



Integrated
Report 2014

MORE THAN MINING

MORE THAN MINING 

ROYAL BAFOKENG PLATINUM INTEGRATED REPORT 2014



www.bafokengplatinum.co.za

CONTENTS

OUR BUSINESS

| | | |
|-----------|--|----|
| 02 | An overview of our business | 2 |
| | Performance | 10 |
| | Our investment case | 14 |
| | Operating context | 16 |
| | Issues material to our business | 24 |
| | Our approach to risk management | 40 |
| | Board of directors | 52 |
| | Executive Committee | 54 |
| | Chairman's letter to stakeholders | 55 |
| | Chief Executive Officer's strategic review | 56 |

OUR PERFORMANCE AGAINST THE CAPITALS

| | | |
|-----------|---|-----|
| 60 | Financial capital | 60 |
| | Manufactured capital | 74 |
| | Human capital | 92 |
| | Human resources | 94 |
| | Training and development | 104 |
| | Safety, health and wellness | 110 |
| | Social and relationship capital | 122 |
| | Natural capital | 138 |
| | Summary of mineral resources and reserves | 140 |
| | Environment | 144 |
| | Intellectual capital | 158 |

TRANSPARENCY AND ACCOUNTABILITY

| | | |
|------------|--|-----|
| 164 | Chairman's corporate governance review | 166 |
| | Corporate governance | 168 |
| | Social and Ethics Committee report | 180 |
| | Ethics | 181 |
| | RBPlat's approach to remuneration | 182 |
| | Independent assurance report | 187 |
| | Glossary | 189 |

ANNUAL FINANCIAL STATEMENTS

193

SHAREHOLDER INFORMATION

| | | |
|------------|----------------------------------|-----|
| 252 | Shareholder statistics | 252 |
| | Notice of annual general meeting | 253 |
| | Proxy form | 261 |

COMPANY INFORMATION

260

Forward looking statement

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

The performance of the RBPlat Group is subject to the effect of changes in commodity prices, currency fluctuations, uncertainty around the supply of electricity, the risks involved in mining and smelting operations and the operating procedures and performance of the Group. The Company undertakes no obligation to update publicly or to release any revisions to these forward looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

ABOUT THIS REPORT

We choose to report in an integrated manner because we believe that doing so can help our stakeholders make better informed decisions about our business.

This integrated report, which is our primary report to stakeholders, covers the period 1 January 2014 to 31 December 2014. Its scope includes RBPlat's mining operations, projects and the key functions over which we exercise control. None of these have undergone any significant change to their size, structure or ownership during the year under review. We would refer you to page 5 for details of our structure.

With respect to comparability, all significant items are reported on a like-for-like basis with no major restatements.

Reporting frameworks

Our integrated report conforms to the requirements of local and international reporting frameworks, including those of

the South African Companies Act 71 of 2008 and the JSE Listings Requirements. We have used the International Integrated Reporting Framework to guide us in structuring our report to show the connectivity between material information on our strategy, governance, performance and prospects and how our strategy affects and is affected by environmental, social and financial issues.

We have also applied King III and the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and have been guided by the Global Reporting Initiative's (GRI) G4 guidelines and its Mining and Metals sector supplement.

Independent third party assurance has been provided by Gilden Assurance over sustainability information that we have identified as material to the sustainability of our business. Details of the assurance of information provided in this report can be found on page 187 of the Transparency and accountability section of this report.

This report also serves as RBPlat's Communication on Progress (COP) to the United Nations Global Compact.

Our annual financial statements (pages 202 to 250), which comply with International Financial Reporting Standards, were audited by PricewaterhouseCoopers Inc. (PwC) whose unqualified audit report can be found on page 201.

Our 2013 integrated report gained first place in the 2014 EY Excellence in Integrated Reporting Awards and in the Mid Cap section of the Annual Report Awards hosted by the Chartered Secretaries of Southern Africa in partnership with JSE Limited.

RBPlat was included in the JSE Social Responsibility Index for the third year running and was recognised as a Best Performer in 2014.

Board approval

The RBPlat Board acknowledges its responsibility for ensuring the integrity of this integrated report. The Board confirms that it has collectively reviewed the report's contents and to the best of its knowledge and belief it addresses RBPlat's material issues and presents fairly the integrated performance of the organisation and its impact on the environment and its stakeholders. The Board has approved RBPlat's integrated report for 2014.

Kgomotso Moroka
Chairman

Steve Phiri
Chief Executive Officer

Navigation icons

-  This icon refers to more detailed information in this report.
-  This icon refers to information on our website.

Give us your feedback

We would welcome your feedback on our reporting for 2014 and any suggestions you have in terms of what you would like to see incorporated in our report for 2015. To do so please contact Lindiwe Montshiwaga at lindiwe@bafokengplatinum.co.za.

www.bafokengplatinum.co.za



AN OVERVIEW OF OUR BUSINESS

OUR BUSINESS MODEL

The four pillars of our strategy are underpinned by our aspiration to deliver *More than mining* by creating economic value for all our stakeholders. We measure our progress against these pillars by continually monitoring our performance against our key performance indicators.

The elements that influence our strategy and how we go about achieving our strategic objectives are also centred round our aspiration to deliver *More than mining*. They begin with our commitment to keeping our people safe and healthy, providing them with a safe working environment, investing in their development, respecting and protecting their human rights and providing them with equal opportunities. Our financial position, which includes a strong cash flow from our operations and an ungeared balance sheet,

makes it possible for us to grow organically, continue to invest in the stay-in-business and replacement capital that will allow us to achieve our strategic goal of operational excellence and pursue value enhancing opportunities. Enterprise risk management, by providing us with an integrated approach to the management of our business risks within a complex and ever-changing environment, underpins the four pillars of our strategy.

Our belief that good governance and responsible leadership is an essential element of sustainability has a major influence on how we run our business. Finally, our business is all about our stakeholders: the value we can offer the investment community and add to the country by paying taxes and royalties; our ability to create jobs and develop our people, and the opportunities we offer community members,

which include developing skills they can apply in the workplace, education support and enterprise development opportunities. Our responsible approach to environmental management involves ensuring that our operations do not have a detrimental impact on the environment in which we operate and in which our doorstep communities live.

Having introduced you to our strategy and what influences the way we operate, our business model describes how we operate, by setting out, in terms of the six capitals, our inputs, activities, outputs and outcomes.

What supports our strategy

- > 4E resources of 71.4Moz (58.7Moz, measured and indicated)*
- > Merensky bias
- > Shallow depth
- > ±60 years life of mine
- > Prime location on Western Limb of Bushveld Complex
- > Low cost operations

What influences our strategy

People

- > Safety of our people and communities
- > Effective leadership
- > Technical strength and depth
- > Investment in training and development

Financial position

- > Strong cash flow generation
- > Ungeared balance sheet

Enterprise risk management

- > Enterprise risk management framework across our business

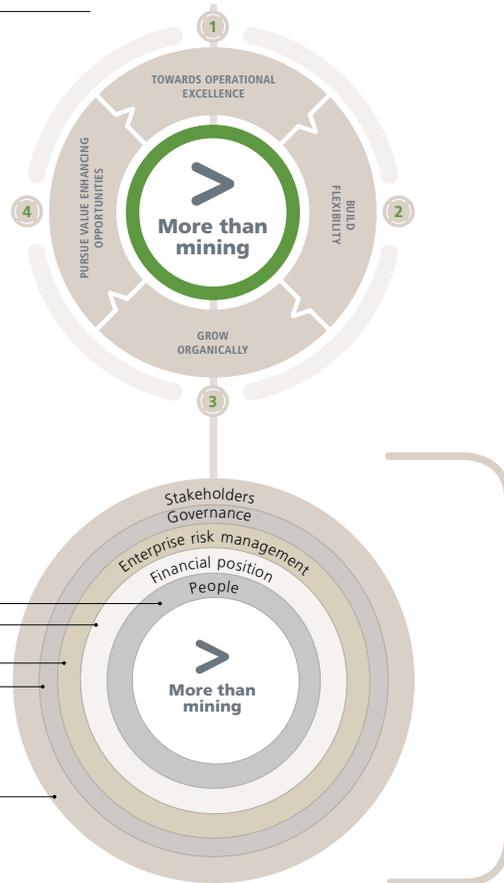
Governance

- > Complying with and exceeding the requirements of the Mining Charter
- > Complying with JSE Listings Requirements
- > Applying principles of King III
- > Complying with all other relevant legislation

Stakeholders

- > Engaging with and responding to all our stakeholders

* This represents 100% of the BRPM JV



HOW WE OPERATE

| | Inputs | Activities | Outputs | Outcomes |
|--|---|---|--|--|
| FINANCIAL CAPITAL | <ul style="list-style-type: none"> > Cash flow generated by our operations > Equity funding > Debt funding > Efficient systems, controls and processes | <ul style="list-style-type: none"> > Appropriate and responsible allocation of financial capital > Sale of concentrate > Financial accounting > Management accounting > Cost management and treasury system > Supply chain management | <ul style="list-style-type: none"> > Cash flow generated by our operations > EBITDA > Headline earnings per share | <ul style="list-style-type: none"> > Strong balance sheet > Able to fund our business and grow organically > Shareholder returns > Financial stability > Business sustainability |
| MANUFACTURED CAPITAL | <ul style="list-style-type: none"> > Mineral resources and reserves > Mining infrastructure above and below ground > Concentrator plant > Tailings and storm water dams > Mining equipment and consumables > Utilities > Mining and mineral rights > Appropriate skills | <ul style="list-style-type: none"> > Converting resources into reserves > Mineral resource management > Mining Merensky and UG2 reefs > Process the ore in our concentrator plant > Engineering > Safety, health, environment and risk (SHER) management > Developing Styldrift I > Conducting feasibility studies for Styldrift II | <ul style="list-style-type: none"> > Merensky and UG2 ore > PGM concentrate > Refined PGMs and base metals from concentrate supplied to refiners > Efficient water and energy use > Greenhouse gas emissions > Waste material > Mine water | <ul style="list-style-type: none"> > Saleable product that generates our revenue > Fully operating mines > Increased production through organic growth > Depletion of resources > Beneficiation of PGMs |
| HUMAN CAPITAL | <ul style="list-style-type: none"> > People > Skills > Ability > Knowledge | <ul style="list-style-type: none"> > Recruitment and placement > Training and development > Talent management > Performance management > Ongoing engagement with employees and organised labour > Employee relations > Remuneration > Safety and health management | <ul style="list-style-type: none"> > Effective leaders > Skilled employees > Engaged contract workers > Stable relationship with organised labour | <ul style="list-style-type: none"> > Effective leadership > Increased productivity > Safe working environment > Labour stability > Employees' sustainable wealth creation > Workforce aligned with business objectives > Low turnover of skilled workforce |
| SOCIAL AND RELATIONSHIP CAPITAL | <ul style="list-style-type: none"> > Doorstep and extended communities > Employees > Ethics and human rights | <ul style="list-style-type: none"> > Implementation of social and labour plan (SLP) > Engaging with communities and other relevant stakeholders > Social impact assessments | <ul style="list-style-type: none"> > Poverty alleviation > Infrastructure development > Enhanced community skills > Enterprise development > Better working relations > Improved maths and science marks > Jobs | <ul style="list-style-type: none"> > More sustainable communities > Sustainable small businesses > Improve community relations > An ethical business that respects the rights of its employees and the communities in which it operates |
| NATURAL CAPITAL | <ul style="list-style-type: none"> > Natural resources – mineral resources – water – land – air – biodiversity > Water use licence | <ul style="list-style-type: none"> > Environmental management planning > Securing mineral rights > Exploration > Adaptation and impact studies > Environmental impact assessments > Emissions measured and monitored > Accurate assessment of resources and reserves | <ul style="list-style-type: none"> > Geological resource model and reserves > Resources and reserves statement > Carbon footprint per unit reduced > Rehabilitated and restored any disturbed land > Waste material and mine water | <ul style="list-style-type: none"> > Increased sustainability through the availability of additional resources and reserves > The impact of our mining activities is minimised > Rehabilitation > Treated and recycled |
| INTELLECTUAL CAPITAL | <ul style="list-style-type: none"> > Stakeholder management > Risk management > Reputation and brand > Governance structures > Geological model > Cost management systems > Research and development > Project management systems > SHE management | <ul style="list-style-type: none"> > Industry benchmarking and research > Enterprise risk management > Developing and implementing governance systems and processes > Manage costs > Research and develop new solutions > Continuous reassessment of effectiveness of operational systems and processes | <ul style="list-style-type: none"> > Risks and opportunities identified and responded to > Accurate information and cost efficiencies > Effective systems and processes > Projects delivered on time, within budget and meeting required quality specifications | <ul style="list-style-type: none"> > A well managed ethical business with access to accurate information > Innovative ways of working > Improved productivity and efficiencies > Effective decision-making |

