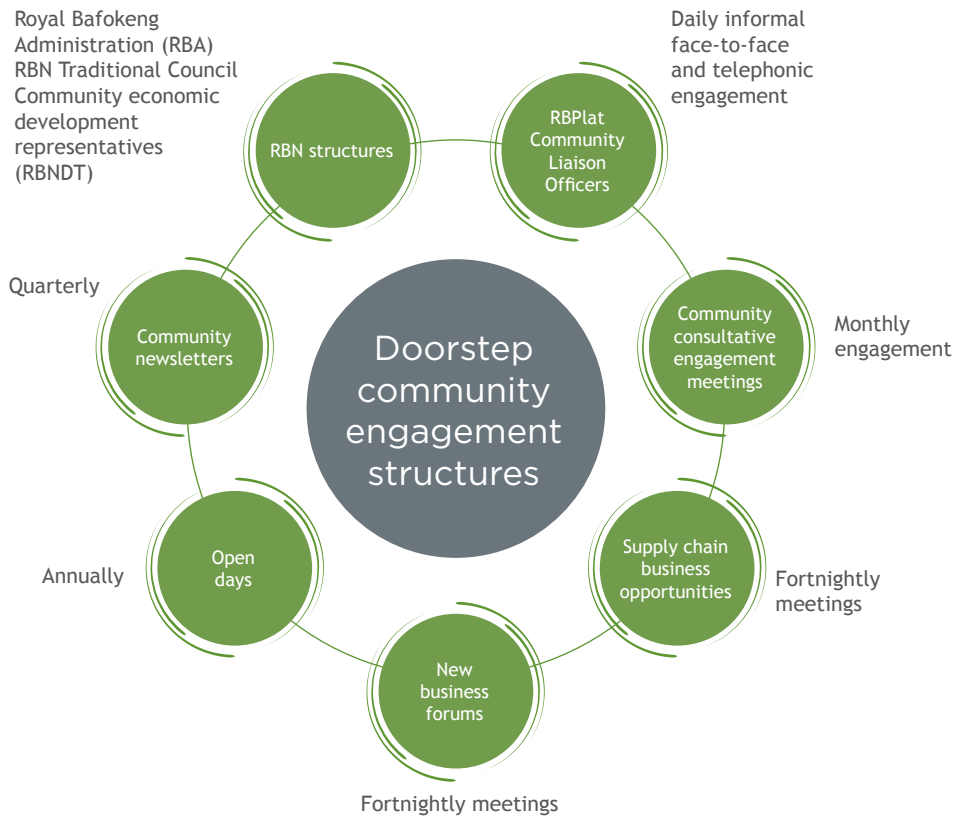
Strong relationships



Cordial relationships

Social and relationship capital continued

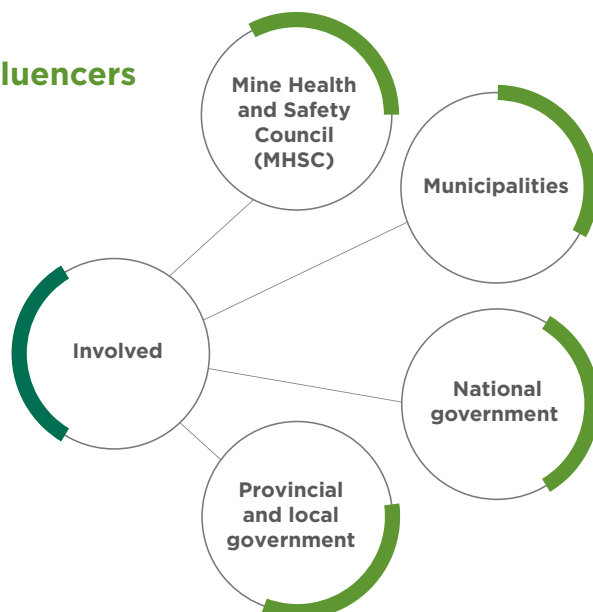
Stakeholder	Quality of the relationship	Material issues for both parties	Response in 2019
Consultative relationships External relationships			
Investment community 		<ul style="list-style-type: none"> > RBPlat's ability to ramp up Styldrif to 230ktpm by the third quarter of 2020: <ul style="list-style-type: none"> – Steady state costs at Styldrif – Concern regarding production and cost guidance not being achieved > Overhead structures and costs > Environmental, social and governance (ESG) performance > BRPM UG2 mining strategy and its sustainability > Succession planning > Capital allocation > Executive remuneration and reporting on KPAs 	<ul style="list-style-type: none"> > Investment community kept informed of progress and ability to achieve ramp-up (see www.bafokengplatinum.co.za/conference-and-site-visit-presentations.php)  > Board investor roadshow to engage with investors on RBPlat's strategy and operational performance, its ESG objectives and remuneration policy amendment > Ongoing process under way to contain costs addressed with investment community > ESG key performance indicators in place and reported on > Capital allocation framework reviewed
Doorstep communities  <i>(see the graphic on the next page of our doorstep community engagement structures)</i>		<ul style="list-style-type: none"> > Expectations and concerns of communities > RBPlat's management of community expectations and in particular business opportunities and employment > Results of stakeholder relationship assessment 	<ul style="list-style-type: none"> > Investment in enterprise and supplier development and CEO engagement with local HDSA businesses to understand community expectations > Increased procurement from local HDSA businesses > Job opportunities for community youth > Skills development and training > Poverty alleviation through provision of training to develop micro enterprise chicken farming and provision of livestock feed > Infrastructure investment > Construction of homes for in-need community members > Education support investment aimed at equipping learners for tertiary education opportunities > Bursary and graduate development programmes > The results of the survey we conducted in our doorstep communities will be available in 2020
Suppliers and service providers 		<ul style="list-style-type: none"> > Continuity of work > RBPlat ethical standards and adherence to fraud and corruption policy > Preferential procurement 	<ul style="list-style-type: none"> > New supply chain policy, procedures and processes to ensure fair procurement practices and adherence to RBPlat's ethical standards and fraud and corruption policy > Increasing HDSA, and in particular local HDSA procurement
Our customers 		<ul style="list-style-type: none"> > ESG performance of South African PGM mines > Quality of our product 	<ul style="list-style-type: none"> > Successfully engaged through the IPA with European original equipment manufacturers (OEM) who use the PGMs we produce to address their view of our industry











A community member receiving assistance with her registration on the RBPlat vendor database

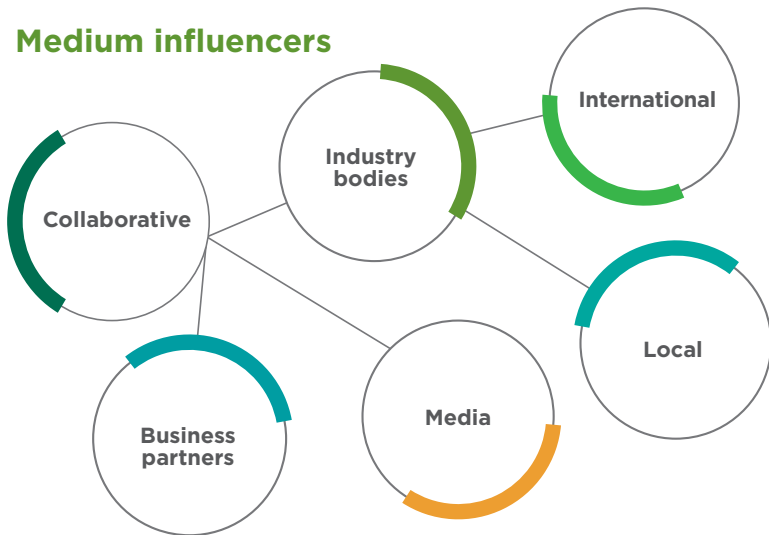
Social and relationship capital continued

Important influencers













Stakeholder	Quality of the relationship	Material issues for both parties	Response in 2019
Involved relationships			
Government and regulators			
MHSC 		<ul style="list-style-type: none"> > Health and safety in the South African mining industry 	<ul style="list-style-type: none"> > RBPlat will continue to achieve the targets set at the last safety summit held by the MHSC
Municipalities 		<ul style="list-style-type: none"> > Rustenburg Municipality's ability to provide utilities and infrastructure for employee home ownership scheme > RBPlat's commitment to supporting the integrated development plan (IDP) 	<ul style="list-style-type: none"> > RBPlat is working with the municipality to ensure the provision of utilities to home owners and accurate billing of home owners for services rendered > RBPlat engages with the municipality when preparing its SLPs with the aim of supporting the IDP
Provincial and local government 		<ul style="list-style-type: none"> > Assessment and approval of environmental impact assessments (EIA) 	<ul style="list-style-type: none"> > All EIAs are submitted to the department for assessing and approval. RBPlat is currently liaising with the department regarding the outstanding approval of the EIA, which is delaying the construction of the overhead conveyor belt between Styldrift and Maseve
National government 		<ul style="list-style-type: none"> > Safety and health performance > Compliance with legislation and regulations > Environmental management programme (EMPR) compliance > Compliance with Mining Charter III 	<ul style="list-style-type: none"> > We engage with the Department of Mineral Resources and Energy (DMRE) on safety and initiatives to improve safety > Our regulatory compliance framework, compliance risk policy and regulatory risk management plans and processes ensure our compliance with current legislation, new legislation and amendments to current legislation K¹³ > Our <i>More than mining</i> approach addresses most aspects of our SLPs. The mining industry, through the Minerals Council of South Africa is addressing certain aspects of Mining Charter III with the DMRE

Medium influencers



- > International Platinum Group Metals Association (IPA)
- > World Platinum Investment Council (WPIC)
- > Platinum Guild International (PGI)

- > Minerals Council of South Africa (Minerals Council)

Stakeholder	Quality of the relationship	Material issues for both parties	Response in 2019
Collaborative relationships			
Industry bodies			
International: IPA WPIC PGI   		<ul style="list-style-type: none"> > Market and industry developments > Demand for PGMs, WPIC promotes investment demand for platinum and platinum jewellery globally 	<ul style="list-style-type: none"> > Through its membership of these international industry bodies RBPlat is able to keep abreast of industry and market trends, represent the South African PGM industry both in terms of its reputation, stimulating investment demand for platinum and the promotion of platinum jewellery globally
Local: Minerals Council   		<ul style="list-style-type: none"> > Engagement and negotiations with government on behalf of the mining industry > Industry safety, health and environmental initiatives 	<ul style="list-style-type: none"> > Participation where required in Mineral Council government negotiations > Participation in industry-wide initiatives to improve safety, health and environmental management
Media  		<ul style="list-style-type: none"> > Accurate and fair news coverage regarding RBPlat > RBPlat spokespeople readily available 	<ul style="list-style-type: none"> > Commitment to being available to responding to inquiries from media representatives > Press releases provided on key RBPlat events > Inclusion of the press in invitations to attend results presentations
Business partners  		<ul style="list-style-type: none"> > Performance against our offtake agreement with Amplats > Implats royalty agreements 	<ul style="list-style-type: none"> > Regularly engage with business partners to ensure performance in terms of agreements

Introduction

Our business

Leadership and governance

Our performance

Accountability and shareholder information



Natural capital

In 2019 our investment in our natural capital addresses our most material natural capital issues in the short, medium and long term which are:


- > **Mineral Resources and Mineral Reserves**
see pages 107 to 111
- > **Environmental management**
see pages 112, 121 and 122
- > **Climate change management**
see pages 113 to 119

Issues material to our natural capital

Two of the SDGs, which are main focus areas for RBPlat, involve our ability to grow our stock of natural capital.

They are SDG 12: responsible consumption and production and SDG 13: climate action.

The KPIs we use to measure our environmental and climate change performance are aligned to the SDG 12 and 13 specific targets. Further details of the performance of our various operations can be found in our

 Databook 2019 at www.bafokengplatinum.co.za/integrated-reports.php.

Other SDGs impacted



Our approach to Mineral Resource and Mineral Reserve classification

The continual upgrading of Mineral Resource and Mineral Reserve classifications through exploration, innovation and sound scientific practices gives RBPlat a competitive advantage in the understanding of its ore body characteristics. This allows optimal mine design applications, which ensures safe, sustainable and economically viable mining operations. Accurate and transparent reporting principles form the foundation of the mineral asset valuation at our operations, which ensures increased reliability in adding value to all investors and stakeholders.

Mineral Resources and Mineral Reserves

Introduction

This section of the integrated report provides a summary of the status of our mineral asset as at 31 December 2019. The RBPlat Mineral Resources and Reserves statement 2019, providing supplementary comprehensive information on our mineral asset is available on our website at <http://www.bafokengplatinum.co.za/our-mineral-reserve-and-resources.php>.



www.bafokengplatinum.co.za/our-mineral-reserve-and-resources.php

Mineral Resources and Mineral Reserves are reported in accordance with the guidelines and principles of the South African Code for the reporting of exploration results, Mineral Resources and Mineral Reserves (SAMREC Code) and section 12.11 of the Listings Requirements of the JSE. Compliance to the SAMREC Code ensures RBPlat's published Mineral Resources and Reserves provide stakeholders, interested parties and investors with the confidence that the declaration is reliable and transparent when making informed decisions.

RBPlat's mining operations are located on the Western Limb of the Bushveld Igneous Complex, adjacent to the south of the Pilaansberg Alkaline Complex. Rocks predominantly of the lower, critical and main zones of the Rustenburg Layered Suite (RLS) underlie the RBPlat operations. Felsitic rocks of the alkaline complex occur on a small portion of the RBPlat mining rights in the far north-eastern area. The operations are extracting ore from the two primary and

economically favourable PGM enriched stratigraphic horizons, the Merensky reef and the UG2 reef. Both reef horizons contain concentrations, at different grades, of base metal sulphides and PGMs, of which the Merensky reef historically has been the most important platinum producing layer in the Western Bushveld Complex. The PGMs consist of platinum (Pt), palladium (Pd), iridium (Ir), rhodium (Rh), osmium (Os) and ruthenium (Ru) with the addition of gold (Au). Base metals within the PGM matrix are copper (Cu) and nickel (Ni).