AN OVERVIEW OF OUR BUSINESS

CONTINUED

OUR VISION AND MISSION

- > To seek and deliver the good from mining
- > To leave a lasting legacy of sustainable benefits for our stakeholders

OUR PURPOSE

- > To create economic value for all our stakeholders

SUSTAINABLE VALUE CREATION

| Exploration | Project development | People | Suppliers | Mining | Concentrate production |
|--|---------------------|---|-----------|--------|------------------------|
| | | | | | |
| Refiners of our PGM concentrate and marketers of our end product | | Purchasers of PGMs in the form of the automotive, jewellery, electronic, chemical, dental and medical industries and exchange traded funds (ETFs) | | | |
| | | | | | |

A long and proud history

RBPlat is a black owned and controlled mid-tier PGMs producer, originating from a joint venture between Anglo American Platinum (Amplats) and Royal Bafokeng Holdings (RBH) known as the Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture, which produced its first platinum concentrate in December 1999. We sell the concentrate we produce to Amplats for beneficiation in its refineries.

1860s

Royal Bafokeng Nation (RBN) purchases land

1925

Platinum discovered in the Bushveld Complex, world's largest PGM deposit

1990s

Discussions between RBN and Amplats to form JV

1997

Site establishment

1998

Start of Merensky opencast mining

2002

50:50 JV with Amplats – BRPM JV

DEC 2009

BRPM JV restructuring: RBPlat obtains 67% interest

JAN 2010

RBPlat assumed operational control of the BRPM JV (67:33)

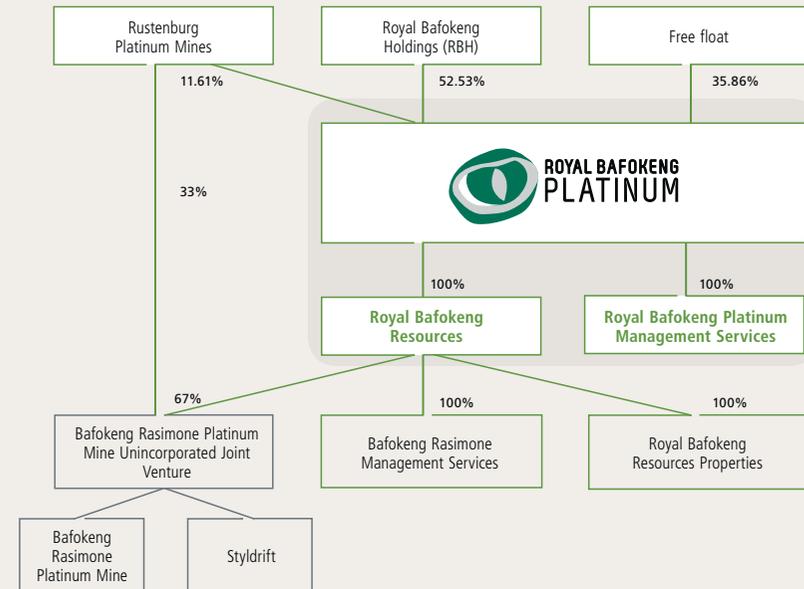
NOV 2010

RBPlat was the first community owned business to list on JSE

2011-2014

Strong operational performance with continued improvement in safety and consistent ounce output, characterised by stable labour relations, good operational flexibility and cost containment

RBPlat Group structure



OUR EMPLOYEE VALUE PROPOSITION

Is underpinned by our values:

Safety and people first

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

Promises delivered

We do what we say we will do.

Mutual interests and mutual rewards

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

To meet our value commitments we continually strive to improve our engagement with and responsiveness to our people. We invest in their training and development and the development of effective leaders. We also invest in technology that helps keep our people safe.

Health

A healthy workforce is an advantage to our business. We aim to eliminate occupational diseases by providing a workplace free from health and hygiene hazards and ensuring all our employees are members of an effective healthcare programme.

Labour relations

We negotiate in good faith to achieve mutually beneficial wage agreements and together we strive to honour our responsibilities and commitments contained in these agreements, including building homes for our employees.

We work together to achieve our production goals. Cost containment has become part of our everyday culture. To ensure our employees work efficiently and safely our incentive bonuses include a safety performance element.

See page 115 for road to safety resilience programme diagram.

Refer to our human resources material issues tables on pages 94 to 95 and pages 104 to 105 and pages 110 to 113.

See pages 102 to 103 and 108 to 109 for details of how we have met our commitments to our employees.

AN OVERVIEW OF OUR BUSINESS

CONTINUED

BRPM Joint Venture



The BRPM Joint Venture consists of the Bafokeng Rasimone Platinum Mine (BRPM), which has been in operation since 1998, a concentrator and the Styldrift I project currently under construction.

BAFOKENG RASIMONE PLATINUM MINE – A STEADY HIGH-MARGIN CASH GENERATIVE OPERATION

MINING

Two x decline shaft complex, conventional mining, 500m average mining depth

PROCESSING

Conventional mill/float concentrator – MF2 configuration

STAY-IN-BUSINESS (SIB) CAPITAL

6 – 8% of operating costs

LOM

35 years – including UG2

MERENSKY IN LOM

74% (up to 2028), 30% LOM

RESOURCES/RESERVES

| | RESOURCES | RESERVES |
|----------|--|---------------------------------------|
| MERENSKY | > 28.30Mt @ 7.64g/t (4E) = 6.95Moz | > 19.01Mt @ 4.41g/t (4E) = 2.70Moz |
| UG2 | > 71.32Mt @ 5.17g/t (4E) = 11.85Moz | > 55.44Mt @ 3.83g/t (4E) = 6.83Moz |
| TOTAL | > 99.62Mt @ 5.87g/t (4E) = 18.81Moz | > 74.45Mt @ 3.98g/t (4E) = 9.53Moz |

Note: Inclusive resources and reserves figures – 100% of the BRPM JV

KEY PRODUCTION STATISTICS

Annual 4E production (koz)

2014: 294
LOM: 280 till 2017
207 remaining LOM

Concentrator (Mt/annum)

2014: 2.4
LOM: 2.4 till 2018
1.9 remaining LOM

Recovery (%)

2014: 87
LOM: Merensky – 87.9%
UG2 – 81.9%

Mill grade (g/t) (4E)

2014: 4.29
LOM: 4.16

Annual 4E total cash cost (4E oz) (ZAR)

2014: 8 040
LOM: 9 051 (2014 real)

Cost/t milled (ZAR)

2014: 957
LOM: 1 036 (2014 real)

OUR ORGANIC GROWTH

STYLDRIIFT I PROJECT – A LOW COST MECHANISED MINE

MINING

Twin vertical shaft system, mechanised mining, 750m below surface

PROCESSING

Expansion of current BRPM facility to 350ktpm

SIB CAPITAL

10 – 12% of operating costs

LOM

+50 years

MERENSKY IN LOM

100% first 30 years

RESOURCES/RESERVES

| | RESOURCES | RESERVES* |
|----------|---|---------------------------------------|
| MERENSKY | > 72.90Mt @ 6.94g/t (4E) = 16.25Moz | > 45.27Mt @ 4.38g/t (4E) = 6.38Moz |
| UG2 | > 60.95Mt @ 5.07g/t (4E) = 9.94Moz | > Still to be converted to reserves |
| TOTAL | > 133.85Mt @ 6.09g/t (4E) = 26.19Moz | > 45.27Mt @ 4.38g/t (4E) = 6.38Moz |

* Excludes Frischgewaagd

Note: Inclusive resources and reserves figures – 100% of the BRPM JV, excluding Styldrift II

KEY PRODUCTION STATISTICS

First production

First quarter of 2016

Steady state

First quarter of 2019

Mill grade (g/t) (4E)

LOM: 4.22
LOM: Merensky – 4.3
UG2 – 3.7

Recovery of 89%

Annual 4E total cash cost

at 2019 steady state
R6 580 4E oz (2014 real)

Total expansion capital

R11.014 billion

See the manufactured material issues on pages 76 to 79 and the Manufactured capital section on pages 75 to 91 for more information.

The headgears of Styldrift's Main and Service shafts



AN OVERVIEW OF OUR BUSINESS

CONTINUED

Meeting and exceeding our community development commitments

We invested

R413.4 million*

in community development projects between 2010 and 2014, which exceeded our social and labour plan commitments

Investment (2010 – 2014)

We focused on:

R25.8 million
Basic infrastructure

R22.8 million
Health support

R32.3 million
Education support

R31.3 million
Job creation and poverty alleviation

R2.5 million
Enterprise development

R280.2 million
Human resource development

R12.8 million
Community skills development

** Including discretionary spend*

Our approach to our environmental responsibilities and climate change

We adopt a precautionary approach to our environmental responsibilities, which is based on international best practice and legal compliance. We continually review our environmental risks and opportunities. Management plans are in place to address our significant environmental risks.

Climate change remains a longer-term risk to our business and we have conducted a detailed climate change vulnerability risk assessment of our operations. The information gained from this assessment is included in our risk management model.