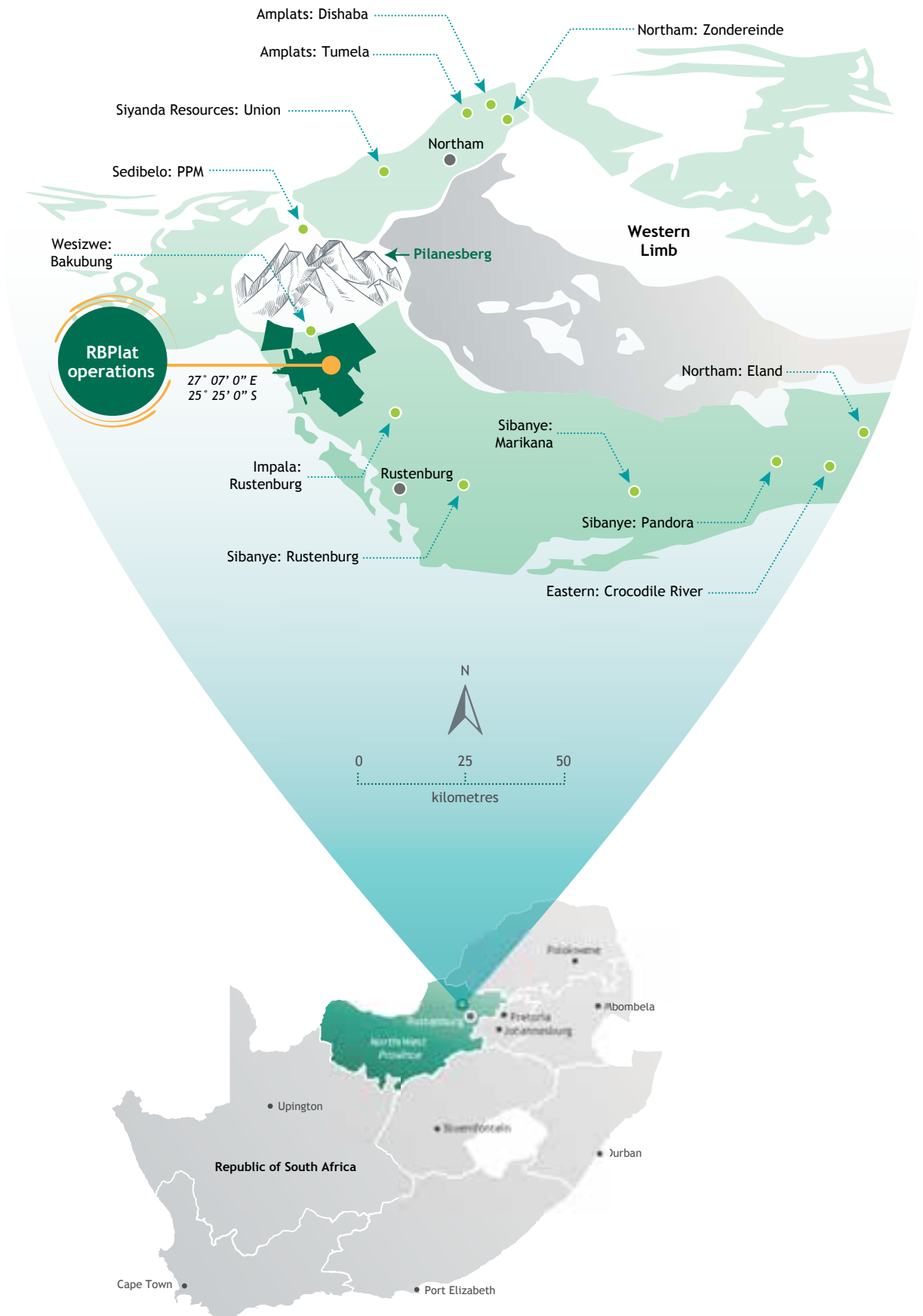
Mineral Resources and Mineral Reserves key criteria

- > Grades and ounces are stated as the summation of four elements (4E) namely platinum, palladium, rhodium and gold
- > Tonnes are reported in metric units
- > Ounces are reported in troy ounces with a 31.10348 metric gram per ounce factor applied
- > Rounding of figures may result in computational variance



Exploration field mapping

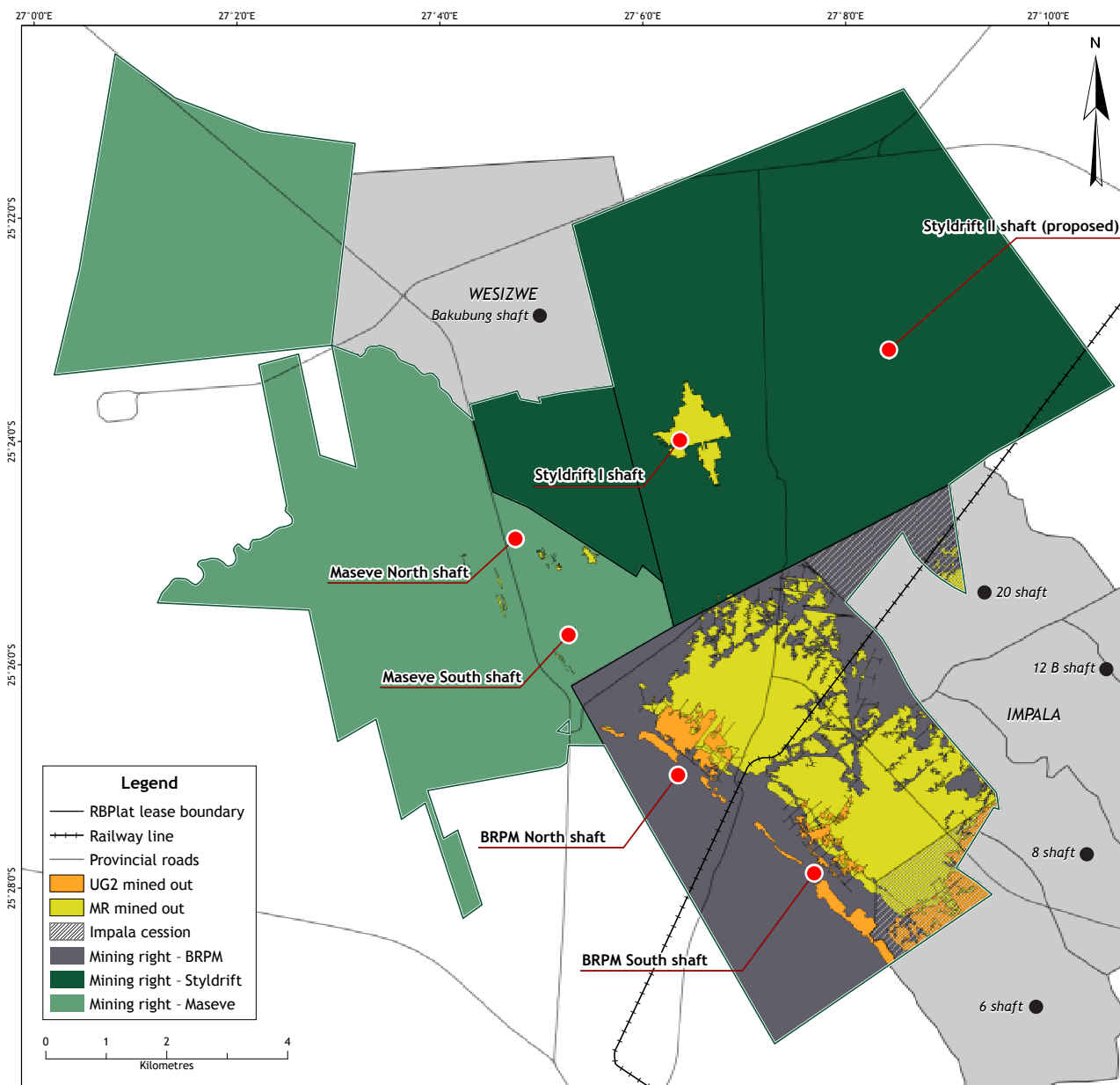
Natural capital continued



Location of the RBPlat operations

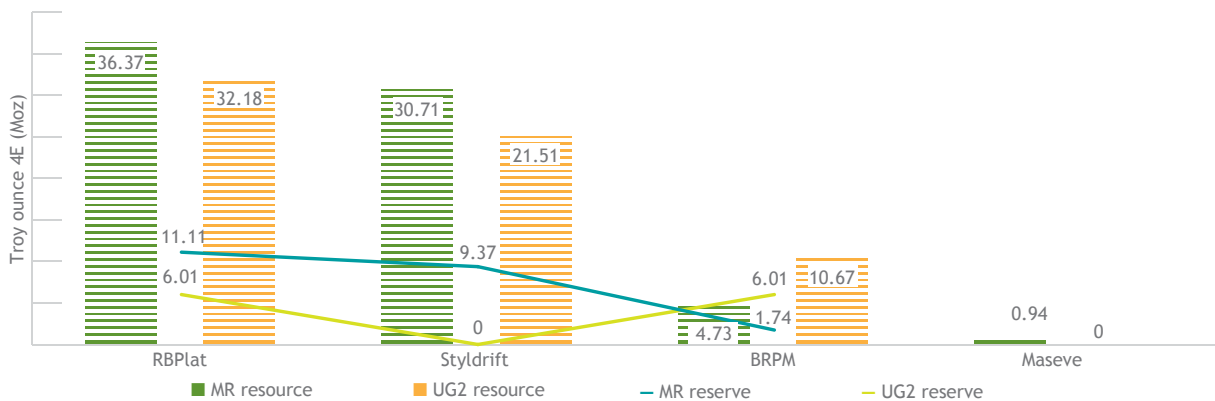
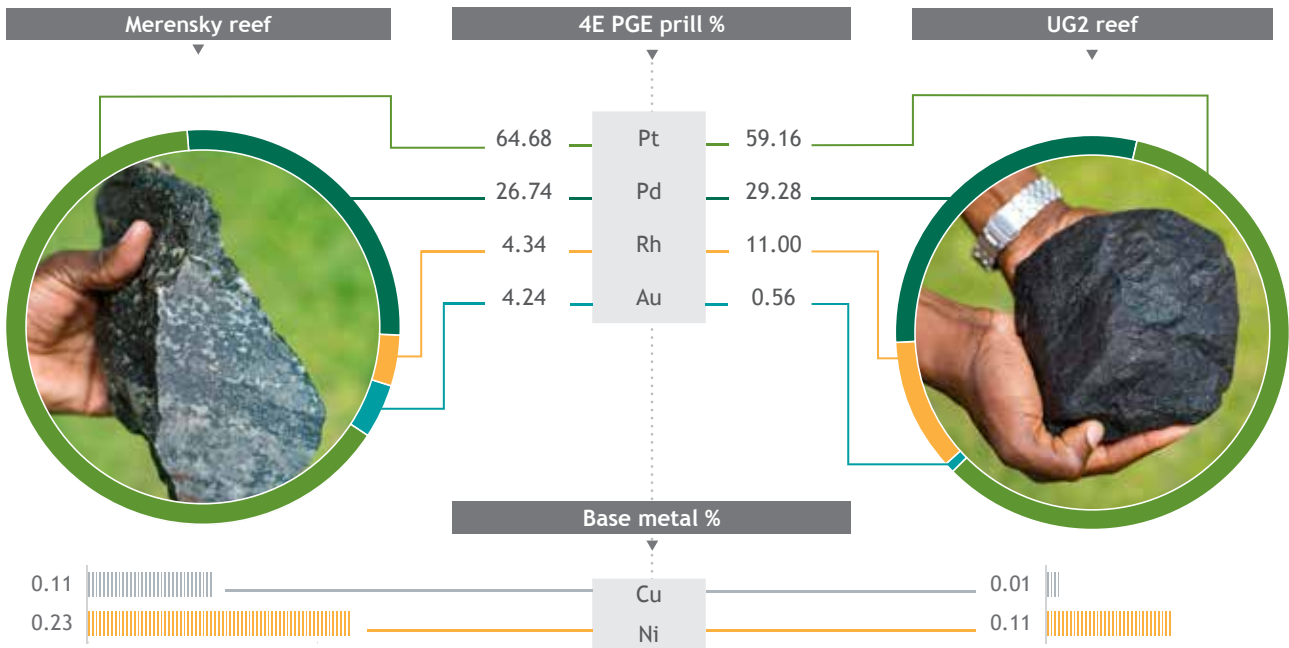
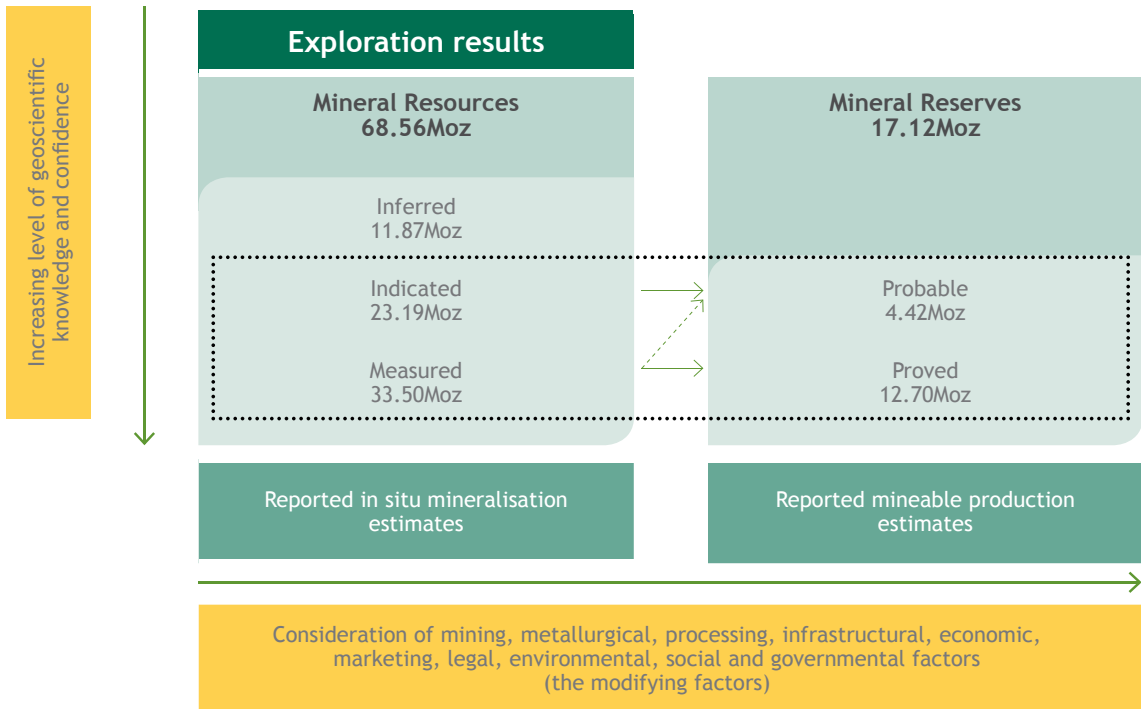
RBPlat's operations include the Bafokeng Rasimone Platinum Mine (BRPM) North and South shafts, Styldrift I shaft and the recently acquired Maseve Mine, which is under care and maintenance. In 2019 the DMRE consented to the acquisition of the Rustenburg Platinum Mines' (RPM) remaining 33% interest held by Anglo American Platinum in the BRPM Joint Venture as per the provisions of section 11 of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA) as amended. The BRPM and Styldrift Mines are now 100% owned by RBPlat's wholly owned subsidiary, Royal Bafokeng Resources Proprietary Limited (RBR).

Following the acquisition of the full share capital of Maseve Investments 11 Proprietary Limited (Maseve), RBPlat wholly owns the Maseve Mine and associated mining right previously owned by Platinum Group Metals (RSA) Proprietary Limited (PTM(RSA)). A reinterpretation of the Maseve Merensky geological models (structural and resource evaluation) using first principles was completed by a group of Competent Persons within the RBPlat geology department. The Maseve Mineral Resource for the Merensky reef as of 31 December 2019 is detailed in the Mineral Resources and Reserves statement. A review of the Maseve UG2 geological models is in progress.