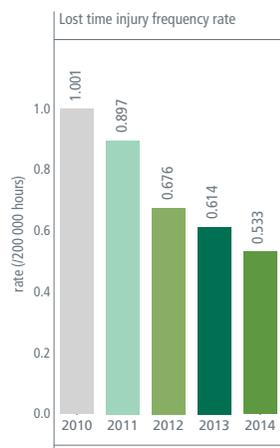
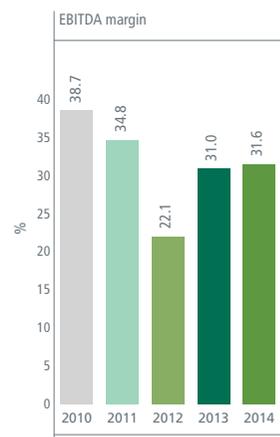
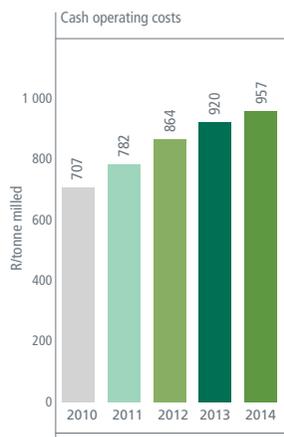
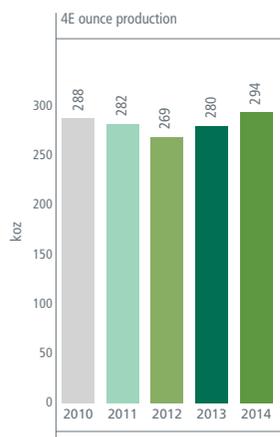
↳ Charora high school grade 11 physical science class in the new laboratory provided by RBPlat



PERFORMANCE

Our performance over the past five years

RBPlat remains profitable in a challenging environment with an EBITDA margin of 31.6% and R1.4 billion cash generated by operations (2013: R907.8 million)



Five-year financial and operational summary

| | Unit | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|----------------------|-------------|-------------|-------------|-------------|-------------|
| Financial statistics | | | | | | |
| Revenue | R (million) | 3 767.5 | 3 251.1 | 2 865.3 | 2 974.9 | 2 106.8 |
| Cash operating cost | R (million) | 2 361 | 2 093 | 2 051 | 1 802 | 1 700 |
| EBITDA* | R (million) | 1 189.4 | 1 008.0 | 633.8 | 1 035.5 | 8 15.3 |
| Profit attributable to owners of the company | R (million) | 440.9 | 284.2 | 170.3 | 273.4 | 3 164.8 |
| Headline earnings | R (million) | 440.9 | 283.9 | 170.3 | 273.7 | 290.2 |
| Headline earnings per share | cents | 239 | 173 | 104 | 167 | 191 |
| Normalised headline earnings** | R (million) | 506.9 | 348.4 | 233.2 | 350.2 | 399.3 |
| Normalised headline earnings per share** | cents | 274 | 212 | 142 | 214 | 283 |
| Weighted average number of ordinary shares in issue for earnings per share | | 184 797 002 | 164 319 791 | 163 960 709 | 163 677 799 | 141 132 832 |
| Average basket price*** | R/Pt oz | 19 842 | 17 927 | 16 404 | 16 282 | 15 555 |
| Gross profit margin | % | 23 | 18.5 | 11.9 | 19.0 | 23.7 |
| EBITDA margin* | % | 31.6 | 31.0 | 22.1 | 34.8 | 38.7 |
| Number of shares issued outside the Group at year end | | 189 897 794 | 164 459 662 | 164 150 804 | 163 677 799 | 163 677 799 |
| Net cash generated by operating activities | | 1 420.1 | 907.8 | 732.6 | 1 025.1 | 785.3 |
| Net asset value (NAV) per share | cents | 72.8 | 72.2 | 70.2 | 68.9 | 66.9 |
| Capital expenditure | | | | | | |
| Expansion capital | R (million) | 1 365 | 737.0 | 646.0 | 635.7 | 487.9 |
| Stay-in-business (SIB) capital | R (million) | 154.4 | 137.8 | 238.3 | 146.1 | 97.0 |
| SIB % of operating costs | % | 7 | 7 | 12 | 6 | 6 |
| Replacement capital | R (million) | 204.1 | 184.0 | 307.7 | 376.0 | 363.4 |
| Safety | | | | | | |
| Fatal injuries | No | 2 | 2 | 1 | 0 | 3 |
| LTIFR | /200 000 hours | 0.533 | 0.614 | 0.676 | 0.897 | 1.001 |
| SIFR | /200 000 hours | 0.289 | 0.265 | 0.421 | 0.467 | 0.531 |
| Safety stoppage losses | kt | 79 | 89 | 117 | 92 | 68 |
| Section 54 stoppages | No | 10 | 11 | 12 | 12 | 7 |
| Mining production | | | | | | |
| Stoping square metres | 000m ² | 527 | 505 | 479 | 471 | 539 |
| Total tonnes delivered | kt | 2 471 | 2 310 | 2 384 | 2 284 | 2 366 |
| Merensky delivered | kt | 1 908 | 1 895 | 1 959 | 2 026 | 2 288 |
| UG2 delivered | kt | 563 | 415 | 425 | 258 | 78 |
| Total development | km | 39.4 | 36.5 | 39.4 | 30.2 | 33.4 |
| Stoping to development replacement rate | m ² /m | 28.7 | 32.4 | 27.1 | 32.2 | 35.0 |
| IMS panel ratio | ratio | 1.70 | 1.52 | 1.48 | 1.01 | 1.12 |
| Concentrator production | | | | | | |
| Total tonnes milled | kt | 2 479 | 2 301 | 2 375 | 2 305 | 2 407 |
| Tonnes milled at BRPM | kt | 2 112 | 2 010 | 2 214 | 2 162 | 2 380 |
| Tonnes milled at Waterval | kt | 367 | 291 | 160 | 142 | 27 |
| Built-up head grade (4E) | g/t | 4.29 | 4.38 | 4.07 | 4.35 | 4.31 |
| Merensky built-up head grade (4E) | g/t | 4.45 | 4.51 | 4.22 | 4.44 | 4.32 |
| UG2 built-up head grade (4E) | g/t | 3.74 | 3.76 | 3.36 | 3.60 | 3.83 |
| Total recovery | % | 86.05 | 86.37 | 86.71 | 87.47 | 86.43 |
| 4E metals in concentrate | koz | 294 | 280 | 269 | 282 | 288 |
| Pt metal in concentrate | koz | 190 | 181 | 174 | 183 | 187 |
| Labour | | | | | | |
| Working cost labour | No | 6 272 | 6 180 | 6 057 | 6 553** | 6 793** |
| Capital labour | No | 2 601 | 1 727 | 1 686 | 1 389 | 877 |
| Stoping crew efficiencies | m ² /crew | 336 | 320 | 307 | 308 | 343 |
| Tonnes milled per total employee | t/emp | 33.1 | 31.6 | 29.8 | 29.3 | 29.5 |
| Operating costs | | | | | | |
| Cash operating costs | R (million) | 2 361 | 2 093 | 2 051 | 1 802 | 1 700 |
| Cash operating cost per tonne milled | R/t | 957 | 920 | 864 | 782 | 707 |
| Cash operating cost per 4E ounce | R/4E oz | 8 040 | 7 519 | 7 616 | 6 399 | 5 902 |
| Cash operating cost per platinum ounce | R/Pt oz | 12 463 | 11 592 | 11 775 | 9 863 | 9 076 |

* The Company utilises certain non-IFRS performance measures and ratios (ie EBITDA) in managing 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

** Normalised headline earnings are based on headline earnings adjusted for fair value depreciation, amortisation and tax thereon

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

++ 2011 and 2010 numbers are averaged for the year, thereafter year-end numbers are provided

Delivering against the four pillars of our strategy in 2014

Towards operational excellence

- > Safety improvements
- > Increased productivity
- > Contained costs
- > Effective employee engagement leading to labour stability

Build flexibility

- > Maintain ore reserve and IMS targets to ensure sustainable production
- > Supplement Merensky production with UG2

Organic growth

- > Construction of Styldrift I
- > Styldrift II exploration

Pursue value enhancing opportunities

- > Royalty agreements with Impala Platinum



Solid results achieved despite challenging environment



ACHIEVEMENTS

- > Labour stability
- > 7% increase in tonnes delivered
- > 8% increase in tonnes milled
- > 5% increase in 4E ounce production
- > Unit cost increases capped below mining inflation:
 - 4% increase in cost per tonne milled
 - 7% increase in cost per 4E ounce
- > R1.43 billion in net cash generated by operations
- > R1.50 billion equity raising
- > Cash on hand at year end of R1.86 billion
- > R413.4 million invested in completing mining charter social and labour plan commitments for period 2010 – 2014
- > Over 96% our of employees are historically disadvantaged South Africans (HDSAs)
- > 422 employee houses completed and 295 sales agreements signed by 31 December 2014



IMPROVEMENTS

- > 13% improvement in lost time injury frequency rate (LTIFR)
- > 5% improvement in stoping crew efficiencies
- > 5% improvement in tonnes milled per employee
- > 68% of discretionary procurement from HDSAs



CHALLENGES

- > 11% increase in serious injury frequency rate (SIFR)
- > PGM market conditions
- > Tax dispute relating to 2008 and 2009 assessments



DISAPPOINTMENTS

- > Two fatal accidents at our operations in 2014
- > US\$ metal price performance
- > Six-month delay in planned production ramp-up at Styldrift I

OUR INVESTMENT CASE

BLACK EMPOWERMENT STATUS

We are black owned and controlled. Because the Royal Bafokeng Nation through its investment arm Royal Bafokeng Holdings (RBH) has a 52.53% investment in RBPlat we not only comply with black economic empowerment requirements but exceed them. RBH followed its rights when it supported our capital raising programme in 2014 and it has stated that it views RBPlat as its quality growth investment vehicle in platinum.



BRPM's South shaft

LONG LIFE QUALITY ASSETS

Prime location

on the Western Limb of the Bushveld complex

Long-term shallow

depth mining (>60-year life of mine)

Existing asset – BRPM

- > Access to 6.95Moz (4E) Merensky resource at 7.64g/t (4E) and 11.85Moz (4E) UG2 resource at 5.17g/t
- > Set to remain **Merensky biased** in the long term with UG2 production contributing approximately 10%

High quality organic growth – Styldrift I

- > Styldrift I will increase production to **350kt per month by 2019**
- > Access to 16.25Moz (4E) **Merensky** resource at 6.94g/t (4E) and 9.94Moz (4E) UG2 resource at 5.07g/t
- > Styldrift II, **represents 40%** of our total resource with the option to be brought forward as an **expansion project**. Feasibility studies to be completed in 2016

STRONG FINANCIAL POSITION

- > **Operating free cash flow positive** in 2014
- > **Competitive position** on the industry cost curve
- > **No gearing**
- > Cash balance of **R1.86 billion**

LABOUR AND TRADE UNION STABILITY

- > Long-term wage agreement in place (**concludes in 2019**)
- > **No industrial action** in 2014

STRENGTH AND DEPTH OF MANAGEMENT SKILLS AND EXPERIENCE

- > Foresight in 2010 to introduce **business flexibility** through early co-extraction and create additional immediately stopable reserves
- > Flexibility allows us to **adapt quickly** to the constantly changing environment:
 - **2012 – reacted rapidly** to a reduction in PGM prices by **deferring capex** that would not adversely impact the business in the short to medium term
 - **2013 –** changed proposed processing solution for Styldrift I after a thorough investigation of options including **possible collaboration** with neighbouring mines. Decision was based on both cost implications and providing the best long-term Merensky driven solution
- > **Project management skills** – BRPM Phase III replacement project **on time and within budget**
- > **Additional technical resources** assigned to the Styldrift I project to ensure delivery to the revised schedule which has been delayed by six months over a 10-year project life
- > **Ability to contain costs** in a challenging environment

COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY

- > **Open, honest** and **timeous** communication to the investor community when challenges arise

A SOCIALLY RESPONSIBLE COMPANY

- > **A Best Performer** on the JSE Socially Responsible Investment (SRI) Index



Best Performer status on JSE Socially Responsible Investment (SRI) Index

Winner of the EY Excellence in the 2014 Integrated Reporting Awards and winner of the Mid Cap category of the Chartered Secretaries Southern Africa JSE Integrated Reporting Awards 2014

OPERATING CONTEXT

THE GLOBAL PGM ENVIRONMENT



KEY INFLUENCES:

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

The significant roles of PGMs

- > **Automotive** (their catalytic properties, thermal durability and resistance to poisoning make these metals key to achieving cleaner emissions from combustion engines. PGMs are also used in transport system fuel cells, the use of which, while still very small, is growing)
- > **Jewellery** (because of its high resistance to wear and tarnishing platinum is very suitable for use in fine jewellery)
- > **Industrial** – the chemical, petroleum, electrical, glass, medical and biomedical industries (PGMs are resistant to chemical attack, have excellent high temperature characteristics)

and have stable electrical properties. PGMs are also used in industrial fuel cell systems)

> **Investment** (bars, coins, ETFs, exchange stocks)

Platinum has the widest range of end uses. Demand for palladium is mainly for use in light-duty gasoline autocatalysts and diesel autocatalysts, while rhodium is mostly used in autocatalysts.