RBPlat mining rights

Natural capital continued



Mineral Resource summary

The Mineral Resource update for 2019 comprises the inclusion of the reinterpreted Maseve Mine Merensky resource estimate. The last official Mineral Resource and Mineral Reserve statement for Maseve was published in July 2015 and signed off by Competent Persons on behalf of PTM. The review and reinterpretation of the Maseve Merensky geological model was based on first principles using exploration drillhole intersections, underground drilling, underground sampling, historic mined out areas and knowledge of the local and regional facies. There are no material differences between the Mineral Resource declared in 2018 and 2019 for the UG2 as the review for the Maseve UG2 geological models is still in progress. Geological structures and associated losses were updated for both the Merensky and the UG2, in accordance with the annual cycle for input into the resource reporting.

RBPlat inclusive Mineral Resources

Reef	Mineral Resource classification	Tonnes (Mt)		Grade 4E (g/t)		Troy ounces 4E (Moz)	
		2019	2018	2019	2018	2019	2018
Merensky	Measured	73.68	74.32	7.58	7.55	17.95	18.05
	Indicated	49.75	50.26	7.08	7.07	11.32	11.42
	Inferred	29.35	25.85	7.53	7.76	7.10	6.45
	Total	152.77	150.43	7.41	7.43	36.37	35.91
UG2	Measured	92.86	94.69	5.21	5.20	15.55	15.83
	Indicated	74.11	73.14	4.98	4.99	11.87	11.73
	Inferred	29.66	29.69	5.00	5.00	4.77	4.78
	Total	196.63	197.52	5.09	5.09	32.18	32.34
Total	Measured	166.54	169.01	6.26	6.24	33.50	33.88
	Indicated	123.85	123.40	5.82	5.84	23.19	23.16
	Inferred	59.01	55.54	6.26	6.28	11.87	11.22
	Total	349.40	347.96	6.10	6.10	68.56	68.26

Mineral Reserve summary

The total RBPlat Mineral Reserves remained relatively unchanged after depletion, with an increase in confidence in some areas consequently converted to reserve. Merensky reserve tonnage compared to 2018 reduced by 0.2%. Annual depletion was offset by an increase in Styldrift reserves with a movement of inferred to indicated resources. The total reserves remain relatively unchanged with tonnes depleting from 75.33Mt to 75.21Mt and 4E ounces increased from 10.96Moz to 11.11Moz, with the average grade increasing by 1.5%. Only UG2 reef of BRPM was converted to a reserve, 6.01Moz at a 4E grade of 3.83g/t. Proved reserves in the General facies were upgraded from probable reserves due to the planned increase in concentrator capacity, total reserves being 48.76Mt yielding approximately 6.01Moz. Total UG2 Mineral Reserve tonnage decreased by 2.3% from 49.89Mt to 48.76Mt after depletion. The 4E ounce content decreased by 2.3% from 6.15Moz to 6.01Moz with the tonnage depletion and a 0.3% decrease in estimated grade.

RBPlat Mineral Reserves

Reef	Mineral Reserve classification	Tonnes (Mt)		Grade 4E (g/t)		Troy ounces 4E (Moz)	
		2019	2018	2019	2018	2019	2018
Merensky	Proved	53.89	53.17	4.66	4.66	8.08	7.97
	Probable	21.32	22.16	4.43	4.20	3.03	2.99
	Total	75.21	75.33	4.60	4.53	11.11	10.96
UG2	Proved	37.38	7.74	3.84	4.04	4.62	1.01
	Probable	11.38	42.15	3.80	3.80	1.39	5.15
	Total	48.76	49.89	3.83	3.84	6.01	6.15
Total	Proved	91.27	60.91	4.33	4.58	12.70	8.97
	Probable	32.70	64.32	4.21	3.94	4.42	8.14
	Total	123.97	125.22	4.30	4.25	17.12	17.12



The precautionary approach we have adopted to environmental management is based on best practice, legal compliance and maintaining our environmental and social licence to operate

Ultimate responsibility for environmental management, climate change mitigation and adaptation rests with our Board of Directors and our CEO, assisted by the Board's Social and Ethics Committee. The Social and Ethics Committee also provides overall direction on our sustainability.

Operational accountability

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

Responsibility for the development and implementation of the Board-approved sustainability framework and policy, climate change, energy and water management strategies lies with the Head: Corporate Sustainability who reports to the Executive: Strategy, Risk, Assurance and Sustainability.

Compliance and control

Responsibility for the implementation of our Board-approved environmental policies and procedures, ensuring they are aligned with legal and regulatory requirements and environmental compliance and auditing lies with the environmental management team.

Environmental legal compliance audits and Environmental Management Programme Report (EMPR) performance assessments are conducted biennially at Styldrift and annually at BRPM (mine and concentrator) and Maseve, by independent environmental specialists. The findings are managed through our environmental management systems (EMS) and reports are submitted to the DMRE.

All our operations operate under their approved water use licences (WUL). Internal and external independent compliance audits are conducted annually and reports from these audits are submitted to the Department of Human Settlements, Water and Sanitation (DHSWS). Progress against our water efficiency targets is tracked through our governance structures; Management Performance Review (MPR); the Social and Ethics Committee and, ultimately, the Board.

Financial implications of the Carbon Tax Act

The Carbon Tax Act was signed into law in May 2019 with the first stages of the tax effective from June 2019. The headline carbon tax is R120 per tonne of CO₂e for emissions above the tax-free threshold. In the first phase, the carbon tax impacts industrial applications and industry with the stationary combustion of fossil fuels in generators with a thermal capacity of 10MW. This threshold is in line with the GHG emissions reporting regulation requirements proposed by the Department of Environment, Forestry and Fisheries (DEFF).

RBPlat has generators with a thermal capacity of more than 10MW and reports the related emissions to the DEFF, as per the GHG emissions reporting regulation requirements. Although the tax financial implications are currently negligible due to the low emissions from our generators, as the tax moves from Phase I to Phase II in 2023 we foresee, as a large energy user, that there will be a more substantial financial impact on our business if there are electricity and direct mobile fuel implications.

Management systems

Our EMS for BRPM and Styldrift, which are audited annually for compliance and recertified every three years by an independent external service provider are ISO 14001 (2015) certified.

Currently Maseve operates under the same environmental management system requirements as applied in our other operations, but plans to obtain its own ISO 14001 certification in 2020.

Closure liability assessment

As a holder of mining rights, RBPlat is required to annually assess its environmental liability in terms of section 24P (3) of the National Environmental Management (NEMA) Act 107 of 1998. Previously, the financial provision and rehabilitation requirements were governed by the Mineral Petroleum Resources Development Act (MPRDA) Act 28 of 2002. The proposed NEMA regulations are still not finalised. The new date for the transition to these regulations has been extended to February 2021. As a result, our 2019 assessments are in line with the MPRDA.

The environmental closure liability conducted by an independent external service provider was reviewed by an independent auditing firm in support of the financial audit. The objective was to perform a reasonableness review of the process followed for the estimation of the closure liability for RBPlat's operations, in order to identify potential environmental liabilities that are not provided for and process-related omissions on the closure cost estimation that could be of material significance.

Our 2019 assessments, and the financial provision calculations, were submitted to the DMRE in line with the MPRDA requirements. Top-up financial guarantees will be provided following the DMRE approval of the 2019 calculations.

Climate change management

Take urgent action to combat climate change and its impacts

RBPlat's commitment to addressing the impact of climate change includes: endorsing the Caring for Climate initiative, being a signatory to the Carbon Disclosure Standard Board's (CDSB) fiduciary duty and climate change disclosure, and joining the We Mean Business Campaign as members of the National Business Initiative (NBI). We have also committed ourselves to achieving corporate engagement on climate policy and water security, providing climate change information to our employees through our Company newsletters and to a wider audience through our integrated reports and our website.

Climate change management Other SDGs impacted



The KPIs we use to measure the impact of our actions to combat climate change and our contribution to the achievement of the SDG 13 targets

SDG 13.1
Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

SDG 13.2
Integrate climate change measures into national policies, strategies and planning

SDG 13.3
Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Climate change KPIs	Performance	
	2019	2018
Total GHG emissions (tCO ₂ e)	433 045 ↑ 25.3%	345 496
Carbon intensity per employee (tCO ₂ e/FET)*	42.39 ↑ 17.9%	35.943
GHG emission intensity (tCO ₂ e/000 tonnes milled)*	0.11 ↓ 8.3%	0.12

* Intensities are calculated on total Scope 1 and Scope 2 emissions

Details of our Scope 1, 2 and 3 emissions, and carbon intensity are available on page 26 of our Databook 2019 (www.bafokengplatinum.co.za/integrated-reports.php).

The following were contributors to the increase in our GHG emissions in 2019, the:

- > use of road transport to deliver ore from Styldrift to the Maseve concentrator resulting in increased diesel consumption affecting our Scope 3 emissions
- > increase in production at Styldrift mechanised mine meant the increased use of diesel fuel (36% increase year-on-year), which affected Scope 1 emissions
- > increase in electricity consumption at Styldrift (42.1% increase year-on-year) affected our Scope 2 emissions
- > inclusion of Maseve data for the first time in 2019, which is 11.1% of our total emissions.



Our voluntary participation in the CDP's Climate Change 2019

We achieved a B score for our voluntary disclosure for our climate change submission to the CDP in 2019 and exceeded the:

- > global metals and mining sector average score of C
- > Africa regional average score of a C.

Our voluntary participation in the CDP allows RBPlat to measure its progress towards environmental stewardship and to benchmark and compare our progress against our peers. We will, of course, be working to improve our score in our future voluntary disclosures to the CDP.

Mitigating our impact on climate change

Addressing the causes and adapting to the impacts of climate change is core to our Board-approved climate change strategy, which recognises that we contribute to global climate change through the:

- > consumption of electricity in our operations, which is mainly generated by the burning of fossil fuel, which releases GHG emissions
- > combustion of fossil fuels in the engines that power our machines and vehicles, which also results in the release of GHG emissions.

Our strategy also recognises that it is our responsibility as a business to mitigate our impact on global climate change for the sake of current and future generations. It also focuses on reducing our carbon intensity by improving on efficiency in terms of the amount of fuel and electricity we use to produce a tonne of concentrate.

In addition to the climate change risk assessment we conduct annually as part of our enterprise risk management process we also conducted a second climate change vulnerability assessment in 2018. This assessment identified that the biggest physical climate change risks to our core operations relate to rainfall and temperature, with there being both longer dry periods as well as rainfall of increasing intensity.

We also focused on the following as part of our strategy implementation:

- > our carbon footprint is continually measured through site-specific greenhouse gas emissions calculators, that take into account the relevant emission factors. These emissions are audited annually as part of the sustainability assurance audit
- > storm water management audits to determine and ensure the effectiveness of our storm water infrastructure at all our operations
- > investigating the use of solar renewable energy

- > managing waste sustainably while saving landfill space
- > monitoring and setting new water and energy efficiency targets.

Climate change reporting

In order to improve our climate change reporting and performance in 2019 RBPlat commissioned a gap analysis of our corporate climate-related reporting against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The gap analysis was informed by publicly available RBPlat company reports and information for the period 2017 to 2018. This information was evaluated against the TCFD recommendations, which are categorised into four key aspects: governance, risk management, strategy, metrics and targets.

We will be using the recommendations of this analysis, which we received in the fourth quarter of 2019, to improve our reporting with regard to climate change going forward.



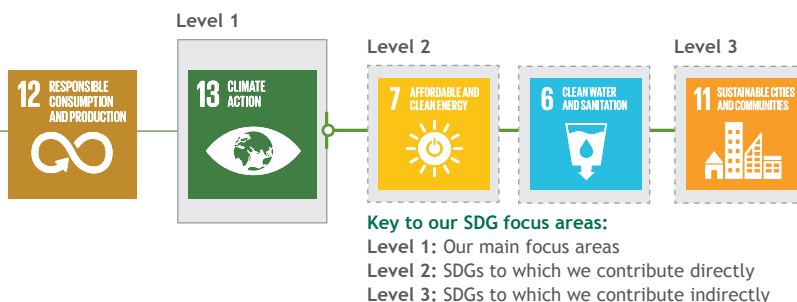
Solar-powered street lamp at BRPM

Resource management

Energy management

We will be reviewing and updating our energy management strategy in 2020 to align with the changes in our Company, which includes the acquisition of Maseve concentrator, the ramping up of Styldrift and the mining of UG2 at South shaft.

Ensure sustainable consumption and production patterns Other SDGs impacted



SDG 12.2
By 2030, achieve the sustainable management efficient use of natural resources

Energy management KPIs

Performance

	2019	2018
Total energy consumption (GJ)	1 560 952 ↑ 21.0%	1 289 985
Total electricity consumption (GJ)	1 462 164 ↑ 20.4%	1 214 402
Total diesel consumption (GJ)	98 587.7 ↑ 30.8%	75 369
Total petrol consumption (GJ)	201 ↓ (6.0%)	214

Details of our energy consumption are available on page 27 of our Databook 2019 (www.bafokengplatinum.co.za/integrated-reports.php)

The 21.0% increase in RBPlat's overall energy consumption was mainly due to a 30.8% increase in our consumption of diesel and a 20.4% increase in total electricity consumption, resulting from the:

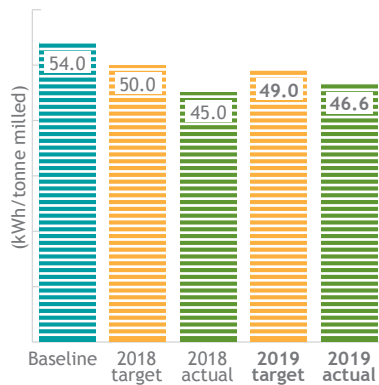
- > increased mining activities at the mechanised Styldrift Mine
- > inclusion of the Maseve mine and concentrator in our statistics for the first time in 2019, which accounted for 10.4% of our total energy consumption and 11.2% of our total electricity consumption
- > ongoing conversion of our motor vehicle fleet from petrol to diesel vehicles.

Natural capital continued

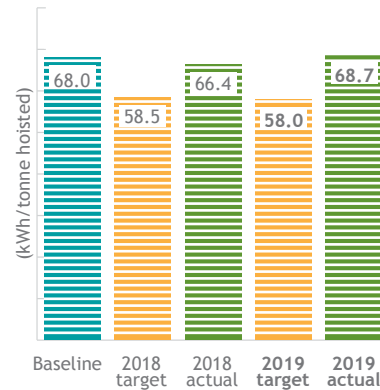
Our performance against our energy efficiency targets

Our energy efficiency targets assess how efficiently we are using our electricity supply from Eskom, which is mainly generated by the burning of fossil fuel, against the targets we set in 2010. These targets were set for 10 years using the 2009 performance as a baseline, for our steady state operations. As this 10-year period has come to an end we are setting new targets for the next five years, which will include the Maseve concentrator.

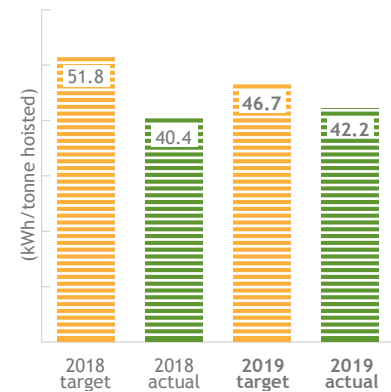
BRPM concentrator energy efficiency



BRPM mine energy efficiency



Styldrift mine energy efficiency



Since its targets were set in 2015 the concentrator has consistently achieved an energy efficiency level below its target.