PLATINUM

Strike-related deficit draws excess market stock down to 2.6Moz

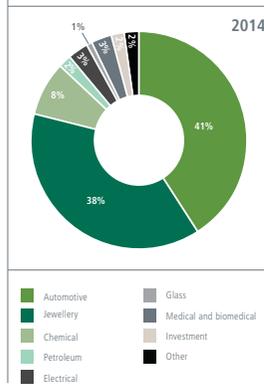
Autocatalyst and jewellery demand for platinum stable

As the graph opposite shows, automotive platinum requirements as a share of total demand rose 145koz to 41% or 3.3Moz in 2014, with most of the growth coming from Western Europe where Euro 6 emission legislation was imposed from September 2014. Jewellery's share remained stable at 38% of demand, which is well up from less than 25% in 2007. Investment demand growth contracted with its share of demand falling from 11% to 2% in 2014. This is owing to the exceptional year in 2013 with the launch of the Absa NewPlat ETF product in South Africa which added >900koz of platinum.

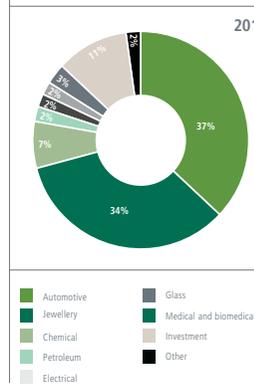
Strikes help to absorb excess market stocks

The platinum market and prices are suffering from a build-up of inventories since the financial crisis in 2008/9. However, the five month strike that hit the South African platinum industry and consequent destocking by mining companies aided a reduction of excess stocks from 3.5Moz in 2013 to 2.6Moz at the end of 2014. This stock excludes working inventories for demand applications and ETF holdings.

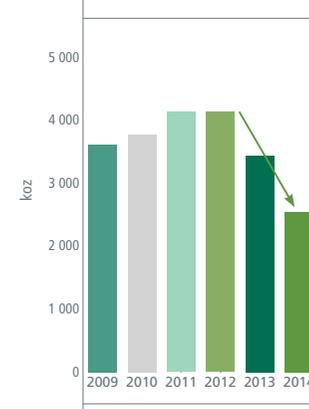
Share of gross demand for platinum by industry (gross demand amounted to 7.8Moz)



Share of gross demand for platinum by industry (gross demand amounted to 7.6Moz)

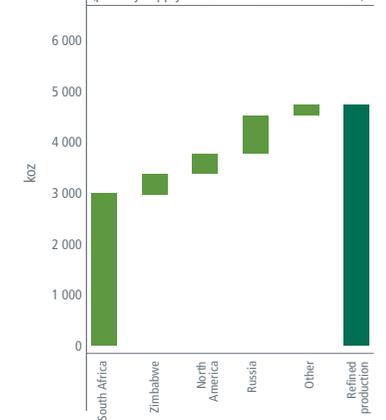


Platinum liquid stock position



Source: SFA (Oxford)

Total platinum mining supply by region (primary supply for 2014 amounted to 4.7Moz)



PALLADIUM

Structural market deficit forecast to persist

The market fundamentals for palladium remain firm

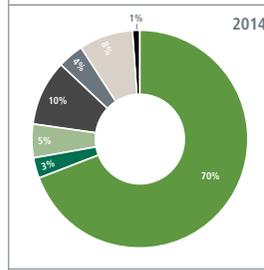
A key feature of the palladium market in 2014 was the launch of two ETF products in South Africa, which accumulated >1Moz. Investment as a share of total demand increased from just 1% from 2013 to 8% in 2014. Automotive demand continues to dominate with a 70% share and grew year-on-year by 6% to 7.5Moz in 2014. Growing sales of palladium-rich gasoline vehicles in North America and China remain strong drivers of demand going forward.

The palladium market deficit widens

2014 saw a deficit of 1.5Moz, excluding producer stock sales and allocation of metals to ETFs and other investments. Above ground stocks are still freely available with more than 6Moz of immediately available stocks at the end of 2014, excluding ETF allocations and industry working inventories.

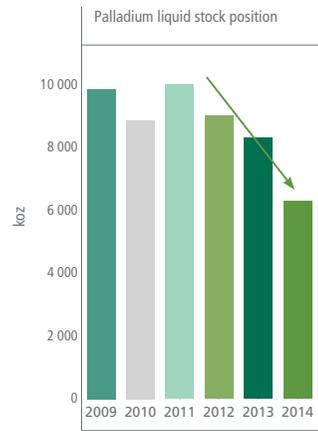
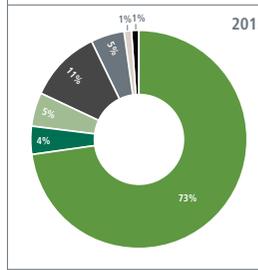
Source: SFA (Oxford)

Share of gross demand for palladium by industry (gross demand amounted to 10Moz)



Source: SFA (Oxford)

Share of gross demand for palladium by industry (gross demand amounted to 9.7Moz)



Source: SFA (Oxford)



RHODIUM

Removal of excess stocks required to lift prices

The market was in deficit in 2014 for the first time in five years

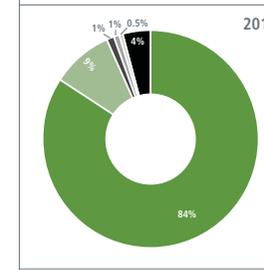
Automotive demand is recovering steadily assisted by Euro 6 emissions legislation requiring some rhodium-rich lean NOx traps. However, as with platinum the ongoing growth in recycling is serving to offset much of the demand upside.

Rhodium temporarily returns to deficit but not enough to destock the market

The impact of the five month strike in the platinum sector and steadily recovering automotive demand is estimated to leave the market with a 190koz deficit in 2014. However, the market has been in surplus since 2009 so there is still excess stock in the market to absorb before a meaningful increase in the price occurs.

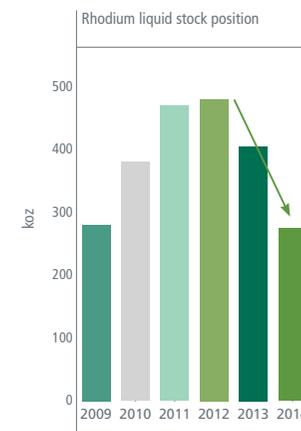
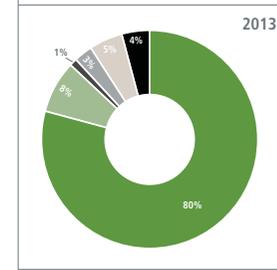
Source: SFA (Oxford)

Share of gross demand for rhodium by industry (gross demand amounted to 1.0Moz)

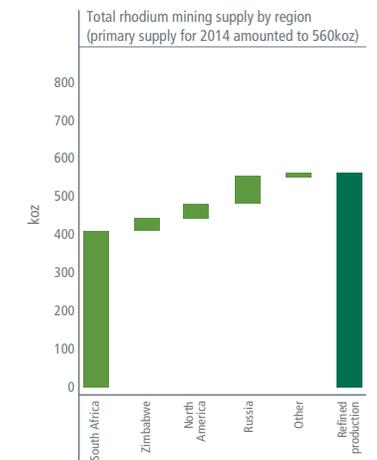


Source: SFA (Oxford)

Share of gross demand for rhodium by industry (gross demand amounted to 980koz)



Source: SFA (Oxford)



OPERATING CONTEXT

CONTINUED

The role of emissions legislation in PGM demand

Tailpipe emissions legislation is vital to ensure good air quality in urban areas, indeed, wherever gasoline and diesel vehicles drive.

Established markets such as the United States, Western Europe and Japan have been at the forefront of introducing emissions legislation and continue to tighten this legislation every few years. Emerging markets such as China, India, Brazil and South East Asia are experiencing some of the highest and fastest growth in automotive sales and are fast catching up with the latest legislation. The availability of clean (low sulphur) fuel works remains key to implementing tighter emissions legislation and to autocatalyst deployment.

Euro 6

The main change that has taken place recently has been the imposition of Euro 6 for new light vehicle models in September 2014 and for all models from September 2015. This cuts permitted NOx emissions from diesel engines by more than half. This means some form of NOx emissions control technology is required on most new diesel cars sold in

Europe. In Euro 5, the main step change was to lower particulate matter emissions, while in Euro 4 it was to cut CO₂ emissions. Diesel particulate filters (DPF) and diesel oxidation catalysts, which are both relatively highly platinum-loaded, are also found in most vehicles under Euro 6.

China

In China, rapidly growing concern at all levels over air quality is leading to action on vehicle emissions, but fuel quality is slowing the introduction of legislation. The government announced China 5 (similar to Euro 5) light duty tailpipe regulations effective from January 2018. Major regions and cities have an even more aggressive schedule, requiring fuels with 10 parts of sulphur per million parts of fuel by 2015. Sulphur binds very strongly and irreversibly to the surface of PGMs. Beijing continues to lead and already has 10 ppm sulphur fuel for both gasoline and diesel. Only China V (Euro V) trucks and buses with DPFs (PGM-loaded) can be sold in Beijing after 1 January 2015. Beijing is considering a move to California or US EPA standards for light duty vehicles in 2016, instead of the Euro 6 requirements, as Euro 6 does not tighten gasoline gaseous emissions enough from Euro 5 levels.

Global emissions legislation continues to underpin PGM demand

The table below shows when particular emissions legislation is due to be introduced and this also indicates where and when there should be an increase in PGM demand for autocatalysts because the introduction of new legislation usually leads to an increase in loadings to ensure compliance with legislation. The question marks in the table indicate uncertainty as to whether the legislation will be introduced on their date – the more question marks the greater the uncertainty.

| Emissions standards | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------------------|------|-------------------------------|------|--------------------------|------|----------------------|------|------|
| US EPA | | | | | | | | | |
| Light duty vehicles | Tier 2 | | California LEV III | | Tier 3 | | Pd impact | | |
| Heavy-duty vehicles | US 2010 | | Thrifting | | | | | | |
| Non-road | Tier 4 – big equipment | | → | | Phase in | | Tier 5? | | |
| Japan | | | | | | | | | |
| LDV and HDV | Japan 2009 | | Thrifting | | Japan 2016 (diesel, NOx) | | | | |
| Non-road | | | Tier 4 | | → | | Proposed | | |
| European Union (53% diesel car market) | | | | | | | | | |
| Light-duty vehicles | Euro 5 – DPF for diesel | | Euro 6 | | Gasoline PN – Pt filter | | Euro 7? | | |
| Heavy-duty vehicles | Euro 5 | | Euro 6 | | → | | Phase in – DOC + DPF | | |
| Non-road | Tier 3b | | Tier 4 – SCR/DOC/DPF | | | | | | |
| South Korea (22% diesel car market) | | | | | | | | | |
| LDV and HDV | Euro 5 – DPF for diesel | | Euro 6 | | | | | | |
| Non-road | | | Tier 4 | | | | | | |
| India (40% diesel car market) | | | | | | | | | |
| LDV and HDV cities | BS IV | | | | | | BS V? | | |
| LDV and HDV national | BS III | | BS IV Phase in (2015 – 2017)? | | BS V? | | | | |
| Thailand (12% diesel car market) | | | | | | | | | |
| Light-duty vehicles | Euro 3 | | Euro 4 – boosts Pt loadings | | | | Euro 5??? | | |
| Heavy-duty vehicles | Euro 3 | | Euro 4 | | | | Euro 5??? | | |
| Brazil | | | | | | | | | |
| Light-duty vehicles | PL-5 | | PL-6 (no DPF) | | | | PP7? | | |
| Heavy-duty vehicles | P P7 | | | | | | PP8? | | |
| Russia | | | | | | | | | |
| LDV and HDV | Euro 4 | | Euro 5 | | | | Euro 6? | | |
| China | | | | | | | | | |
| LDV/HDV (Beijing) | China 4 | | China 5 | | | | | | |
| LDV/HDV (National) | China 3 | | China 4 (delayed) | | | | | | |

US EPA – United States Environmental Protection Agency

BS – India's Bharat Stage

PL – Brazil's Proconve level for light duty

PP – Proconve P for heavy duty

(Most emerging market legislation is based fairly closely on established US or EU legislation)

Source: SFA (Oxford)

THE SOUTH AFRICAN PGM ENVIRONMENT

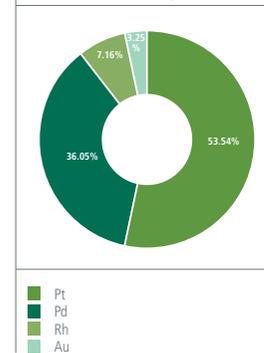
Current market conditions favour the extraction of Merensky reef in the Western Limb of the Bushveld Complex, due to its more favourable PGM prill split and natural PGM hedge (attributable to its higher base metal contribution) when compared to the UG2 reef.