The nature of our conventional mining at BRPM and the key infrastructure we require for mining has made it very challenging to continue achieving improvements in our baseload. The main contributor is North shaft, where the tonnes have not increased, however, additional infrastructure has been added, increasing the electricity consumption.

The energy-saving technology introduced at Styldrift has resulted in a much better energy efficiency than we have been able to achieve at BRPM.

Renewable energy use

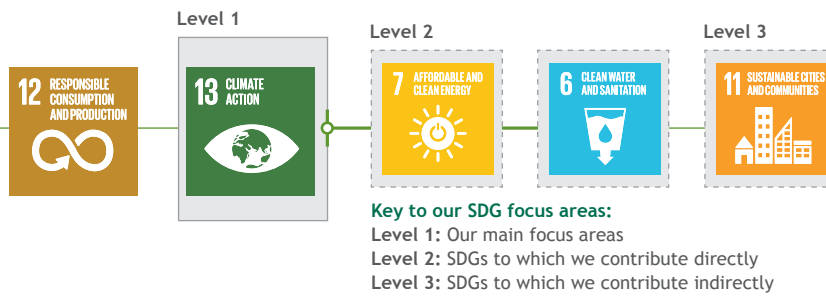
In our 2018 integrated report we advised that we were investigating the possibility to determine whether more can be done to reduce our energy usage by introducing renewable energy into our total energy mix with the aim of reducing our reliance on electricity produced using fossil fuels. We are busy with a bankable feasibility study with the aim of building a modular solar plant. The first phase will service the initial load of the mine, with the aim of adding additional capacity in the future.



Maseve concentrator



Water management

Ensure sustainable consumption and production patterns
Other SDGs impacted




SDG 12.2

By 2030, achieve the sustainable management efficient use of natural resources

Water management KPIs	Performance	
	2019	2018
Total water consumption (including recycled water) (MI)	4 742.5 ↑ 20.1%	3 948.0
 Total potable water consumption (MI)	2 685.7 ↑ 43.3%	1 874.5
Total recycled water consumption (MI)	2 056.8 ↓ (0.8%)	2 073.5
 Total water use efficiency (MI/kt milled)	1.233 ↑ 6.9%	1.154

The 43.3% increase in our potable water consumption can be attributed to the inclusion of the Maseve concentrator and mine in our water statistics for the first time this year (which accounted for 28.8% of our total potable water consumption in 2019).


 Details of our water consumption are available on page 28 of our Databook 2019 (www.bafokengplatinum.co.za/integrated-reports.php)

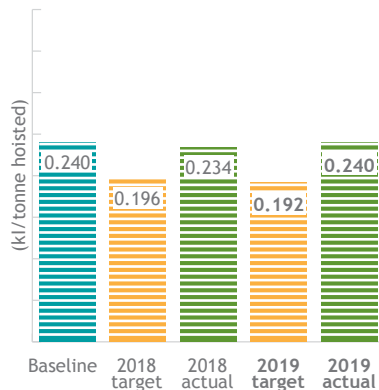
Natural capital continued


Water management

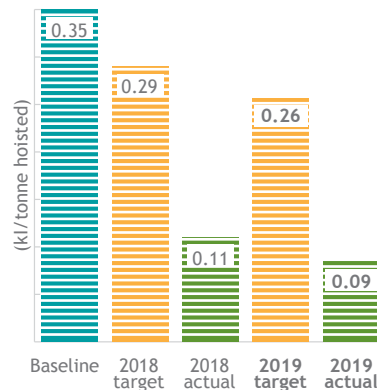
Our performance against our water efficiency targets


We have efficiency-based water consumption targets in place for our operations. These were set for 10 years using 2009 as a baseline and came to an end in 2019. We are setting new targets for the next five years, which will include the Maseve concentrator.

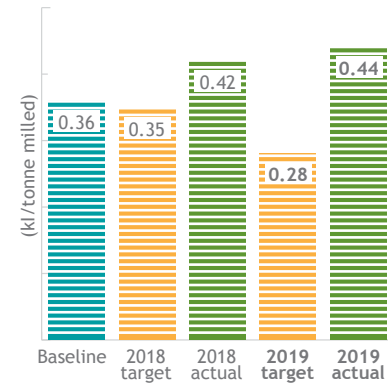
 BRPM mine potable water use efficiency



 Styldrift mine potable water use efficiency



 BRPM concentrator potable water use efficiency



The decrease in our BRPM concentrator water use efficiency is predominantly due to the 5.4% reduction in recycled water and 3.3% reduction in tonnes treated in 2019. Styldrift achieved its water efficiency target in 2019. New targets will be set in 2020 to include Maseve.



CDP water score

We achieved a B score for our voluntary disclosure for our water submission to the CDP in 2019, which is in line with the sector's performance and above the global average of B-.

Our voluntary participation in the CDP allows RBPlat to measure its progress towards environmental stewardship and to benchmark and compare our progress against our peers. We will, of course, be working to improve our score in our future voluntary disclosures to the CDP.



We also make an indirect contribution to SDG 6, through the key performance indicators

we have for SDG 12, which also address the goals of SDG 6 in terms of the KPIs we have for water management.

Water and effluent management

Our operations are located in an arid water-scarce region where, as discussed in the section on climate change on page 114, conditions could

limit our production growth or even prevent us from operating.

A reduction in the availability of potable water from Magalies Water could also have health impacts and cause tension between our operations and our doorstep communities.

Our Board-approved water strategy includes implementation plans to conserve and manage water within clearly defined time frames, accountabilities and responsibilities. The aim of our strategy is to:

- > reduce our potable water consumption and operational costs through improved water use efficiency and increased recycling of water
- > prevent ground and surface water contamination
- > maintain and strengthen our licence to operate by securing access to sufficient water for our current and future mining requirements.

We will be reviewing our water management strategy in 2020.

Ensure sustainable consumption and production patterns

Other SDGs impacted



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

SDG 12.2

By 2030, achieve the sustainable management efficient use of natural resources

Water management KPIs

Performance

2019

2018

Water from our treatment plant that replaced the use of potable water in the BRPM concentrator (MI)

682.39 ↓ (14.6%) 798.84

Cost saving from replacing potable water with treated water for some of the processes in the BRPM concentrator

R7 299 124 ↓ (18.4%) R8 945 469

Water security

As part of our plans to ensure water security and reduce our overall consumption of potable water by reusing process water we invested in a water treatment plant in 2015. The plant adjoins the BRPM concentrator, which is the largest consumer of water at our operations. The results of replacing potable water with water from our treatment plant can be seen in the table above.

The quality of our drinking water is monitored by our Occupational Health department. We manage

exceedances observed through our monitoring process within our EMS.

The quality of our process water is monitored and analysed by external independent water specialists to ensure we comply with our WUL conditions. We have 64 groundwater monitoring boreholes and 45 surface water monitoring points in our operations and the surrounding area.

Clean and dirty water diversion channels are in place in our operations to divert clean water away from our operations and to ensure we contain our dirty process

water. These channels are inspected as part of the ongoing environmental inspections.

Conserving and recycling water

Our industrial water is retained in a closed loop system. This water is pumped from our underground operations to our surface dams for treatment and reuse. To achieve an improved understanding of our water flow through the system, we have automated our potable water management system with continuous metering and updating of our water balance.

Managing our effluents

Governance of our tailings dam facilities

The internal and independent external processes, reviews and audits we have in place to govern the risk associated with our tailings storage facilities, ensure that these facilities are operated and maintained in line with best practice. They include:

- > assessment and review of pumping and discharge volumes
- > assessment and review of deposition trends and volumes

- > regular inspections and surveying of crest, freeboard, beach lengths and pond elevations
- > regular piezometric water level monitoring and piezocone testing
- > aerial inspections of tailings dam and surrounds
- > monthly, quarterly and annual reporting on operating, maintenance and structural integrity of the facilities.

Reviews of our current tailings facilities, in accordance with our operating mandate, has confirmed that all safety factors, including stability, design and statutory requirements, are being met or exceeded.

Daily operational controls, continual assessment, internally and externally, combined with strict control, management systems and policies to ensure safe operation are in place.

The tailings from our concentrator operations are disposed of at the BRPM and Maseve tailings storage facilities, which are designed to handle a one in hundred year flood. Ensuring that we maintain the integrity and structural stability of these facilities is a key focus of our business.

As part of our long-term tailings deposition strategy, the BRPM and Maseve tailings storage facilities are currently being expanded. The Maseve expansion, which increases the current tailings dam footprint by 23 hectares, will be completed in the second quarter of 2020. The BRPM facility expansion, which will expand the current tailings dam footprint by 63 hectares, will be completed by the fourth quarter 2020.



The expansion of the Maseve tailings storage facility under way

Waste management

Ensure sustainable consumption and production patterns

Other SDGs impacted



Key to our SDG focus areas:

Level 1: Our main focus areas

Level 2: SDGs to which we contribute directly

Level 3: SDGs to which we contribute indirectly

SDG 12.4

By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impact on human health and the environment

SDG 12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

SDG 12.6

Encourage companies, especially our large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycles

SDG 12.7

Promote public procurement practices that are sustainable, in accordance with national policies and priorities

SDG 12.8

By 2030 ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Waste management KPIs

Performance

2019

2018

Total waste generated (tonnes)

5 263.0 ↓ (8.9%) 5 778.1

Waste recycled (tonnes)

1 101.3 ↑ 283.1% 287.5

Waste management

RBPlat is making every effort to reduce the amount of waste it produces and the amount of waste it sends to landfill as we are acutely aware that landfill sites generate GHGs.

Despite the inclusion of the Maseve operations in our waste statistics for the first time in 2019 we were able to reduce our total waste by 8.9%. We were also able to increase our total recycled waste by 283.1%. This included paper and wood.

During 2020 we will be formalising our waste management strategy, which will ensure that we manage our waste sustainably.

The landfill management contract was amended in 2019 to include the recycling of recyclable waste which lands at the landfill. We successfully reduced the amount of waste we sent to landfill by 43.3%. The increase in the quantity of wood we recycled this year by 278.7% was due to the development that took place at BRPM's South shaft as it ramped up its UG2 production and development taking in Phase III of BRPM's North shaft. The wood is provided to members of the communities in which we operate for reuse.

The increase in our paper recycling is due to the inclusion of cardboard boxes in our paper recycling for the first time and the inclusion of Styldrif's recycled paper, also for the first time.

Our environmental strategy, policies and procedures set stringent standards for the management of all the waste produced by our operations.

RBPlat recognises the need to reuse and recycle as much as possible. Our waste management procedures aim to actively manage our waste to increase reuse and recycling and by doing so reduce the waste we send to our landfill site.

We obtain safe disposal certificates from our service providers to confirm our waste has been disposed of correctly.

Air quality monitoring

We manage the air quality in our operations and surrounding areas by monitoring dust fallout using 27 dust buckets located within our mining operations and the surrounding communities. Dust buckets are collected for content analysis and replaced with new buckets every month. Their contents are analysed by appointed service providers who compare the results with the South African National Standard (SANS 1929 of 2011) to check whether the contents are within the limits for common air quality pollutants. Exceedances are investigated and corrective and preventive measures are addressed through the EMS.

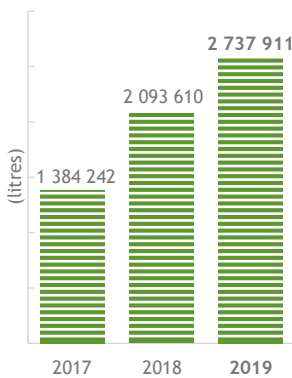
Natural capital continued

Consumption of materials

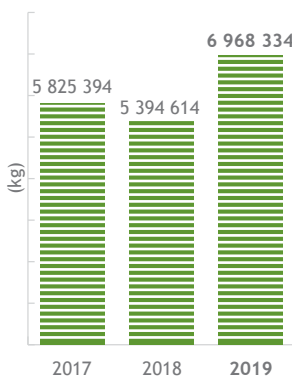
Details of our consumption of materials can be found on page 29 of our Databook 2019 on our website at www.bafokengplatinum.co.za/integrated-reports.php. Our greatest consumption is of diesel and explosives. In addition, we also consumed acetylene, fire extinguishing material, refrigerants and petrol. Our consumption of diesel is discussed on page 115. In 2019 there was a 30.8% increase in our diesel consumption year-on-year. The 29.2% increase year-on-year in the use of explosives is mainly due to the ramp up of Styldrift and UG2 mining at BRPM's South shaft.



Diesel consumption



Explosives consumption



Monitoring ambient noise

We monitor ambient noise levels at our operations to ensure they remain within the recommended noise levels prescribed by the South African Noise Standard (SANS 1013:2008). External independent parties monitor and

analyse our ambient noise levels and the reports are submitted to the DMRE.

Biodiversity

The eight distinct biodiversity management units identified at BRPM through biodiversity assessments are included in our biodiversity management plans. Baseline biodiversity and landscape function studies were conducted as part of the EIA for Styldrift Mine.

Our alien species register has been updated in accordance with the latest alien species regulations. No alien species eradication took place in our operations during 2019. The services of a qualified service provider from the local community were secured during the year, however, the Company was only able to perform an alien species assessment in December 2019. The eradication of alien species on our properties will now take place in the first half of 2020.

Product responsibility

Our final product, a PGM concentrate, 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 agreement specifies what the moisture and chrome content of each tonne of concentrate needs to be. The specifications of the product we deliver are assessed through specific procedures agreed to by RBPlat and RPM.

Product uses

The PGMs we produce are playing a significant role in enabling the transition to a low carbon economy. This includes their use in:

- > autocatalytic converters, which account for approximately 49% of the annual use of PGMs, play a significant role in the reduction of air pollution by limiting the discharge of carbon monoxide hydrocarbons, nitrous oxides and particulates
- > fuel cells, which can offer a more efficient low carbon option

PGMs are also used in jewellery and the electrical, chemical, medical and biomedical, dental and glass industries.



Product stewardship

PGMs' physical properties of durability and strength mean that products made using PGMs are more reliable and longer lasting, which cuts down on waste. An important aspect of PGMs as we move towards a more circular economy is that they are highly recyclable with an up to 95% or better recovery of the metals from the recycling process.

RBPlat is committed to reducing the environmental and health risks associated with the dispersion of metals back into the biosphere. 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.

Amplats is responsible for the refining and marketing of our PGMs. It addresses the safety, health and environmental issues relating to our products at all stages of the product lifecycle. Specific measures are in place to protect the health and safety of those using or delivering our products, which are not delivered directly to customers. The mineral safety development sheets that are provided with all mining products are directed at industrial users.

Amplats, as a refiner and marketer of PGMs, recognises its responsibility as a supplier of PGMs to build value chains that minimise the negative and enhance the positive impacts of PGMs over their lifecycles. For more information see Anglo-American-Group/South-Africa/our-difference/introduction/aa-sustainability-report-2018.pdf.





Accountability and shareholder information

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Aerial view of a prominent surface geological structure on our mining area

Social and Ethics Committee report

My responsibility as Chair of RBPlat's Social and Ethics Committee is to report on the period ended 31 December 2019, in accordance with the requirements of the Companies Act 71 of 2008 (as amended) and RBPlat's application of King IV.

The committee's mandate is set out in its Board-approved terms of reference, which are aligned to the Company's statutory and other responsibilities, as assigned by the Board. Our Charter is reviewed annually to ensure its relevance. The committee is accountable to the Board and I report on its behalf to shareholders at the Company's Annual General Meeting on matters within the committee's mandate.

The committee reviews quarterly reporting on:

- > safety and occupational hygiene and the actions taken to improve performance in both areas
- > occupational health and wellness and the actions taken to improve performance in both areas
- > environmental stewardship and climate change
- > RBPlat's ethics and human rights performance, the ethics hotline cases and progress with entrenching an ethical culture in RBPlat.

The committee reviews quarterly reporting on stakeholders in terms of:

- > social and labour plans (SLPs)
- > community development, local economic development and enterprise and supplier development
- > stakeholder engagement
- > human resource development, employment equity and transformation

- > asset protection and security, which this year included the implementation of human rights training for security practitioners
- > the employee home ownership scheme.

The committee ensures compliance with:

- > the Mineral and Petroleum Act 28 of 2002 (MPRDA)
- > the Mine Health and Safety Act 29 of 1996 (MHS) and regulations
- > the Mining Charter and our SLPs
- > legislative compliance.

This year in terms of sustainability we addressed:

- > delivery of the sustainability framework implementation plan for 2019
- > climate change strategy
- > carbon emissions, water and energy efficiency targets
- > a gap analysis for the Task Force for Climate-related Financial Disclosure (TCFD) recommendations
- > progress on the implementation of the energy and water management strategy plans
- > mine environmental rehabilitation and closure financial provisioning
- > identification of our material issues
- > safety, health and wellness performance
- > results of a supply chain ESG survey
- > the scope for the sustainability assurance
- > the compilation and submission of the CDP water and climate questionnaires
- > the compilation and submission of the advanced version of the UNGC communication of progress (COP)
- > achievement of the SDGs and setting key performance indicators for the SDGs that are our main focus.

The Social and Ethics and the Audit and Risk committees jointly oversee the following:

- > enterprise risk management
- > Group and mine risk profiles and registers
- > risks management-related policies and framework

- > the integrated assurance process, scope and findings
- > ethics status report and policies
- > fraud risk profile
- > Group insurance programme.

In 2020 the committee will focus on:

- > quarterly reporting
- > implementation of revised carbon emissions, water and energy management strategies
- > monitoring progress on addressing climate change
- > updating the climate change strategy to include the findings of the TCFD
- > ongoing monitoring of safety, health and wellness performance
- > areas identified for improvement in 2020.

We will also provide oversight for the Remuneration Committee on the ESG performance measures in the executive FSP.

Conclusion

The committee is satisfied that RBPlat continued to meet its ESG responsibilities in 2019.

The Company has appropriate policies and frameworks in place to sustain its commitment to responsible and ethical corporate citizenship, including social and economic development, fair labour practices, its commitment to upholding human rights and environmental responsibility.

We are also satisfied that there has been no material non-compliance with legislation or non-adherence to codes of best practice in terms of the areas within the committee's mandate during 2019.

The Committee has evaluated its performance in 2019 in terms of the Board evaluation process and is satisfied that it has fulfilled its regulatory and Board-mandated responsibilities.

Mike Rogers
Chair
Social and Ethics Committee

Remuneration review

Part one: background statement

RBPlat's approach to remuneration, which is set out in our remuneration philosophy and policy, is intended to promote the achievement of our strategic objectives over the short, medium and long term (see page 126 of our integrated report).

It is aligned with our values of:

- > **Safety and people first**
- > **Promises delivered**
We do what we say we will do
- > **Mutual interests and mutual rewards**
We have mutual goals and mutual interests with all our stakeholders and we depend on each other to realise our vision and mission. We operate in good faith and transparently, and our aim is to ensure that our operations are aligned with the interests of our shareholders.

We believe that remuneration should match and incentivise performance. This means:

- > maintaining pay levels on a total cost to employer level that reflects an individual's worth to RBPlat

Main issues raised by investors

Shareholders requested the Remuneration Committee to explore other measures in addition to total shareholder return (TSR) in our forfeitable share plan (FSP), for example return on capital (ROC) or return on equity (ROE)

Some shareholders felt there should be explicit policies for malus and clawback of remuneration

Some shareholders suggested that RBPlat should consider introducing a minimum shareholding for management

Some shareholders suggested that the 55/45 ratio of Company and individual KPAs be reconsidered

Talent management and succession planning

A talent management process for RBPlat's top management, previously approved by the Remuneration Committee, is in place.

Our Nomination Committee addresses our Board succession plans at its meetings. Two additional non-executive directors representing Anglo American Platinum, Avischen

- > using a performance system that allows us to incentivise both individual and team performance
- > offering incentives that recognise and reward, where appropriate, both operational and strategic performance achievements.

We are committed to ensuring that our pay levels remain competitive while managing our employment costs, which in the year under review represented 51.8% (2018: 53.1%) of our fixed enrolled costs as a percentage of our total operational expenses. We would refer you to page 12 of our Databook 2019 at www.bafokengplatinum.co.za/integrated-reports.php for information on our Board's application of King IV™ Principle 14 to our remuneration governance.

Shareholder engagement and voting

The non-binding advisory vote by shareholders on our remuneration policy and implementation report at our Annual General Meeting held on 16 April 2019 resulted in an 81.68% vote in favour and an 18.32% vote not in favour of our remuneration policy. Votes in abstention were 0.08% based on the total number of shares in issue.

With regards to the implementation report, 70.6% of the votes were in favour of the report, 29.4% were against it and 22.0% of shareholders abstained. These percentages are based on the issued share capital of the Company.

Our Remuneration Committee, with the aim of understanding investors' concerns regarding our remuneration policy and its implementation, engaged with shareholders in this regard. During this engagement investors raised the issues set out below.

How we are addressing these issues

The Remuneration Committee has introduced environmental, social, governance (ESG) and capital management (CM) as additional measures for the FSP. The implementation of the introduction of these measures was undertaken in 2019

Malus and clawback policies have been introduced into the Company remuneration policies. These policies are effective from 2020

A minimum shareholding policy has been introduced for management. The policy is effective from 2020

The performance measurement ratio has changed to 70/30 for all executives

Moodley and Gordon Smith, joined the Board in January 2019. Non-executive director David Wilson resigned in May 2019 and Udo Lucht joined the Board in September 2019.

Succession planning remains a key focus area for RBPlat and we will continue to review it, applying best practice in line with King IV guidelines. This focus will ensure that our succession plans remain relevant and can easily be implemented, without any significant delay.



**Part
two: our
remuneration
philosophy
and policy**

Our remuneration philosophy underpins our strategy

Our remuneration philosophy, which is an integral part of our employment ethos, supports the achievement of RBPlat’s strategic objectives.

Our aim is to:

- > attract and retain top talent and employees with the necessary critical skills
- > motivate and engage our employees with the aim of increasing their commitment to achieving high levels of individual and team performance
- > be an employer of choice
- > promote the achievement of strategic objectives within our risk appetite
- > ensure the fair equitable and consistent application of our remuneration policy and practices, guided by King IV Principle 14, which relates to fair and responsible remuneration
- > provide our employees with the opportunity to own an asset through our employee home ownership scheme (see page 94 of the social and relationship capital section of this report)
- > provide employees with career development opportunities through our investment in their training and development (see pages 81 and 82 of the human capital section of this report).

Remuneration structure and design

Our remuneration policy is designed to promote the creation of sustainable value. The section that follows sets out how our remuneration policy addresses fair and responsible remuneration in RBPlat. Our remuneration structure consists of four segments: executives, management, operations and 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 the Group’s short-term operational and long-term strategic objectives are appropriately incentivised.

Fair and responsible remuneration

At RBPlat we believe that fair and responsible remuneration ensures that our remuneration is both externally competitive and internally equitable.

Our Remuneration and Nomination Committee continually monitors internal pay gaps across RBPlat to ensure remuneration is fair and responsible in the context of overall employee remuneration.

Fair remuneration

Fair and responsible pay, free from discrimination, self-interest, prejudice or favouritism

Addresses inequality and ensures equal pay for equal work

Achieves employment equity targets

Rewards performance and incentivise future sustainability and value creation

Responsible remuneration

Independent oversight from Remuneration and Nomination Committee

Appropriate approval process

Sustainable contribution to value creation and positive outcomes

We do not:

- > pay for non-performance
- > reprice share options
- > guarantee bonuses

Structure of the on-target remuneration of our executive directors and executives

	Total guaranteed package	Annual performance bonus	Bonus share plan	Forfeitable share plan
Executive directors	29%	17%	9%	45%
Executives	33%	20%	10%	37%

Measuring executive performance

The measurement of executive performance:

- > 70% is based on Company performance
- > 30% is based on individual performance

Measuring senior management performance

The measurement of the performance of senior operational managers:

- > 60% is based on Company performance
- > 40% is based on individual performance

Measuring middle management performance

The measurement of the performance of management (D2 to D4):

- > 55% is based on Company performance
- > 45% is based on individual performance

This measurement forms the basis for the determination of all short-term incentives, including salary increases and bonuses, as well as some long-term incentives.

For more information on the breakdown of how Company and individual performance is measured, see page 132.

Components of remuneration

Employee level	Guaranteed remuneration	Benefits	Short-term incentives	Medium to long-term incentives
Executives (Executive Committee and key senior operational management employees)	<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 annually 	<ul style="list-style-type: none"> > Life and disability insurance > Medical aid > Wellness support > Maternity and paternity leave 	<p>Annual performance bonus</p> <ul style="list-style-type: none"> > Rewards historical performance > Percentage of TGP based on performance > Company performance includes safety, production, sustainability, project performance, financial performance and governance > Individual performance includes leadership, management, team orientation, technical direction and ethics > Weighting for executives: Company (70%) and individual (30%) > Weighting for senior operational management: Company (60%) and individual (40%) > Fatality penalty: One to two fatalities = (-5%) Three fatalities = (-10%) More than three fatalities = (-20%) 	<p>Share appreciation rights plan</p> <ul style="list-style-type: none"> > Future performance > Upon joining Company, promotion or discretionary Remuneration Committee award > Two and a half to six times annual TGP (dependent on level of responsibility) > Vesting on third, fourth and fifth anniversary <p>Bonus share plan</p> <ul style="list-style-type: none"> > Deferred reward for historical performance and achievement of annual targets > Percentage of annual performance bonus > Vesting on third anniversary > Vesting condition: continuous employment <p>Forfeitable share scheme</p> <ul style="list-style-type: none"> > Incentivise future performance > Up to 257% of TGP > Sliding vesting scale based on future performance on TSR versus peers (60%), capital management (20%) and ESG (20%) > Vesting on third, fourth and fifth anniversary

Remuneration review continued

Employee level	Guaranteed remuneration	Benefits	Short-term incentives	Medium to long-term incentives
Management (D2 and above: including shared services at our operations and the corporate office)	<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 	<ul style="list-style-type: none"> > Life and disability insurance > Medical aid > Wellness support > Maternity and paternity leave > Education benefits 	<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 (55%) > Individual performance (45%) 	<p>Share appreciation rights plan</p> <ul style="list-style-type: none"> > Future performance > Upon joining Company, promotion or discretionary Remuneration Committee award > Two to two-and-a-half times annual TGP (dependent on level of responsibility) > Vesting on third, fourth and fifth anniversary <p>Bonus share plan</p> <ul style="list-style-type: none"> > Percentage of annual performance bonus > Vesting on third anniversary > Vesting condition: continuous employment > Deferred reward for historical performance and achievement of annual targets
Mining operations (D1 and below: shafts – stoping and development, concentrator)	<p>Wages and benefits</p> <ul style="list-style-type: none"> > Remuneration for area of responsibility > Wage agreement (bargaining unit) 	<ul style="list-style-type: none"> > Life and disability insurance > Medical aid > Wellness support > Maternity and paternity leave > Housing benefits > Education benefits 	<p>Monthly performance bonus</p> <ul style="list-style-type: none"> > Rewards historical performance > Monthly bonus based on safety, performance and production volumes 	
Mining support (D1 and below: engineering and shared services)	<p>Wages and benefits</p> <ul style="list-style-type: none"> > Remuneration for area of responsibility > Wage agreement (bargaining unit) 	<ul style="list-style-type: none"> > Life and disability insurance > Medical aid > Wellness support > Maternity and paternity leave > Housing benefits > Education benefits 	<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 	

Performance measurement weightings from 2019

	Weightings
Short-term incentives	Company – 70% Individual – 30%
BSP	Company – 70% Individual – 30%
FSP	TSR – 60% Capital management – 20% ESG – 20%
Historic performance-based retention	Operational excellence and flexibility – 50% Organic growth – 25% Value-enhancing opportunities – 25%

Part three: implementation report

Adherence to the remuneration policy

The Remuneration and Nomination Committee has monitored the implementation of our remuneration policy and is of the view that there were no deviations from the policy in the year under review.

Internal and external factors that influenced our remuneration for 2019

Remuneration was influenced by:

- > Company performance
- > Individual performance
- > Affordability
- > Economic conditions
- > Company strategy and business plans
- > Safety achievement
- > Company sustainability

Areas of focus for 2019

- > Shareholder engagement on remuneration policy
- > Remuneration reporting alignment to King IV guidelines
- > Development of minimum shareholding requirements and policy
- > Development of malus and clawback policies
- > Amendments to the Share Appreciation Rights Plan and the Full Share Plan Scheme rules will be

tabled for shareholder approval at the AGM in April 2020, and introduce the provisions for malus and clawback

- > Improve key performance area (KPA) structure by increasing Company performance weighting for executives
- > Introduction of safety penalty to replace previous safety KPA measure:
 - (-5%) for one to two fatal accidents
 - (-10%) for three fatal accidents
 - (-20%) for more than three fatal accidents
- > Implementation of revised forfeitable share plan, incorporating measures for ESG and capital management

Future areas of focus

- > Implementing minimum shareholding requirements, malus and clawback policies
- > Maintaining alignment of remuneration policy to King IV principles
- > Improving remuneration reporting to ensure comprehensive alignment with shareholder expectations

Guaranteed packages

A five-year wage agreement was concluded with employees, effectively 1 July 2019. The agreement ensures the alignment of the remuneration of mining operations and mining support employees to the Company's strategy. In terms of the agreement employees will receive the following increases: 7% (2019), 6% (2020), 6% (2021), 7% (2022) and 7% (2023).

Percentage increase for guaranteed packages over the past three years.