PGM INDUSTRY DYNAMICS

- > **Rising costs** – In 2013 the South African metals and mining sector made the largest revenue contribution to South Africa (> R678 billion) but as a sector it made the smallest profit
(Source: IRAS)
- > Merensky reef depleted – **70% of industry now mining UG2 reef**
(Source: Chamber of Mines – 21 January 2013 RSA PGM Mining Sector Briefing Note)
- > Industry weighted average **head grade reduced by approximately 27%** for 2000 – 2014
Source: SFA (Oxford)
- > Platinum **production per employee reduced by approximately 38%**
(Source: Chamber of Mines 2013 annual report)
- > Approximately **33% of production** is from mechanised mining

Our in situ reserve revenue is 19% higher than the industry (excluding Russia and North America)

Industry average 4E reserve revenue per tonne – R1 554 based on a basket price of R12 721/oz

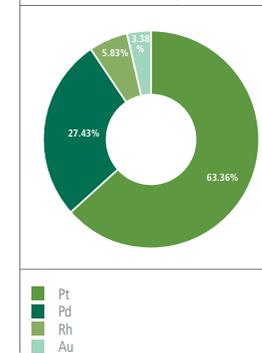


Source: SFA (Oxford) and RBPlat

RBPLAT'S POSITION

- > **Cost increases contained** at below mining inflation in nominal terms
- > Superior reserve value – BRPM JV will remain **Merensky-biased** in the long term with UG2 production contributing about 10%
 - Platinum: palladium ratio of **2.3:1**
 - **High base metal** revenue contribution
- > Built-up head grade **consistently around 4.3g/t (4E)** and forecast to be **4.2g/t (4E)** long-term
- > **Platinum production per employee** of 30.4koz
- > By 2019 **low cost mechanised mining** at Styldrift I will make up 50% of the BRPM JV's production

BRPM JV 4E reserve revenue per tonne – R1 882 based on a basket price of R13 301/oz



OPERATING CONTEXT

CONTINUED

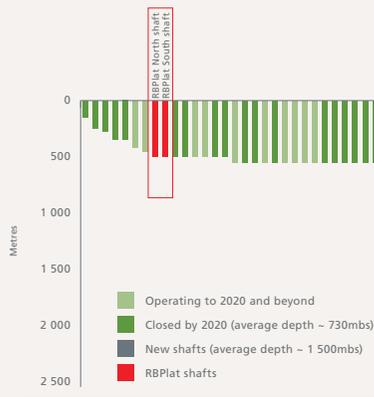
PGM INDUSTRY DYNAMICS

- > **Deepening mines** – most new shafts at an average depth of 1 500 metres

RBPLAT'S POSITION

- > RBPlat's high grade Merensky resources and reserves are at **shallow depths** (BRPM at 500 metres and Styldrift I at 758 metres)

Industry platinum mine shaft depth



PGM INDUSTRY DYNAMICS

- > **Lengthy strike** in the platinum sector in 2014
- > **Reduction in capital expenditure**
- > **Escalating labour costs**

RBPLAT'S POSITION

- > **Labour stability** with no industrial action in 2014
- > **Continued investment** in replacement and expansion projects
- > **New long-term wage agreements** providing cost certainty

PGM INDUSTRY DYNAMICS

- > Section 54 safety stoppages in terms of the Mine Health and Safety Act usually result in **production losses**
- > **Challenges** with meeting black economic empowerment requirements of the Mining Charter Scorecard in terms of leadership and employment equity
- > Government expects increased contribution from the mining sector in meeting socio-economic needs. In 2013 the South African mining industry spent **R3.4 billion on corporate social investment** (CSI/socio-economic development)
 - Complying with social and labour plan (SLP) targets which could lead to **mining licences being suspended** or cancelled remains a challenge
 - Metals and mining sector companies **contributed 46.4%** of the reported CSI spend by JSE listed companies. These companies also **contributed 93.1%** of the investment JSE listed companies made in infrastructure development.

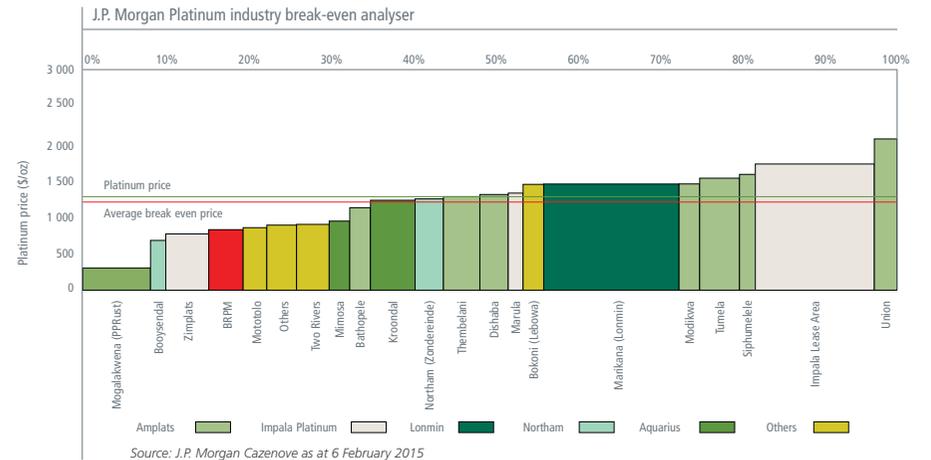
(Source: IRAS)

RBPLAT'S POSITION

- > RBPlat had 10 Section 54 stoppages at its operations during 2014 **resulting in a loss** of 79kt, which is a **11% decrease** year-on-year.
- > **RBPlat exceeds** all the Mining Charter Scorecard requirements in terms of black economic empowerment and employment equity
- > We have fulfilled and exceeded our SLP commitments for the period 2010 – 2014. **RBPlat spent R413.4 million** on basic infrastructure, health, education, poverty alleviation, job creation and community skills development

☐ See page 128 of this report for details of our social and labour plan performance.

RBPlat in competitive position on the industry cost curve



> ISSUES MATERIAL TO OUR BUSINESS

OUR APPROACH

When we first started reporting on the material issues that could potentially impact our ability to deliver on our core objectives/strategy we designed a process for identifying and prioritising our material issues. We review the process every year and make changes we believe will improve our understanding of our material issues. We assess each issue in terms of the:

- > possible economic impact on our business
- > degree to which it affects our stakeholders and ourselves
- > extent to which it is likely to grow in significance and impact our business in the future
- > business opportunities it presents
- > level of risk it presents.

In 2014 our internal process of identifying our material issues began with workshops we held throughout our operations to get input at operational level. These workshops helped us identify the issues material to our stakeholders, including the unions and our employees. RBPlat's external stakeholders also helped us identify the issues material to government, regulators and industry bodies at operational level.

We interviewed management and the members of our executive committee to get their input into what is material to our business. Our Board reviewed the issues we had identified when they were presented to our Audit and Risk and Social and Ethics committees and they finally reviewed them and agreed to them at a Board meeting.

Externally, we used the feedback obtained from community members at the Joint BRPM and Styldrift I Community Committee meetings, and our interaction with community members during the implementation of our social and labour plans, to identify what the communities in which we operate regarded as their material issues.

We identified the issues that our investors indicated were material to them during our Annual General Meeting, investor presentations, face to face meetings, emails and telephone calls.

In interactions with our providers of debt our financial team were able to establish what issues were material to them in terms of RBPlat.

Members of our Executive also engage with government, regulators and industry bodies and from these engagements we establish these stakeholders' material issues in terms of RBPlat.

Because we carry out our risk assessments in the context of our material issues, we have included the related risk rankings in the table that follows.

The order of the issues in the table that follows is not in accordance with the risk ranking, but in accordance with the ranking of our material issues.

↘ The equipping skeleton, which is being used to equip the Main shaft at Styldrift I



| Material issue in 2014 | Why it is important to RBPlat | Inherent risk ranking | Our focus in 2014 | What we achieved in 2014 | Key performance indicators against which we measured our performance | Our stakeholders and their expectations |
|--|---|---|--|---|--|---|
| Towards operational excellence | | | | | | |
| LABOUR AND TRADE UNION STABILITY  | Strikes have a negative impact on business in many ways, which include financial losses and unhealthy employee-employer relationships |  <div style="border: 1px solid black; padding: 2px; width: fit-content;">We are able to influence the impact of this risk</div> | <ul style="list-style-type: none"> > Agreement on a long-term wage agreement with our enrolled (full time) employees that will allow RBPlat not only to contain costs but also to have a long-term view on its wage costs > Aligning our volume contractor wage negotiation timeline in line with those of our enrolled employees > Closing the wage gap between contractors and enrolled employees > Getting all contractors on a medical aid | <ul style="list-style-type: none"> > No days lost to industrial action > Long-term wage agreement signed with our enrolled employees > Agreement achieved with trade union to align negotiation timelines for enrolled and volume contractor employees > Most volume contractors on a medical aid | <ul style="list-style-type: none"> > Number of production days lost to industrial action* <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Labour and trade union stability > Implement new wage agreements > Negotiate long-term wage agreement with the volume contractor employees > Development of new employee share ownership programme (ESOP) </div> | <p>Trade unions and employees:</p> <ul style="list-style-type: none"> > Remuneration and incentives > Threat to bargaining process > Workers' rights > Employment equity <p>Investor community:</p> <ul style="list-style-type: none"> > Labour relations > Impact on costs of new wage agreement > Remuneration <p>Providers of debt:</p> <ul style="list-style-type: none"> > Ability to repay borrowings |
| EMPLOYEE HOME OWNERSHIP  | Our stated purpose is to create economic value for all our stakeholders. Providing our employees with the opportunity to own their homes creates economic value for them and their families. It also helps us meet our Mining Charter and wage agreement commitments, which is to establish family units for our employees |  <div style="border: 1px solid black; padding: 2px; width: fit-content;">We are able to influence the impact of this risk</div> | <ul style="list-style-type: none"> > Completing building Phase I of employee home ownership scheme and offering home ownership to our employees > Implementing employee home ownership scheme > Securing funding for Phase II of the scheme | <ul style="list-style-type: none"> > All 422 houses built, 295 employees have signed sales agreements and 289 employees are living with their families in their new homes > Secured funding | <ul style="list-style-type: none"> > Signed sales agreements* > Completed houses are occupied <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Start work on Phase II of our employee home ownership scheme </div> | <p>Trade unions and employees:</p> <ul style="list-style-type: none"> > Housing benefits > Meeting previous wage agreement commitments <p>Investor community:</p> <ul style="list-style-type: none"> > Mining Charter and wage agreement commitments |
| SAFETY PERFORMANCE  | Poor safety performance affects employee morale, increases our costs, reduces productivity and damages our reputation |  <div style="border: 1px solid black; padding: 2px; width: fit-content;">We are able to influence the impact of this risk</div> | <ul style="list-style-type: none"> > No fatalities > Reduce our injury frequency rates > Effective leadership at all levels | <ul style="list-style-type: none"> > One million fatality-free shifts by 15 August 2014 > Sadly, there were two fatal accidents in October 2014 > 79kt (11% lower than in 2013) of production lost to safety stoppages | <ul style="list-style-type: none"> > Fatal injury frequency rate* > Lost time injury frequency rate* > Serious injury frequency rate > Injury-free days* > Tonnes of production lost to safety stoppages > Maturity level <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Road to resilience > Zero harm > Improving our understanding of the role human behaviour plays in our safety performance </div> | <p>Trade unions and employees:</p> <ul style="list-style-type: none"> > Health and safety <p>Investor community:</p> <ul style="list-style-type: none"> > Good safety record <p>Government, regulators and industry bodies (DMR):</p> <ul style="list-style-type: none"> > Compliance with Mine Health and Safety Act and any relevant regulations <p>Communities:</p> <ul style="list-style-type: none"> > Safety of family members employed by RBPlat |

* These key performance indicators have been assured (See the assurance statement on page 187)

 See our safety material issues on pages 110 to 111 and the health and wellness issues on pages 112 to 113 of this report for further details.

| Material issue in 2014 | Why it is important to RBPlat | Inherent risk ranking | Our focus in 2014 | What we achieved in 2014 | Key performance indicators against which we measured our performance | Our stakeholders and their expectations |
|--|--|---|---|--|--|--|
| Towards operational excellence | | | | | | |
| HEALTH AND WELLNESS OF OUR EMPLOYEES  | A healthy workforce is important to our business because it means that our employees are fit to work at their full potential and absences due to sickness are reduced | 3  | <ul style="list-style-type: none"> > All contract workers on a medical aid > No new cases of any occupational illness or diseases > No deterioration in hearing greater than 10% among occupationally exposed employees as a result of exposure at RBPlat operations > Introduce wellness peer educators > Intensive education, motivation and support of employees to decrease the HIV incident rate (new infections) > Achieve early detection using innovative TB detector methods |  <ul style="list-style-type: none"> > The majority of our volume contract workers are members of a medical aid > Two cases of occupational illness > 24 new cases of noise-induced hearing loss (NIHL) > We trained 185 peer educators > HIV incidence rate of 4,6 > TB incidence rate of 805/100 000 > Introduced immediate gene export TB test (Refer to page 120 in safety, health and wellness for details) | <ul style="list-style-type: none"> > All contract workers on a medical aid > No new cases of any occupational illness or diseases > No new NIHL cases, greater than 10% loss of hearing* > Wellness peer educators working in operations > HIV incidence rate > TB incidence rate* > Absenteeism rate for enrolled employees* <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > All contractors to be on a preferred medical aid scheme > More wellness campaigns to assist our enrolled employees and contract workers > No new cases of occupational illness or diseases > Increase number of wellness peer educators > Further reduce HIV incidence rate > Reduce TB incidence rate </div> | <p>Trade unions and employees:</p> <ul style="list-style-type: none"> > Employee health and wellness <p>Investor community:</p> <ul style="list-style-type: none"> > Healthy productive workforce with low absenteeism rate <p>Government, regulators and industry bodies (DMR):</p> <ul style="list-style-type: none"> > Compliance with Mine Health and Safety Act |
| OPERATING COSTS  | Essential to contain costs as they affect the profitability of the business | 4  | <ul style="list-style-type: none"> > Enhance operational efficiency and manage costs in all areas over which we have control > Utilise the increased immediately stopable reserves (IMS) to leverage increased productivity > Optimal labour force to achieve production targets | <ul style="list-style-type: none"> > R957 per tonne milled (4% increase) > R8 040 per 4E ounce (7% increase) > R12 463 per platinum ounce (8% increase) | <ul style="list-style-type: none"> > Rand per tonne milled (operational efficiency) > Rand per 4E ounce (extracted efficiency) > Rand per platinum ounce <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Continue to enhance operational and extracted efficiency and manage costs over which we have control > Maintain optimal labour force > Harness innovation and technology to constantly improve the way in which our mines are developed and operated </div> | <p>Investor community:</p> <ul style="list-style-type: none"> > Sustainability > Potential for future returns <p>Suppliers and customers:</p> <ul style="list-style-type: none"> > HDSA procurement requirements > Payment terms > Contract terms <p>Business and joint venture partners:</p> <ul style="list-style-type: none"> > Financial returns > Sustainability |

* These key performance indicators have been assured (See the assurance statement on page 187)

 See our safety, health and wellness material issues on pages 110 to 111 and the Health and wellness issues on pages 112 to 113 of this report for further details.

| Material issue in 2014 | Why it is important to RBPlat | Inherent risk ranking | Our focus in 2014 | What we achieved in 2014 | Key performance indicators against which we measured our performance | Our stakeholders and their expectations |
|--|---|---|--|--|---|--|
| Towards operational excellence | | | | | | |
| MINEABLE RESERVES AVAILABLE ON A SUSTAINABLE BASIS  | <p>We need the flexibility available to us in our BRPM operations that allows us to adapt to changes in the economic environment, i.e. we need to be able to quickly change our mining approach to suit the economic climate. The ability to do so will allow us to achieve the revenue from BRPM that we need to fund our organic growth through the development of Styldrift I and the progressing of Styldrift II through the necessary study phases</p> | <p>12</p> <p>We are able to influence the impact of this risk</p> | <ul style="list-style-type: none"> > Reserves available to support planned production rate | <ul style="list-style-type: none"> > Achieved key targets of IMA of 22.5 months > IMS for 8.5 months > DOR for 14 months | <ul style="list-style-type: none"> > IMA > IMS > DOR <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Continue to ensure we have reserves available to support our planned rates of production | <p>Government, regulators and industry bodies (DMR):</p> <ul style="list-style-type: none"> > Mining rights > Compliance with SAMREC Code <p>Investor community:</p> <ul style="list-style-type: none"> > Possible impact on production which in turn could affect revenue |
| LIFE OF MINE STRATEGY  | <p>We need to maximise the commercial strength of our operations to ensure their long-term profitability</p> | <p>5</p> <p>We are able to influence the impact of this risk</p> | <ul style="list-style-type: none"> > Maximise ounce production by maintaining current grade and optimising mill throughput > Implement new concentrator strategy and optimise long-term extraction strategy > BRPM South shaft UG2 trial mining remains a vital part of the equation | <ul style="list-style-type: none"> > Achieved a sustained UG2 face grade of 4.6g/t (4E) and a delivered grade of between 3.6 and 3.8g/t > Merensky production increased by 1% year-on-year | <ul style="list-style-type: none"> > Face and delivered grade > Establish sustainable UG2 ore reserves to match the depletion of Merensky <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Continue to maximise ounce production > Implement long-term extraction strategy > Continue with UG2 trial mining at South shaft | <p>Investor community:</p> <ul style="list-style-type: none"> > Potential for future returns > Sustainability > Risk management <p>Business and joint venture partners:</p> <ul style="list-style-type: none"> > Financial returns > Sustainability <p>Employees and unions:</p> <ul style="list-style-type: none"> > Communication around changes in strategy that could impact employees <p>Government, regulators and industry bodies:</p> <ul style="list-style-type: none"> > Taxes and state royalties > Possible safety and environmental impacts |

| Material issue in 2014 | Why it is important to RBPlat | Inherent risk ranking | Our focus in 2014 | What we achieved in 2014 | Key performance indicators against which we measured our performance | Our stakeholders and their expectations |
|--|---|-----------------------|--|---|---|--|
| Towards operational excellence Build flexibility Grow organically Pursue value enhancing opportunities | | | | | | |
| STAKEHOLDER ENGAGEMENT AND RESPONSIVENESS  | <p>Our ability to build up a stock of relationship capital depends on how effectively we can engage and respond to our stakeholders. It can affect every aspect of our business from our social licence to operate, employee relations, trade union relations, shareholder support, funding and our ability to achieve long-term sustainability through organic growth and value enhancing opportunities</p> | <p>①</p> | <ul style="list-style-type: none"> > Engaging with employees > Engaging with the union to conclude a new wage agreement > Engaging and responding to the investor community > Implementation of stakeholder engagement framework > Establishing a corporate affairs office > Local community engagement, impact assessments and development programmes | <ul style="list-style-type: none"> > We believe that our ability to effectively engage with our employees and the union facilitated the successful conclusion of our new long-term wage agreement, without any labour unrest > We also believe that if we had not communicated effectively with our shareholders we would not have achieved the strong support they gave our capital raising efforts this year > The process of implementing our stakeholder engagement framework started this year with a number of additions to the work already being completed and will continue in the coming years > We have addressed our communication challenges, successes and disappointments in each capital section of this report | <ul style="list-style-type: none"> > Long-term wage agreement in place > Successful capital raising for Styldrift I project completion > Stakeholder engagement framework rolled out <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <p>Continue to strengthen our relationships with employees, unions and communities to reduce the likelihood of operational disruptions through our ongoing employee communication programme and our regular interaction with the unions and the communities</p> <p>Leadership conflict in our doorstep communities made it difficult for us to engage with them during 2014. We plan to offer a training programme to strengthen leadership skills in these communities</p> </div> | <p>Our engagement with our stakeholders and the issues they wish us to engage with them on are set out on pages 136 to 137 of the Social and relationship capital section</p> |
| Towards operational excellence | | | | | | |
| IMPLEMENTATION OF OUR SOCIAL AND LABOUR PLANS (SLPs)  | <p>We believe it is our purpose to create economic value for all our stakeholders, including the communities in which we operate. Implementing our SLPs and going beyond our SLP commitments allows us to create economic value and stability for our communities</p> <p>Implementing our SLPs is also important in terms of complying with the requirement of the Mining Charter and ensuring we retain our social licence to operate</p> | <p>⑦</p> | <ul style="list-style-type: none"> > Finalising our existing SLPs and preparing SLPs for BRPM and Styldrift I for the next five years | <ul style="list-style-type: none"> > We completed and exceeded our commitments in terms of our SLPs covering the period 2010 – 2014 > Our SLPs for the period 2015 – 2020 have been submitted to the Department: Mineral Resources (DMR) and we await its approval of these plans | <ul style="list-style-type: none"> > Total SLP expenditure* > % of discretionary procurement spend on HDSA suppliers in accordance with the Mining Charter targets* > Total number of employees, contractors and community members that received part time ABET* > Women at mining* > Employment – 40% of HDSA managers in core and support functions* > Number of employees trained in terms of SLP commitments* <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Rolling out our new SLPs </div> | <p>Communities:</p> <ul style="list-style-type: none"> > Local procurement > Portable skills development > Employment opportunities > Infrastructure development > Enterprise development > Education support > Poverty alleviation > Stakeholder responsiveness <p>Investor community:</p> <ul style="list-style-type: none"> > Good governance > Social licence to operate <p>Government, regulators and industry bodies (DMR):</p> <ul style="list-style-type: none"> > Compliance with Mining Charter |