	2019	2018	2017
Employment level	%	%	%
Executives (1 January)	5.7	6.5	6.8
Management (1 January (D2 and above))	5.7	7.1	6.8
C1 – D1	7.0	8.0	8.0
A1 – B7	7.5	10.5	10.0

Remuneration review continued

Total remuneration outcomes

The measurement of executive performance in 2019

	TGP R	STI* R	Retention bonus R	Special bonus R	Termination benefits R
Steve Phiri**					
On target^ 2018	5 663 534	3 398 120	5 997 600	—	—
Actual 2018	5 663 534	4 179 688	5 997 600	2 658 936	—
On target 2019	5 986 355	3 591 813	—	—	—
Actual 2019	6 080 495	2 723 143	—	—	—
Martin Prinsloo***					
On target 2018	3 966 060	2 379 636	4 200 000	—	—
Actual 2018	3 757 569	—	—	1 862 000	—
Actual 2019	661 010	—	—	—	—
Hanré Rossouw					
On target 2018	1 025 000	615 000	4 100 000	—	—
Actual 2018	1 025 001	703 269	4 100 000	—	—
On target 2019	4 333 704	2 600 222	4 100 000	—	—
Actual 2019	4 385 948	1 935 685	4 100 000	—	—
Neil Carr					
On target 2018	3 852 744	2 311 646	3 400 000	—	—
Actual 2018	3 852 744	2 766 260	3 400 000	1 447 040	—
On target 2019	4 072 350	2 443 410	—	—	—
Actual 2019	4 163 303	1 869 243	—	—	—
Glenn Harris****					
On target 2018	3 762 543	2 257 526	3 312 425	—	—
Actual 2018	3 762 543	2 657 483	3 312 425	—	—
On target 2019	3 967 457	2 380 474	—	—	—
Actual 2019	3 976 493	1 469 943	—	—	6 717 586
Reginald Haman					
On target 2018	2 977 674	1 786 604	2 102 209	—	—
Actual 2018	2 977 674	2 062 970	2 102 209	—	—
On target 2019	3 241 823	1 945 094	—	—	—
Actual 2019	3 241 823	1 474 678	—	—	—
Mpueleng Poee*****					
On target 2018	2 637 439	1 582 463	1 396 505	—	—
Actual 2018	2 637 439	1 656 312	1 396 505	—	—
On target 2019	2 787 773	1 672 664	—	—	—
Actual 2019	3 083 426	1 032 870	—	—	1 566 377
Lindiwe Montshiwagae					
On target 2018	2 255 681	1 597 023	904 816	—	—
Actual 2018	2 255 681	1 597 023	904 816	—	—
On target 2019	2 384 256	1 430 554	—	—	—
Actual 2019	2 384 256	1 045 317	—	—	—
Vicky Tlhabanelo					
On target 2018	2 864 111	1 718 467	1 516 526	—	—
Actual 2018	2 864 111	1 668 058	1 516 526	—	—
On target 2019	3 027 365	1 816 419	—	—	—
Actual 2019	3 027 365	1 377 123	—	—	—
Lester Jooste					
On target 2018	2 002 067	1 201 240	921 809	—	—
Actual 2018	2 002 067	947 645	921 809	—	—
On target 2019	2 122 191	1 273 315	—	—	—
Actual 2019	2 122 191	1 136 046	—	—	—

* 2019 STI bonus paid in March 2020

** Steve Phiri voluntarily waived the vesting of his retention shares, as a result they were forfeited. Targets for vesting of retention shares were achieved

*** Engaged as a consultant for part of 2019

**** Voluntary separation on 30 October 2019 due to executive team restructuring

***** Voluntary separation on 31 December 2019 due to executive team restructuring

^ On target is defined as the total remuneration to be paid for the financial year, if the target performance is met across the different remuneration components (TGP, STI and LTI), however, actual figures are the remuneration actually earned

Underground market premium R	BSP vesting R	FSP vesting R	Retention shares vesting R	Total R	BSP award R	FSP award R
—	1 874 162	3 964 474	—	20 897 890	1 699 060	7 362 594
—	867 668	—	—	19 367 426	2 089 844	7 362 594
—	—	6 300 854	5 997 600	21 876 622	1 795 907	9 230 959
—	—	—	—	8 803 638	1 361 572	5 128 311
—	1 375 996	2 776 242	—	14 697 934	1 189 818	5 155 878
—	637 035	582 456	—	6 839 060	—	—
—	—	—	2 713 167	3 374 177	—	—
—	—	—	—	5 740 000	307 500	—
—	—	—	—	5 828 270	351 635	1 066 353
—	—	—	—	11 033 926	1 300 111	6 682 572
—	—	—	—	10 421 633	967 843	3 712 535
—	1 291 513	2 696 921	—	13 552 824	1 155 823	3 852 744
—	597 923	546 695	—	12 610 661	1 383 130	3 852 744
—	—	3 297 150	3 400 000	13 212 910	1 221 705	5 375 502
—	—	—	3 400 000	9 432 546	934 621	2 986 378
194 027	1 233 112	2 633 780	—	13 393 413	1 128 763	3 753 507
194 027	570 885	521 952	—	11 019 315	1 328 742	3 753 507
204 166	—	3 212 239	3 312 425	13 076 761	1 190 237	5 237 043
204 166	—	—	3 312 425	15 680 613	—	2 909 458
—	1 026 554	2 084 372	—	9 977 413	893 302	2 382 139
—	475 256	434 538	—	8 052 647	1 031 485	2 382 139
—	—	2 038 608	2 102 209	9 327 734	972 547	3 520 620
—	—	—	2 102 209	6 818 710	—	1 898 928
—	825 325	1 846 207	—	8 287 940	791 232	2 109 952
—	382 095	349 359	—	6 421 710	828 156	2 109 952
—	—	1 805 675	1 396 505	7 662 616	836 332	3 027 521
—	—	—	1 396 505	7 079 178	—	1 681 949
—	734 945	—	—	5 492 465	676 704	1 804 545
—	340 253	—	—	5 097 772	676 704	1 804 545
—	—	—	904 816	4 719 626	715 277	2 589 302
—	—	—	904 816	4 334 389	522 659	1 438 502
—	1 022 811	2 004 878	—	9 126 793	859 233	2 291 289
—	473 524	432 954	—	6 955 173	834 029	2 291 289
—	—	1 960 873	1 516 526	8 321 183	908 210	3 287 718
—	—	—	1 516 526	5 309 304	688 562	1 826 500
—	730 863	—	—	4 855 979	1 201 240	—
—	338 363	—	—	4 209 884	947 645	—
—	—	—	921 809	4 317 315	1 273 315	—
—	—	—	921 809	4 180 046	1 136 046	—

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Short-term incentive payments

Short-term incentive payments are based on the business plan for the year under review. For the 2019 financial year, the short-term incentive payments were based on the measures below. The 2019 performance resulted in an estimated weighted average of 43% of total guaranteed package being awarded to the executives. This performance bonus will be paid in March 2020, subject to Board approval.

Short-term incentive targets and achievement in 2019

Performance type	Key performance area	Key performance sub-area	Unit	2019 target (score of 3)	2019 achievement	Score achieved
Company (70%)	Safety (8%)	SIFR	/1 000 000 hours	1.10	1.14	3
		LTIFR	/1 000 000 hours	2.15	1.90	5
	BRPM (16%)	Production	4E ounces in concentrate	241	241	4
		Operating costs	/4E ounce	11 611	12 562	1
		Capex (SIB and replacement)	R (million)	133	98	5
		Total operating labour	number	4 590	5 088	1
		Labour productivity	t/TEC	38.10	36.51	3
	Styldrift (17%)	Reef tonnes delivered	kt	2 289	1 600	1
		4E grade	g/t	4.06	3.82	2
		4E ounces in concentrate	koz	252	161	1
		Capital expenditure	R (million)	1 040	1 425	1
	Financial (26%)	RBR EBITDA margin	%	13	25	5
		Net debt (including quasi equity)	R (million)	1 850	1 540	5
		Fixed cost component of total cash costs	%	69.6	69.1	4
		Equity raise	R (million)	750	1 029	5
		HEPS	R	0.20	0.50	5
	Governance and sustainability (3%)	SLP project delivery	%	95	101	5
		Risk and assurance maturity	%	90	61	2
Individual (30%)	Leadership (6.67%)					
	Management (6.67%)					
	Team orientation (6.67%)					
	Technical direction, innovation and technology (6.67%)					
	Ethics (3.33%)					

Scoring key: 1 – not met; 2 – partially met; 3 – met; 4 – exceeded some; 5 – exceeded all expectations

Fatality modifier

Target 2019	Achievement 2019	Resultant modification
–	2	(5%)

The resultant modifier is applied to the final bonus amount for all executives and management.

Long-term incentive awards

Share option plan

No further share options were awarded in 2019.

Share appreciation rights (SAR)

Eligible participants were awarded rights as per the Remuneration Committee's award policy. The rights vest in three equal tranches on the third, fourth and fifth anniversary of award. No executives or prescribed officers received SARs in 2019 financial year.

Bonus share plan

Bonus shares were awarded to eligible participants on 1 April 2019. The performance shares awarded in 2019 are matched to the performance bonus in relation to the performance achieved in 2018 financial year.

Based on the Remuneration Committee assessment of the Company's performance for 2019, bonus shares may be awarded on 1 April 2020 to match the 2019 financial year performance bonuses. The bonus shares vest on the third anniversary of award.

Forfeitable share plan

Forfeitable shares were awarded to eligible participants on 1 April 2019. The forfeitable shares are performance-based shares, which vest in three equal tranches in the third, fourth and fifth anniversary. In 2019 the performance measure that determines vesting was expanded from just a comparative TSR to include capital management and ESG. The TSR comparator group is platinum producing companies listed on the Johannesburg Stock Exchange. The 2019 award will be measured against comparative TSR (60% weighting), capital management (20% weighting) and ESG (20% weighting).

Retention shares

The retention scheme was implemented in 2016 to ensure that key team members remained to deliver the Company strategy. The performance measures for the retention are linked to the Company strategic pillars of achieving operational excellence and building flexibility (50% weighting), growing organically (25% weighting) and pursuing value-enhancing opportunities (25% weighting).

For the 2019 financial year, no shares were awarded for retention purposes.

Long-term awards issued on 1 April 2019

	SAR R	BSP R	FSP R	Retention R	Total R
Executive directors					
Steve Phiri	-	2 089 844	5 128 311	-	7 218 155
Hanré Rossouw	-	351 635	3 712 535	-	4 064 170
Executive and prescribed officers					
Neil Carr	-	1 383 130	2 986 378	-	4 369 508
Glenn Harris	-	1 328 742	2 909 456	-	4 238 198
Reginald Haman	-	1 031 485	1 898 928	-	2 930 413
Mpueleng Pooe	-	828 156	1 681 949	-	2 510 105
Lindiwe Montshiwagae	-	676 704	1 438 502	-	2 115 206
Vicky Tlhabanelo	-	834 029	1 826 500	-	2 660 529
Lester Jooste	-	947 645	-	-	947 645

Remuneration review continued

Non-executive directors' fees

Non-executive directors' fees have been benchmarked to their peer group. At the Annual General Meeting held on 16 April 2019 the average increase of 5.7% was approved by the shareholders.

Board member	2019 fees R	2018 fees R
Kgomotso Moroka	1 533 769	1 440 158
Peter Ledger	720 202	456 997
Udo Lucht ¹	120 480	
Zanele Matlala	493 991	114 117
Mark Moffett	530 287	449 504
Thoko Mokgosi-Mwantembe	687 368	596 527
Avischen Moodley ²	353 980	
Obakeng Phetwe	471 393	332 664
Mike Rogers	763 512	767 322
Gordon Smith ³	372 128	
Louisa Stephens [†]	638 241	514 537
David Wilson ^{4†}	231 056	437 098
Total	6 906 320	5 697 531

¹ Appointed on 1 September 2019

² Appointed on 1 January 2019

³ Appointed on 1 January 2019

⁴ Resigned on 28 June 2019

[†] Fees paid to Prime Select Holdings Proprietary Limited (Louisa Stephens) and Royal Bafokeng Holdings Proprietary Limited (David Wilson and Udo Lucht)

Peer group for 2019	Guaranteed remuneration	Total remuneration (guaranteed, short term and long term)	FSP scheme	Non-executive directors
General mining survey (REMchannel)	X			
African Rainbow Minerals	X	X		X
Anglo American Platinum	X	X	X	X
AngloGold Ashanti	X	X		X
Barrick Gold/Acacia	X	X		X
DRD Gold	X	X		X
Gold Fields	X	X		X
Harmony Gold	X	X		X
Impala Platinum	X	X	X	X
Lonmin Platinum	X	X		X
Northam Platinum	X	X	X	X
Sibanye-Stillwater	X	X		X
Wesizwe Platinum	X	X	X	X
Jubilee Platinum			X	
Eastern Platinum			X	
Bauba Platinum	X		X	

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 ended 31 December 2019.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Adam Sutton-Pryce, Alain Mahieu, Ravanya Naidoo and Inge Rist 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 its integrated report and for the collection and presentation of sustainability information within the report. IBIS' responsibility is to the management of RBPlat alone, 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 fourth 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 AA1000AS (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

Disclosures in assurance scope

Expectations and concerns of the communities in which we operate

KPIs

- HDSA percentage of discretionary procurement spend
- HDSA percentage local discretionary procurement spend
- Total SLP expenditure
- Number and percentage of workforce trained in terms of SLP commitments
- Total employee and contractor training spend in terms of SLP commitments as a percentage of payroll

Availability of evolving skills requirements and retention of skills

KPIs

- Total number of employees, contractors and community members who received part-time AET
- Employment equity: percentage of HDSA managers in core and support functions
- Skilled employee voluntary turnover
- Women in mining

Labour stability

KPI

- Number of production days lost due to labour action

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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 BRPM, Styldrift and Maseve operations, which involved testing, on a sample basis, the measurement, collection, aggregation and reporting of selected sustainability information
- > Inspection and corroboration of supporting evidence to evaluate the data generation and reporting processes against the assurance criteria
- > Reporting the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process
- > Assessing the presentation of information relevant to the scope of work in the report to ensure consistency with the assurance observations

Engagement limitations

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a moderate level of assurance in accordance with AA1000AS (2008).

The procedures performed in a moderate assurance engagement vary in nature from and are less in extent than those required for a high

assurance engagement. As a result, the level of assurance obtained for a moderate assurance engagement is lower than for high assurance as per AA1000AS (2008).

Conversion factors used to derive emissions and energy used from fuel and electricity consumed, are based upon information and factors derived by independent third parties. The assurance work did not include an examination of the derivation of those factors and other third-party information.

Assurance conclusion

In our opinion, based on the work undertaken for moderate assurance as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined reporting criteria and are free from material misstatement in respect of:

- > RBPlat's adherence to the AA1000APS principles of inclusivity, materiality and responsiveness
- > The selected KPIs as identified under the assurance objectives above and as presented in the published report.

Key observations and recommendations

Based on the work set out above, and without affecting the assurance conclusions, the key observations and recommendations for improvement are as follows:

In relation to the inclusivity principle

RBPlat has followed the formal Board-approved Sustainability and Stakeholder Engagement Framework during the reporting period and progress was tracked using the 2019 implementation plan. Evidence observed pointed to highly inclusive stakeholder engagement where collective decision-making is performed. The results of the stakeholder engagement processes were continually reported by way of monthly performance reviews to the Executive Committee, and quarterly to the Social and Ethics Committee and the Board.