* These key performance indicators have been assured (See the assurance statement on page 187)

| Material issue in 2014 | Why it is important to RBPlat | Inherent risk ranking | Our focus in 2014 | What we achieved in 2014 | Key performance indicators against which we measured our performance | Our stakeholders and their expectations |
|---|--|---|---|---|---|--|
| Towards operational excellence | | | | | | |
| GLOBAL ECONOMIC AND MARKET CONDITIONS  | <p>We cannot influence the global economic and market conditions in which we operate, however, they can positively or negatively impact our earnings in terms of global demand for the PGMs and base metals we produce. Currency fluctuations also impact our earnings positively and negatively. Our ability to predict possible global economic and market conditions in the short, medium and long term helps us manage our business accordingly and take action to reduce any possible negative impact</p> | <p>6</p> <p>We are able to have some influence on the impact of this risk</p> | <ul style="list-style-type: none"> > Optimise our long-term business strategy/profitability > Cost containment | <ul style="list-style-type: none"> > Profitable in a challenging environment > Costs contained below mining inflation | <ul style="list-style-type: none"> > Manage our cash flow to ensure we are able to fund our business and achieve our strategic objectives <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Continue to take action to reduce any possible negative impacts > Use ability to predict economic and market conditions to help us manage our business | <p>Investor community:</p> <ul style="list-style-type: none"> > Market outlook <p>Business and joint venture partners:</p> <ul style="list-style-type: none"> > Financial returns > Sustainability |
| ESTABLISHING SUITABLE REMUNERATION AND REWARD STRUCTURES LINKED TO PERFORMANCE THAT ARE ACCEPTABLE TO OUR EMPLOYEES AND OUR INVESTORS  | <p>To retain skilled employees we need to ensure they are suitably rewarded. To encourage excellence we also need to ensure our employee rewards are linked to clearly defined performance measures. The disclosure of the remuneration of executives and in particular disclosure of how they have been rewarded against their performance is an important issue for investors. In the past some investors have not been satisfied with our levels of disclosure and we aim to rectify this</p> | <p>10</p> <p>We are able to influence the impact of this risk</p> | <ul style="list-style-type: none"> > Implement management incentive programme agreed in 2013 > Conclude new wage agreement with productivity incentives | <ul style="list-style-type: none"> > See page 186 of the Remuneration section of this report for details of the impact of the incentive programme we implemented | <ul style="list-style-type: none"> > Suitable remuneration and reward structures linked to performance <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Continue to monitor the effectiveness of our incentive programmes | <p>Trade unions and employees:</p> <ul style="list-style-type: none"> > Remuneration, incentives and benefits > Career opportunities <p>Investor community:</p> <ul style="list-style-type: none"> > Talent retention > Potential for future returns > Sustainability > Risk management > Remuneration and reward structures |
| Towards operational excellence Organic growth | | | | | | |
| ABILITY TO DELIVER PROJECTS ON TIME AND WITHIN BUDGET  | <p>If we are unable to complete a project on time it will have a negative impact on our reputation, costs, future revenues and our ability to achieve operational excellence and organic growth. It could also impact on our ability to fund projects in the future</p> | <p>2</p> <p>We are able to influence the impact of this risk</p> | <ul style="list-style-type: none"> > Styldrift I project execution > BRPM Phase I concentrator upgrade > Styldrift II project studies > BRPM capital projects | <p>☐</p> <ul style="list-style-type: none"> > Six months behind schedule > BRPM Phase I concentrator upgrade on track > Styldrift II project studies on track > On time and within budget | <ul style="list-style-type: none"> > Capital spend > Measuring ourselves against our project schedule > Earned value** <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Styldrift I project execution > BRPM Phase I concentrator upgrade > Styldrift II project pre-feasibility study completion > BRPM capital projects, Phase III in particular | <p>Investor community:</p> <ul style="list-style-type: none"> > Project progress and funding <p>Providers of debt:</p> <ul style="list-style-type: none"> > Ability to repay borrowings > Risk management <p>Communities:</p> <ul style="list-style-type: none"> > Ability to repay borrowings > Infrastructure development > Enterprise development > Education support > Poverty alleviation > Skills development |

** Earned value is the cost for actual work performed minus the budgeted cost for the work performed

☐ See pages 88 to 90 of Manufactured capital for more details.

| Material issue in 2014 | Why it is important to RBPlat | Inherent risk ranking | Our focus in 2014 | What we achieved in 2014 | Key performance indicators against which we measured our performance | Our stakeholders and their expectations |
|---|---|---|--|---|---|---|
| Towards operational excellence | | | | | | |
| AVAILABILITY OF ADEQUATE AND APPROPRIATE SKILLS  | Without the appropriate skills we need we will not be able to achieve our production targets | 10 We are able to influence the impact of this risk | <ul style="list-style-type: none"> > Implement our employee development training > Continue with the upskilling of our workforce and community members > Retention strategy for artisans > Skills audit to assess potential of BRPM employees for upskilling to mechanised mining > Development of mechanised mining skills among local community members to meet Styldrift I requirements | <ul style="list-style-type: none"> > Employee development training implemented > See page 108 of the Training and development section for information on the upskilling we achieved during 2014 > Total voluntary turnover of 2.88% > 98 community members received year-on-year mechanised mining training | <ul style="list-style-type: none"> > Skilled employee turnover by category* > Total employee training spend as a percentage of payroll* <div style="border: 1px solid black; padding: 5px;"> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Increase proactive training initiatives using team behaviour analysis to anticipate where training is required </div> | Unions and employees: <ul style="list-style-type: none"> > Career opportunities > Employment equity > Skills development Communities: <ul style="list-style-type: none"> > Employment opportunities > Portable skills development |
| Towards operational excellence Build flexibility Grow organically Pursue value enhancing opportunities | | | | | | |
| AVAILABILITY OF UTILITIES  | Without water and electricity, the two key utilities we rely on, we would not be able to operate | 9 We are able to have some influence on the impact of this risk | <ul style="list-style-type: none"> > Ensure we have access to sufficient electricity > Continue to implement energy efficiency projects > Ensure we have access to the water we require to operate > Implement measures to make our water use more efficient > Construction of water treatment plant which will reduce our reliance on Magalies Water | <input type="checkbox"/> <ul style="list-style-type: none"> > We have secured an adequate power supply for the construction phase of the Styldrift I project > Contingencies in place to manage the impact of power failures > Water treatment plant under construction and due for commissioning in first quarter 2015 | <ul style="list-style-type: none"> > Energy consumption* > Scope1 and 2 emissions* > Total water consumed* <div style="border: 1px solid black; padding: 5px;"> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Define power supply requirements for Styldrift I > Seek out new opportunities to increase our energy efficiency > Reduce use of Magalies Water at BRPM by using water processed by treatment plant in BRPM concentrator > Complete Phase I of water treatment plant </div> | Suppliers: <ul style="list-style-type: none"> > Contract terms (Eskom and Magalies Water) Investor community: <ul style="list-style-type: none"> > Uncertainty around power supply for Styldrift I ramp-up |

* These key performance indicators have been assured (See the assurance statement on page 187)

See the Natural capital section of this report on pages 151 to 152 for more information on our contingency plans for electricity.

| Material issue in 2014 | Why it is important to RBPlat | Inherent risk ranking | Our focus in 2014 | What we achieved in 2014 | Key performance indicators against which we measured our performance | Our stakeholders and their expectations |
|---|---|--|--|--|--|--|
| Towards operational excellence | | | | | | |
| MANAGING THE IMPACTS OF OUR SUPPLY CHAIN  | The efficient and effective management of our supply chain can have a considerable impact on reducing costs and increasing our operational efficiency |   | <ul style="list-style-type: none"> > Meeting our Mining Charter HDSA procurement targets while containing costs > Finalisation of contract for contract mining for Styldrift I > Lead time items for expansion of concentrator plant > Equipping of Styldrift I and delivery of its fleet > Enterprise development for small, medium and micro enterprises (SMMEs) and in particular HDSA SMME suppliers | <ul style="list-style-type: none"> > Achieved and exceeded as per the Mining Charter targets > In principle agreement in place for contract mining > Lead time items on track > Delivery of fleet on track in accordance with the revised schedule > Appointment of Enterprise Development Manager to drive HDSA SMME development | <ul style="list-style-type: none"> > Discretionary procurement spend on HDSA suppliers* > Inventory management > Minimisation of absolute stock > Optimisation of cash flow <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Meeting Mining Charter HDSA procurement targets > Inventory management to optimise cash flow and minimise stock on hand > Increased focus on enterprise development for SMMEs and in particular HDSA suppliers </div> | <p>Suppliers:</p> <ul style="list-style-type: none"> > Discretionary procurement from HDSA suppliers > Contract terms > Payment terms <p>Investor community:</p> <ul style="list-style-type: none"> > Ability to contain costs |
| ENVIRONMENTAL AND CLIMATE CHANGE MANAGEMENT  | It is important that we manage the significant environmental impacts of our operations to ensure we continually improve our environmental performance and comply with all relevant environmental legislation. It is also important that we assess the possible impacts of climate change on our organisation including its financial implications, which include the possible impact of a carbon tax |   | <ul style="list-style-type: none"> > Reduce our carbon intensity per 4E ounces in concentrate > Comply with relevant environmental legislation > Implement environmental strategy > Retain ISO 14001 certification | <ul style="list-style-type: none"> > Refer to Natural capital section on page 150 for our performance in this regard > We complied with all environmental legislation in 2014 and addressed three environmental contraventions following a DMR inspection > A Section 93 notice in terms of the MPRDA was issued by DMR for Styldrift I > We submitted amendments to our water use licences (both Styldrift I and BRPM) to Department: Water Affairs and Sanitation, and await approvals > Continued implementing the environmental strategy which is part of our SHE strategy > Retained ISO 14001 certification for BRPM > Best Performer on the JSE SRI Index in 2014 | <ul style="list-style-type: none"> > No instructions from authorities to rectify environmental and legal non-compliance > Reduction in intensity of our Scope 1 and 2 emissions <div style="border: 1px solid black; padding: 5px;"> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Investigate target setting in line with business strategy > Comply with environmental legislation > Obtain ISO 14001 certification for Styldrift and maintain certification for BRPM > Obtain environmental authorisations for environmental impact assessments, water use licences and environmental management programme amendments submitted to the authorities </div> | <p>Government, regulators and industry bodies (DMR, DEA, DWA):</p> <ul style="list-style-type: none"> > Regulatory compliance > Water use licences > Environmental authorisations > Climate change <p>Communities:</p> <ul style="list-style-type: none"> > Environmental pollution > Public participation <p>Investor community:</p> <ul style="list-style-type: none"> > Responsible mining > Company qualifies as a constituent of the JSE SRI Index |

* These key performance indicators have been assured (See the assurance statement on page 187)

OUR APPROACH TO RISK MANAGEMENT

RBPlat views risk not only as a threat or uncertainty, but also as an opportunity to grow and develop the business within the context of our strategy and risk appetite.