Disclosures in assurance scope continued

Environmental material issue

Environmental management and climate change

KPIs

- New water used (potable water)
- Water use intensity
- Total energy consumption, including electricity, petrol, diesel and LPG/LNG
- Electricity use intensity
- Greenhouse gas emissions: scope 1 and 2 (CO₂e), including GHG intensity (per tonnes milled/ore produced)
- Hazardous waste landfilled

Safety material issue

Safety performance

KPIs

- Fatal injury frequency rate (FIFR)
- Lost time injury frequency rate (LTIFR)
- Serious injury frequency rate (SIFR)
- Number of injury-free days
- Total recordable injuries
- Number of production shifts lost due to Section 54 stoppages

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 repeated in 2019 and involves integrated thinking processes that include engagement with both internal and external stakeholders to identify retrospective and future material issues. Material issues were revised, presented to the Board for approval and linked to RBPlat's top strategic risks for 2019 in line with the enterprise risk management approach. The integrated report also sets out matters of concern to stakeholders and their associated risks and opportunities.

In relation to the responsiveness principle

RBPlat's responses to stakeholder issues observed across different stakeholder groups and case studies sampled indicate a high level of maturity and accountability to stakeholder issues raised. Engagement processes in 2019 focused on the investor community, 'doorstep' communities, government, employees and unions. Evidence observed points to continued actions towards strengthening relationships with stakeholders. Responses to stakeholders were found to be directly related to the stakeholder concerns and were conducted in a timely, fair and appropriate manner without prejudice to any one stakeholder group. It is recommended that RBPlat implements a consolidated stakeholder engagement plan that covers all aspects of stakeholder engagement at a business and operational level to proactively manage stakeholder relationships on an ongoing basis.

In relation to the selected KPIs

The general control environment for sustainability information at RBPlat continues to improve year-on-year.

Reporting consistently on HDSA spend under local doorstep suppliers remains a challenge and a full supplier database clearance is recommended to confirm the correct classification of all local doorstep suppliers.

It is further recommended that RBPlat continue with the internal audit programme during 2020 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
28 February 2020



AA1000
Licensed Assurance Provider
000-156

The assurance statement provides no assurance on the maintenance and integrity of sustainability information on the website, including controls used to maintain this. These matters are the responsibility of RBPlat.

RBPlat's response to the assurance statement

'Following the recommendations highlighted in this assurance statement and the management report, RBPlat has already begun reviewing and implementing 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.'

Disclosures in assurance scope continued

Health material issue

Health and wellness of our employees

KPIs

- Absenteeism rate for full-time employees
- Number of new noise-induced hearing loss (NIHL) cases diagnosed, greater than 10% PLH
- HCT – total number of counsellings and tests performed (employees and contractors)
- Number of employees and contractors on ART
- Number of ART default cases
- Tuberculosis (TB): number of employees and contractors who tested positive
- TB incidence rate

Shareholder analysis

Company: Royal Bafokeng Platinum Limited

Register date: 27 December 2019

Issued share capital: 257 277 317

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	1 073	56.65	227 117	0.09
1 001 – 10 000 shares	326	17.21	1 148 181	0.45
10 001 – 100 000 shares	273	14.41	11 303 780	4.39
100 001 – 1 000 000 shares	190	10.03	56 623 382	22.01
1 000 001 shares and over	32	1.69	187 974 857	73.06
Total	1 894	100.00	257 277 317	100.00

Distribution of shareholders	Number of shareholdings	%	Number of shares	%
Strategic investor	1	0.05	103 443 849	40.21
Banks/brokers	64	3.38	12 529 435	4.87
Close corporations	10	0.53	8 857	0.00
Endowment funds	22	1.16	970 313	0.38
Individuals	1 142	60.30	1 467 530	0.57
Insurance companies	41	2.16	6 211 087	2.41
Medical schemes	16	0.84	996 535	0.39
Mutual funds	201	10.61	65 099 762	25.30
Other corporations	12	0.63	356 992	0.14
Private companies	33	1.74	103 734	0.04
Retirement funds	275	14.52	63 321 781	24.61
Share scheme	2	0.11	2 108 311	0.82
Trusts	75	3.96	659 131	0.26
Total	1 894	100.00	257 277 317	100.00

Public/non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	9	0.48	106 128 109	41.25
Directors and associates of the Company	6	0.32	575 949	0.22
Strategic holdings (more than 10%)	1	0.05	103 443 849	40.21
Share schemes	2	0.11	2 108 311	0.82
Public shareholders	1 885	99.52	151 149 208	58.75
Total	1 894	100.00	257 277 317	100.00

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	%
Royal Bafokeng Holdings	103 443 849	40.21
Allan Gray Asset Management	29 896 643	11.62
Government Employees Pension Fund	20 013 801	7.78
Total	153 354 293	59.61

Top 10 institutional shareholders	Number of shares	%
Allan Gray Asset Management	53 804 983	20.91
Kagiso Asset Management	18 617 709	7.24
Public Investment Corporation	17 087 563	6.64
Coronation Fund Managers	15 824 490	6.15
Abax Investments	5 991 844	2.33
Sanlam Investment Management	5 134 177	2.00
Afena Capital	3 793 384	1.47
Momentum Asset Management	3 361 489	1.31
Aylett & Co	3 201 925	1.24
Franklin Templeton Investments	2 904 524	1.13
Total	129 722 088	50.42

Share price performance

Closing price on 2 January 2019 (R)	24.52
Closing price at 31 December 2019 (R)	49.62
Closing high for the period (R)	50.94
Closing low for the period (R)	24.52
Number of shares in issue	257 277 317
Volume traded during the period	52 742 722
Ratio of volume traded to shares issued (%)	20.50%
Rand value traded during the period R (million)	1 920
Market capitalisation as at 31 December 2019 R (million)	12 766

Glossary

4E	Four platinum group elements: platinum, palladium, rhodium and gold
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
BRPM	Bafokeng Rasimone Platinum Mine
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)
Cu	Copper
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
DMRE	Department: Mineral Resources and Energy
DWS	Department: Water and Sanitation
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EIA	Environmental impact assessment
Employment equity	Achieving equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by previously historically disadvantaged South Africans (HDSAs)
EMS	Environmental management system
Enrolled employee	A member of RBPlat's permanent workforce
EMPR	Environmental management programme
EPS	Earnings per share
ERM	Enterprise risk management
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 1 000 000 hours worked
FTE	Full-time equivalent
g/t	Grams per tonne, the unit of measurement of metal content, equivalent to parts per million
GHG	Greenhouse gases, the gases present in the earth's atmosphere which reduce the loss of heat into space and contribute to global temperatures through the greenhouse gas effect. On earth the most abundant greenhouse gases are, in order of relative abundance: water vapour, carbon dioxide, methane, nitrous oxide, ozone and chlorofluorocarbons
GJ	A gigajoule is equivalent to one billion joules and a joule is a unit of energy equivalent to one watt of power dissipated over one second
Greenhouse gas emissions Scope 1, 2 and 3	As per the Greenhouse Gas Protocol (GHG Protocol) jointly convened in 1998 by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) protocol: Scope 1: LPG, acetylene gas consumption, the combustion of lubrication oil, explosives, generators (petrol and diesel), Company-owned vehicles (petrol and diesel); Scope 2: Electricity; Scope 3: water, waste
GRI	Global Reporting Initiative, established in 1997 with the aim of designing globally applicable guidelines for the preparation of enterprise level, sustainable development reports
HCT	HIV counselling and testing
HDSA	Historically disadvantaged South African
HEPS	Headline earnings per share
HIV	Human immunodeficiency virus
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
INH prophylaxis	Isoniazid prophylaxis is used to reduce the development of active TB in patients with latent TB
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)
King IV™	King Report on Corporate Governance, issued by the King Committee on Corporate Governance and last updated in 2016 (King IV)
koz	Thousand ounces
kt	Thousand tonnes
ktpm	Thousand tonnes per month

Glossary continued

LHD	Load haul dump machine used in trackless mining
LOM	Life of mine
LTI	Lost time injury: An occupational injury or illness that results in at least one day away from work on any rostered shift subsequent to the day on which the injury occurred. A fatality is also recorded as an LTI
LTIFR	Lost time injury frequency rate: The number of lost time injuries per 1 000 000 hours worked
MACHARORA	Made up of the four villages of Mafenya, Chaneng, Robega and Rasimone, surrounding our operations
Measured mineral resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity (SAMREC 2007)
Merensky reef	The Merensky reef is a layer in the Bushveld Complex (BC) containing one of the world's largest concentrations of platinum group metals (PGMs)
MHSA	Mine Health and Safety Act No 29 of 1996
Milling	A process to reduce broken ore to a size at which concentrating can be undertaken
Minerals Council	Minerals Council of South Africa
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)
Moz	Million ounces
Mt	Million tonnes
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
NEMA	National Environmental Management Act No 107 of 1998
Ni	Nickel
NIHL	Noise-induced hearing loss
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
Pd	Palladium
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
Pt	Platinum
RPM	Rustenburg Platinum Mines Limited
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
SDGs	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
SIB	Stay-in-business
SIFR	Serious injury frequency rate. The number of serious injuries that have occurred in every 1 000 000 hours worked
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
TCFD	Taskforce on Climate-related Financial Disclosure
t/TEC	Tonnes per total employee costed
TIFR	Any injury reported by anyone who was injured while conducting work at RBPlat operations during a period of 1 000 000 hours worked
TMM	Trackless mobile machine
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
UNGC	United Nations Global Compact
Workforce	Includes both enrolled employees and volume contract workers
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 eleventh Annual General Meeting (AGM) of the Company will be held on Tuesday, 7 April 2020 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, 28 February 2020. Furthermore, in order to attend, participate and vote at the AGM, the record date for holders to be recorded as shareholders in the securities register maintained by the transfer secretaries of the Company is Friday, 27 March 2020. Accordingly, the last date that holders can trade in the Company's shares and still be able to receive notice, attend, participate and vote at the AGM is Tuesday, 24 March 2020.

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, 2 April 2020 advising that they wish to participate in the AGM via electronic medium.

The valid written notice must be accompanied by a certified copy of the shareholders' or proxy's identity document, driver's licence or passport, in respect of an individual, and if not an individual, a certified copy of a resolution by the relevant entity and a copy of the identity documents, driver's licences or passports of the individuals who adopted the resolution will be required.

The Company reserves the right to elect not to provide electronic participation at the AGM, in the event that it determines that it is not practical to do so. Voting on shares will not be possible via electronic medium and, accordingly, shareholders wishing to cast their vote at the AGM will need to be represented in person or by proxy at the meeting.

The purpose of the AGM is to conduct such business as may be lawfully dealt with at the meeting and, in particular, if deemed fit, to pass the resolutions contained herein, with or without modification, in a manner required by the Act and the JSE Listings Requirements on which the Company's ordinary shares are listed.

Presentation of the consolidated audited annual financial statements

The consolidated audited annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors, the Audit and Risk Committee, the directors and the Social and Ethics Committee for the year ended 31 December 2019, as approved by the Board on 28 February 2020, 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 MJ Moffett, who was appointed to the Board on 22 September 2014 and who retires by rotation in terms of the Memorandum of Incorporation (MOI) of the Company, being eligible is hereby re-elected as an independent non-executive director of the Company.'

2. Ordinary resolution number 2

Re-election of director

'Resolved that Mr PJ Ledger, who was appointed to the Board on 28 February 2018 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby re-elected as an independent non-executive director of the Company.'

3. Ordinary resolution number 3

Re-election of director

'Resolved that 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.'

4. Ordinary resolution number 4

Election of director

'Resolved that Mr U Lucht, who was appointed to the Board on 1 September 2019 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

Reappointment of auditors

'Resolved that, upon the recommendation of the Audit and Risk Committee of the Board, PricewaterhouseCoopers (PwC) be and is hereby appointed as the independent external auditor of the Company until the next AGM and that Mr Dion Shango (practice number: 901121) of PwC be elected as the accredited individual audit representative.'

6. Ordinary resolution number 6

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 and Chair 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.'

7. Ordinary resolution number 7

Election of Audit and Risk Committee member

'Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board and subject to the adoption of ordinary resolution 1, 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.'

Notice of Annual General Meeting continued

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, Ms ZJ Matlala, an independent non-executive director, be and is hereby elected as a member of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM.'

9. Ordinary resolution number 9

Election of Audit and Risk Committee member

'Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board and subject to the adoption of ordinary resolution 2, Mr PJ Ledger, an independent non-executive director, be and is hereby elected as a member of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM.'

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 12 863 866 (twelve million eight hundred and sixty-three thousand eight hundred and sixty-six) 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 sub-division or consolidation of issued equity securities during the valid period, the existing authority must be adjusted accordingly to represent the same allocation ratio
- (b) the equity securities will be issued to public shareholders, as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements, and not to related parties
- (c) the maximum discount at which equity securities will be issued is 10% (ten percent) of the weighted average traded price over the 30 (thirty) business days prior to the date that the price of the issue is agreed.'

In order for ordinary resolution number 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.

11. Ordinary resolution number 11

Approval of Remuneration Policy

'Resolved that the Remuneration Policy of the Company as set out on pages 125 to 134 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).' (An explanatory note to ordinary resolution 11 is set out on page 157 of the notice to shareholders.)

12. Ordinary resolution number 12

Approval of Remuneration Implementation Report

'Resolved that the Remuneration Implementation Report of the Company as set out on pages 129 to 134 of the integrated report be and is hereby approved through a non-binding advisory vote.' (An explanatory note to ordinary resolution 12 is set out on page 151 of the notice to shareholders.)

13. Ordinary resolution number 13

Amendment to the RBPlat Share Appreciation Rights Plan scheme rules

'Resolved that the amendment to rules of the Share Appreciation Rights Plan be and are hereby approved.' (An explanatory note to ordinary resolution 13 is set out on page 151 of the notice to shareholders.)

14. Ordinary resolution number 14

Amendment to the RBPlat Full Share Plan scheme rules

'Resolved that the amendment to rules of the Full Share Plan be and is hereby approved.' (An explanatory note to ordinary resolution 14 is set out on page 151 of the notice to shareholders.)

In order for ordinary resolutions number 13 and 14 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.

Special resolutions

15. 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 44 and 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 two (2) 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 one (1) 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.

Notice of Annual General Meeting continued

16. Special resolution number 2

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	
	2020 R	2019 R
Board Chair (all-inclusive fee)	1 635 411	1 557 534
Board member	379 513	361 441
Audit and Risk Committee Chair	250 562	238 630
Audit and Risk Committee member	139 639	132 989
Remuneration and Nomination Committee Chair	181 911	173 248
Remuneration and Nomination Committee member	126 690	120 657
Social and Ethics Committee Chair	184 127	175 359
Social and Ethics Committee member	125 194	119 232
Ad hoc fee	19 055	18 148

Subject to the approval by shareholders, the R18 148 ad hoc meeting fee will be increased to R19 055.

17. Special resolution number 3

General authority to repurchase shares

'Resolved that the directors of the Company be and are hereby authorised, until the earlier of the date of the next AGM of the Company or the date 15 (fifteen) months from the date of this AGM, by way of a general authority to repurchase issued shares in the share capital of the Company or to authorise and/or procure that a subsidiary company purchase such shares in the Company, at such price and on such terms as the directors may from time to time determine subject to the MOI, the Act and the JSE Listings Requirements, as applicable from time to time, and subject further to the restriction that the repurchase or purchase, as the case may be, by the Company and/or any of its subsidiaries of shares in the Company of any class under this authority shall not, in aggregate, in any financial year, exceed 5% (five percent) of the shares in issue in such class as at the date of the AGM.'

It is recorded that the JSE Listings Requirements and the Act currently require that a Company or any of its subsidiaries may only make a general repurchase of the ordinary shares in that Company if:

- 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)
- it is authorised in the Company's MOI
- 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 3
- 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
- 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 3 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
- 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 five (5) business days immediately preceding the date of repurchase of such ordinary shares
- at any point in time the Company and/or its subsidiaries may only appoint one agent to effect any repurchase
- 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 3 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 32 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 32 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 3 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 138
- Share capital of the Company – page 139

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 2019 and the issuing of this notice to shareholders.

The directors whose names are set out on page 32 of this document collectively and individually accept full responsibility for the accuracy of the information relating to special resolution number 3 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this resolution and additional information disclosed in terms of paragraph 11.26 of the JSE Listings Requirements relating thereto, contains all information required by law and the JSE Listings Requirements.

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, without any prior understanding or arrangement, as required under section 48(8)(a) of the Act.

Notice of Annual General Meeting continued

Voting and proxies

Ordinary shareholders are entitled to vote on all the resolutions set out above. On a show of hands, every ordinary shareholder who is present in person or by proxy at the AGM will have one vote (irrespective of the number of ordinary shares held in the Company), and on a poll, every ordinary shareholder will have one vote for every ordinary share held or represented. All ordinary resolutions will, in terms of the Act, require the support of more than 50% (fifty percent) of the voting rights of shareholders exercised thereon to be approved, other than ordinary resolutions numbers 13 and 14 which will require at least 75% (seventy-five percent) of the total voting rights of shareholders present at the AGM, in person or by proxy.

All special resolutions will, in terms of the Act, require the support of at least 75% (seventy-five percent) of the total voting rights of shareholders exercised thereon at the AGM to be approved.

Ordinary shareholders are entitled to attend, speak and vote at the AGM, or they may appoint a proxy to attend, speak and vote in their stead. Shareholders holding dematerialised shares not in their own name must furnish their CSDP or broker with their instructions for voting at the AGM should they wish to vote. If your CSDP or broker does not obtain instructions from you, it will be obliged to act in terms of the mandate signed or the completed proxy form attached.

Unless you advise your CSDP or broker before the expiry date of your intention to attend the AGM or to appoint a proxy to do so, the CSDP or broker will assume that you or your proxy will not be attending the AGM. If you wish to attend the AGM or to appoint a proxy to do so, you must obtain a letter of representation signed by your CSDP or broker prior to the AGM.

Shareholders with dematerialised shares in their own name, or who hold shares that are not dematerialised, and who are not able to attend the AGM and wish to have representation at the meeting, must complete, and submit to the transfer secretaries, the form of proxy attached, in accordance with the instructions contained therein, by no later than 10:00 on Friday, 3 April 2020. The completion of the form will not preclude the shareholder from subsequently attending the AGM. Proxies may also be submitted to the Chair at the meeting.

Questions

The Board encourages shareholders to attend and to ask questions at the AGM. In order to facilitate the answering of questions at the meeting, shareholders who ask questions in advance are encouraged to submit their questions in writing to the Company Secretary by 10:00 on Friday, 3 April 2020.

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 2019.

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 33 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 resolution 4)

Ordinary resolution number 4 is proposed to appoint Mr U Lucht as a non-executive director to the Board in terms of the MOI of the Company, being eligible as a director of the Company.

Brief biography of the director is as follows:

U Lucht

Age: 42

Qualifications: BCom (Hons), CA(SA), CFA

Date of appointment: 1 September 2019

Tenure: 4 months (as at 31 December 2019)

Non-executive director

Skills and experience:

Udo is Chief Investment Officer of Royal Bafokeng Holdings (RBH). Prior to joining RBH, he worked in Rand Merchant Bank's Investment Banking division as a senior resource finance transactor. Before joining the RBPlat Board, he was a non-executive director of Impala Platinum Holdings Limited and Vodacom Proprietary Limited.

Significant directorships:

- YeboYethu (RF) Limited
- RMB Holdings Limited (alternate)
- Rand Merchant Investment Holdings Limited (alternate)
- Liquid Telecommunications Holdings Limited (alternate)

4. Reappointment of the independent auditor (ordinary resolution number 5)

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 5 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.

Notice of Annual General Meeting continued

5. Election of Audit and Risk Committee members (ordinary resolutions numbers 6 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 6 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 page 40 of this integrated report.

A brief biography of the committee members offering themselves for election can be found on page 33 of the integrated report.

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 16 April 2019 expires at the AGM to be held on Tuesday, 7 April 2020, 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 its implementation.

Ordinary resolutions numbers 11 and 12 are proposed to consider and approve, by way of a non-binding advisory vote, the Remuneration Policy or the Implementation Report of the Company, as set out in the remuneration review on pages 125 to 134 of the integrated report.

In terms of principle 14 of the South African King IV report, the Company's Remuneration Policy or the Implementation Report should be tabled to the shareholders to approve as a non-binding vote. Failure to endorse the non-binding vote will not have any legal consequences for existing arrangements. The minimum voting percentage required for approval of ordinary resolutions 11 and 12 is 50% (fifty percent) plus one.

In the event that at least 25% (twenty-five percent) of the voting rights exercised on these resolutions are against either the Remuneration Policy or the Implementation Report or both, the Board will commit to implementing a consultation process, as stipulated in the remuneration policy.

8. Explanatory note to ordinary resolutions numbers 13 and 14

The Full Share Plan and Share Appreciation Right Plan scheme rules (the schemes) are being amended in terms of ordinary resolutions numbers 13 and 14 to make provision for the newly approved malus and clawback policy as explained on page 125 of the remuneration report. The key amendments made pertain to the definitions of malus and clawback as well as the trigger events and the addition of clause 10 which states:

‘Notwithstanding any other provision of the rules, and irrespective of whether any performance conditions of an award has been satisfied, should a malus trigger event occur any time before the vesting date (in respect of an award to which the Remuneration Committee has specified that malus applies), the directors may in their absolute discretion, upon recommendation by the Remuneration Committee, reduce the award in whole or in part (including, for the avoidance of doubt, to nil) in accordance with the provision of the malus and clawback policy’.

Whenever a reduction is made, the relevant award shall be treated as having lapsed.

Furthermore, clause 4 of the scheme rules, setting out the overall share scheme limits in terms of the number of shares to be utilised by the schemes, is amended to 5% (previously 6%). Based on the current issued share capital being 257 277 317 (two hundred and fifty-seven million two hundred and seventy-seven thousand three hundred and seventeen) ordinary shares, the limit will increase from 11 623 582 (eleven million six hundred and twenty-three thousand five hundred and eighty-two) to 12 863 866 (twelve million eight hundred and sixty-three thousand eight hundred and sixty-six) ordinary shares, subject to the approval of the amendments to the scheme rules in terms of ordinary resolutions numbers 13 and 14.

9. Financial assistance (special resolution number 1)

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 two (2) 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. Non-executive directors’ fees (special resolution number 2)

In terms of the King Codes and the Act, the shareholders of the Company are required to approve by special resolution the fees to be paid to non-executive directors. Please see the remuneration report on page 134 for additional information on non-executive director fees.

The Board believes that the proposed fees are competitive enough and will enable the Company to attract and retain people of the calibre required to make a meaningful contribution to the Company, having regard to the appropriate capability, skills and experience required. The Board, on the recommendation of the Remuneration and Nomination Committee, recommends to shareholders that these fees be approved.

Notice of Annual General Meeting continued

11. General authority to repurchase shares (special resolution number 3)

The effect of special resolution number 2 and the reason for this resolution is to grant the Company or any of its subsidiaries a general approval in terms of the MOI, the Act and the JSE Listings Requirements, to acquire the Company's shares, which general approval shall be valid until the earlier of such next AGM of the Company or its variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this AGM.

The directors are of the opinion that it would be in the best interests of the Company to approve this general authority and thereby allow the Company or any of its subsidiaries to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

Statutory disclosure

Proxies

In terms of section 58 of the Act, a shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the meeting in place of the shareholder. The proxy need not be a shareholder of the Company. (A proxy form together with a summary of section 58 of the Act pertaining to a shareholder's right to be represented by proxy is attached hereto.)

Proxy forms must be submitted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or PO Box 61051, Johannesburg, 2000, by no later than 10:00 on Friday, 3 April 2020.

Proxies can also be provided to the Chair of the meeting before the meeting commences on Tuesday, 7 April 2020 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 eleventh Annual General Meeting (AGM) to be held on Tuesday, 7 April 2020 at 10:00. For use by certificated ordinary shareholders and dematerialised ordinary shareholders with own name registration only.

Holders of dematerialised ordinary shares other than with own name registration must inform their central securities depository participant (CSDP) or broker of their intention to attend the AGM and request their CSDP to issue them with the necessary authorisation to attend the AGM in person or provide their CSDP or broker with their voting instructions should they not wish to attend the AGM in person but wish to be represented thereat.

I/We _____

of (address) _____

being registered holder(s) of ordinary shares in the issued share capital of the Company hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

the Chair of the AGM as my/our proxy to vote on my/our behalf at the AGM of the Company to be held on Tuesday, 7 April 2020 at 10:00 for the purpose of considering and, if deemed appropriate to pass with or without modification the resolutions to be proposed at the meeting or at any adjournment thereof in respect of the shares registered in my/our name(s), in accordance with the following instructions:

			Number of ordinary shares		
			In favour	Against	Abstain
1	First item of business: annual financial statements	To receive and adopt the annual financial statements for the financial year ended 31 December 2019			
2	Ordinary resolution number 1	To re-elect Mr MJ Moffett as a director of the Company			
3	Ordinary resolution number 2	To re-elect Mr PJ Ledger as a director of the Company			
4	Ordinary resolution number 3	To re-elect Mr O Phetwe as a director of the Company			
5	Ordinary resolution number 4	To elect Mr U Lucht as a director of the Company			
6	Ordinary resolution number 5	To reappoint PricewaterhouseCoopers as the independent external auditors of the Company and Mr D Shango as the accredited individual auditor			
7	Ordinary resolution number 6	To elect Ms L Stephens, as member and Chair of the Audit and Risk Committee			
8	Ordinary resolution number 7	To elect Mr MJ Moffett, subject to the approval of ordinary resolution 1, as a member of the Audit and Risk Committee			
9	Ordinary resolution number 8	To elect Ms ZJ Matlala as a member of the Audit and Risk Committee			
10	Ordinary resolution number 9	To elect Mr PJ Ledger subject to the approval of ordinary resolution 2, as a member of the Audit and Risk Committee			
11	Ordinary resolution number 10	To grant a general authority for directors to allot and issue up to 5% of the unissued share capital of the Company			
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			
16	Ordinary resolution number 13	To approve the amendment to the RBPlat Share Appreciation Rights Plan scheme rules			
17	Ordinary resolution number 14	To approve the amendment to the RBPlat Full Share Plan scheme rules			
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 non-executive directors' fees			
20	Special resolution number 3	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 _____ 2020

Signature _____ or assisted by _____ (where applicable)

Notes to the form of proxy

1. Any alternations must be signed, not initialled.
2. Proxies can be submitted to Computershare.
3. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the Chair 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 Chair of the meeting shall be entitled to decline to accept the authority of a signatory:
 - a. under a power of attorney or
 - b. on behalf of a company
unless the power of attorney or authority is deposited with the Company, marked for the attention of Lester Jooste, Company Secretary, at The Pivot, No 1 Monte Casino Boulevard, Block C, Floor 4, Fourways, 2021, by not later than 10:00 on Friday, 3 April 2020.
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 Chair of the Annual General Meeting may reject or accept any form of proxy which is completed other than in accordance with these instructions, provided in the event of acceptance, he/she is satisfied as to the manner in which a shareholder wishes to vote.
10. If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder's name.
11. Please insert an 'X' in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting as he/she deems fit in respect of all the shareholder's votes exercisable at the meeting. A shareholder or his/her proxy is not obligated to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and/or in respect of which abstention is recorded may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
12. When there are joint holders of shares and if more than one such joint holder be present or represented, then the person whose name appears first in the securities register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.

Summary in terms of section 58(8)(b)(i) of the Act

Please note that in terms of section 58 of the Act:

- a proxy appointment must be in writing, dated and signed by the shareholder appointing the proxy
- an individual may be appointed as a proxy, including an individual who is not a shareholder of the Company, to, among other things, participate in and speak and vote on a shareholder's behalf and more than one proxy may be appointed to exercise voting rights attached to different securities held by a shareholder
- a proxy may delegate his/her authority to act on a shareholder's behalf to another person, subject to any restriction set out in the proxy appointment
- a proxy appointment must be delivered to the Company before the proxy exercises any shareholder rights at the meeting
- the appointment of a proxy or proxies will be suspended at any time and to the extent that a shareholder chooses to act directly and in person in the exercise of any of its rights as a shareholder at the meeting
- the appointment of the proxy is revocable unless a shareholder expressly states otherwise in the proxy appointment
- as the appointment of the proxy is revocable, the proxy appointment may be revoked by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of a proxy's authority to act on a shareholder's behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid
- if a proxy appointment has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Act of the Company's Memorandum of Incorporation be delivered by the Company to the relevant shareholder will be delivered by the Company to the shareholder or its proxy or proxies, if the shareholder has directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so
- a proxy is entitled to exercise, or abstain from exercising, any voting right of a shareholder at the meeting, but only as directed on the proxy appointment
- the appointment of a proxy remains valid only until the end of the meeting or any adjournment or postponement thereof or for a period of one year, whichever is shorter, unless it is revoked by the shareholder before then on the basis set out above.

Corporate information

SHAREHOLDERS' DIARY

Financial year-end:

31 December of each year

Interim period-end:

30 June of each year

INTEGRATED REPORT AND ANNUAL FINANCIAL STATEMENTS

Mailed to shareholders 6 March 2020

ADMINISTRATION

Company registered office

Royal Bafokeng Platinum Limited

Registration number: 2008/015696/06

JSE Share code: RBP

ISIN: ZAE000149936

JSE Bond code: RBPCB

ISIN: ZAE000243853

The Pivot

No 1 Monte Casino Boulevard

Block C

4th Floor

Fourways

Johannesburg

2021

South Africa

PO Box 2283

Fourways

2055

South Africa

COMPANY SECRETARY

Lester Jooste

Email: lester@bafokengplatinum.co.za

Telephone: +27 10 590 4519

Telefax: +27 086 572 8047

INVESTOR RELATIONS

Lindiwe Montshiwagae

Email: lindiwe@bafokengplatinum.co.za

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PUBLIC OFFICER

Hanré Rossouw

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Telephone: +27 10 590 4513

Telefax: +27 086 219 5131

INDEPENDENT EXTERNAL AUDITORS

PricewaterhouseCoopers Inc.

4 Lisbon Lane

Waterfall City

Jukskei View

2090

South Africa

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

Rosebank Towers

15 Biermann Avenue

Rosebank

Johannesburg

2196

PO Box 61051

Marshalltown

2107

South Africa

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No 1 Monte Casino Boulevard
Block C
4th floor
Fourways

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