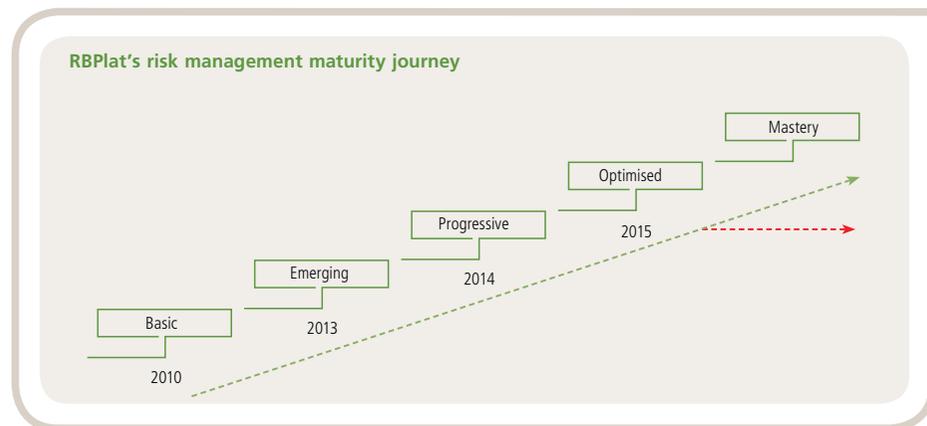
The underlying premise of the RBPlat risk management philosophy is a thorough understanding of its risk exposures in order to ensure that management and the Board are appropriately informed to take strategic decisions in the interests of shareholders and other stakeholders. The risk management system, policies and processes are being embedded within the organisational culture and are consistent with our long-term strategy.

RBPlat's risk management vision outcomes:

- > Governance of risk is driven from the top, risk management, however, is driven bottom up
- > We have a comprehensive understanding of the risks we face as a business
- > We are confident in our selection of which risks to adopt and how to manage them
- > Our risk management strategy aims to meet all internal and external stakeholder requirements
- > We consistently apply risk management techniques to generate value
- > Effective risk management is an intrinsic part of our day-to-day activities. It enhances the quality of our strategic, capital allocation and day-to-day business decisions
- > Remuneration and incentives take into account the extent to which risk exposures are linked with performance and whether these risk exposures comply with the agreed risk appetite.

RBPlat's risk management maturity journey

RBPlat adopted an enterprise risk management (ERM) maturity model to track its progress from the basic risk management process in 2010 when the company started, to an optimised risk management process which will drive its business strategy. While this is a long-term process and substantial effort is required to move between each ERM maturity stage, RBPlat is committed to achieve a state of "Optimised" by the end of 2015, which will not only ensure improved ERM practices but it will also bring RBPlat in line with best practice. The achievement of this level of ERM maturity will ensure that all risk categories at RBPlat reach the same level of maturity, including the SHE risk management process, and fully align risk management across the Company. ERM is a dynamic concept and our ERM framework will require constant revisiting and updating to meet RBPlat's strategic objectives, the needs of industry and regulation. Our ERM framework will certainly evolve as RBPlat's management of risk matures. The maturity model is displayed below.

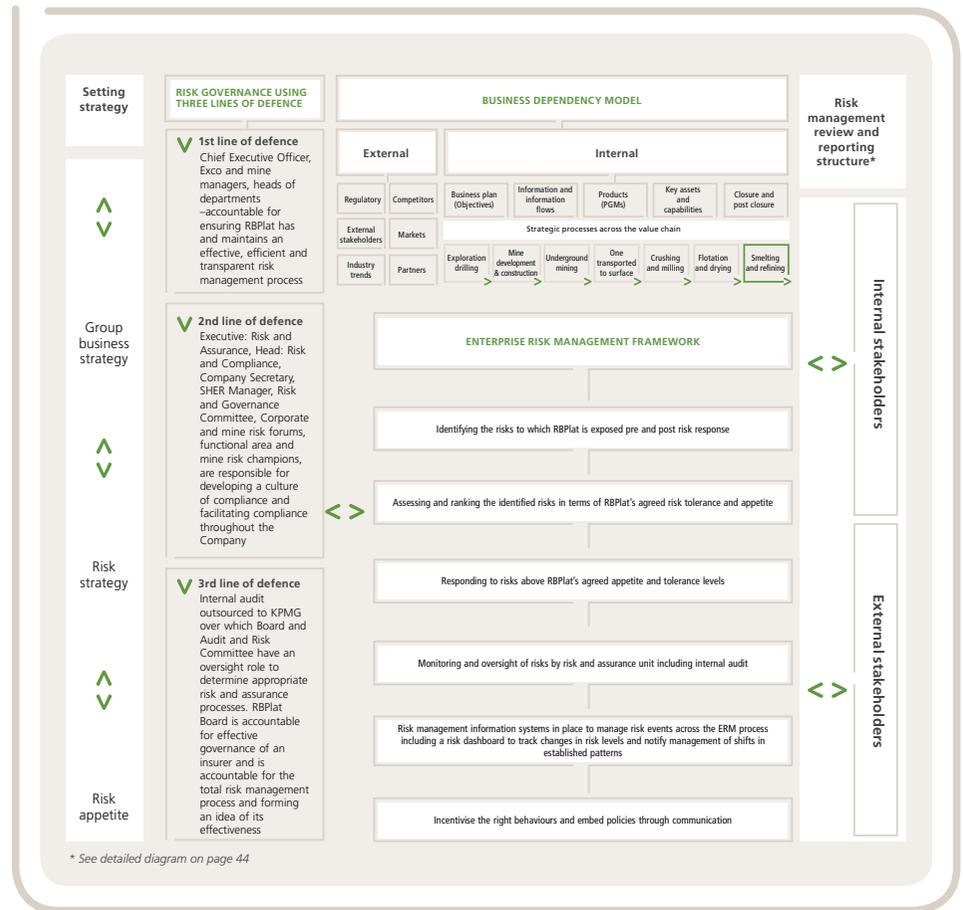


Enterprise risk management (ERM) framework

Our ERM strategy, framework and policy are closely aligned with RBPlat's business strategy and business plan. The aim of the ERM framework is to:

- > provide a structure within which management can operate to enforce the proactive ERM process
- > inculcate a risk management culture throughout RBPlat and its mining operations
- > further ensure that the risk management efforts of RBPlat are optimised.

The aim of the framework is also to embed the culture and practice of risk management in our day-to-day business activities by aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties RBPlat faces in creating stakeholder value.



* See detailed diagram on page 44

The integrated approach

The RBPlat ERM framework allows for risk-based decision making and provides a streamlined process for evaluating risks and opportunities within the business. Across our business, value is managed on an enterprise-wide and integrated basis. The risks arising from the business activities that create this value are also managed in an integrated manner across the Company.

A detailed three-year risk management plan, which is reviewed annually but reported on quarterly to the Board, forms the basis of our risk management and assurance activities and focus. It allows us to actively manage risk and ensure it becomes an integral part of RBPlat's business culture. At the same time it reviews our risks at strategic and operational level and focuses specifically on the implementation of our risk response plans.

Strategy context setting (business dependencies)

We developed a business dependency model, which highlights RBPlat's dependencies, critical parts of our business value chain and our vulnerabilities and provides the context for our assessment of risk. Establishing the context also defines the basic parameters for managing risk and sets the scope and criteria for the rest of the risk process. We arrive at the model by first establishing what externally or internally may influence the setting or achievement of our objectives and how it impacts our stakeholders. The external context is anything outside RBPlat which may influence the setting or achievement of our objectives. It is based on a Company-wide view and includes regulatory, political, legal, financial and economic aspects and also considers competition, stakeholders' expectations, industry trends, business partners and strategic alliances. The internal context is anything within RBPlat that may influence the way in which we will manage risk. It includes RBPlat's business objectives and plans, information flows, key assets and capabilities, product mix, skills and other strategic and operational processes across the business.

The ERM process

The nature of mining is uncertainty, which presents both risk and opportunity, with the potential to erode or enhance value. The challenge for RBPlat executive management is to determine how much risk to accept in the achievement of our business objectives.

The key driver of our risk process is active management of risks within the span of control for decision making at both operational and strategic level. Risk assessments are performed annually at Group (RBPlat), operational (mines and concentrator), departmental (operational and functional) and project level. We also review and track risk responses on a quarterly and monthly basis.

This is in addition to the operational risk assessments that are carried out within the safety, health and environment (SHE) portfolio. Risk assessment workshops and interviews are conducted with multi-disciplinary teams, including the relevant executive or departmental head, line management, technical and functional specialists and support functions. Risks are owned by the various executives and/or departmental heads and are actively managed through the normal management processes, rather than as a separate risk process.

Control owners are allocated to ensure that control effectiveness is enhanced, or new controls or risk responses are implemented.

The risks we identify through our various risk assessment processes form part of our stakeholder material issue identification process and they are also related to RBPlat's business strategy. In turn, the outcome of the stakeholder material issue identification process feeds into the risk process to ensure that risks related to stakeholder material issues are integrated with the risk management process.

Monthly mine business review meetings are used to gain feedback from mine managers and departmental heads on the risk profiles and registers and to ensure that they are aligned with the mine's operational and financial performance. The risk and assurance

unit helps departments actively manage their risks by tracking their implementation of risk response plans, the findings of internal audit and the facilitating of risk assessments.

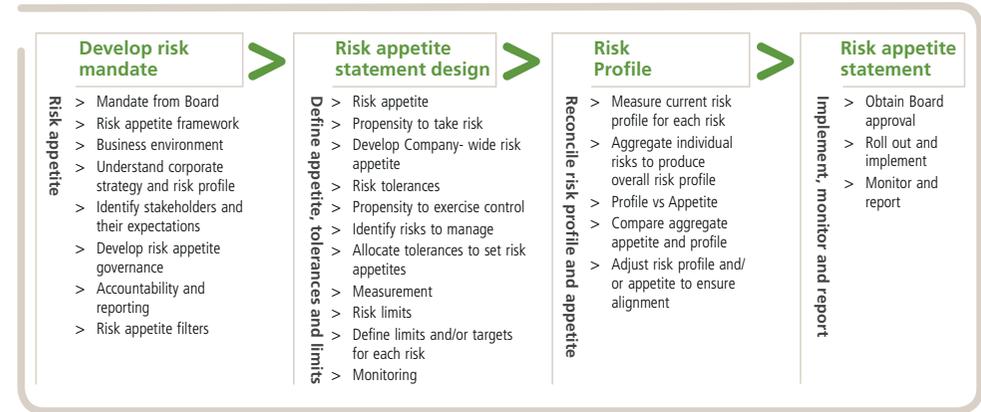
The strategic and business risk profiles developed from the above processes are reported to the Executive Committee and the Audit and Risk Committee every quarter.

Our approach to risk appetite and risk tolerances

The RBPlat Board's ultimate responsibility for risk management includes the development of RBPlat's risk appetite and setting and monitoring of risk tolerance.

Our approach to constructing RBPlat's risk appetite considers RBPlat's business drivers (risk profile), shareholders'

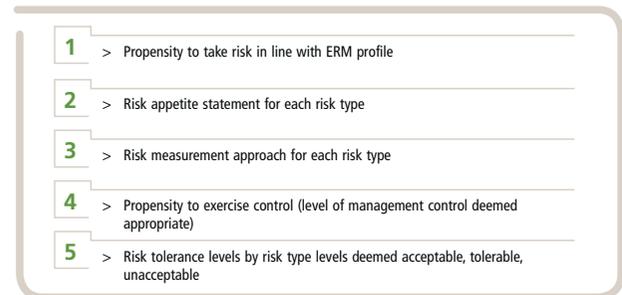
expectations and regulatory/rating agency expectations when developing the risk appetite statement.



Risk appetite statement design

Our risk appetite statement is designed to ensure the RBPlat Group includes risk factors in any major strategic or tactical decision and to ask the question: "Is this course of action compatible with our risk appetite?"

The business plan, budgets (operational and capital) and the authority limits manual are used as a base to determine appetite and tolerance levels.



OUR APPROACH TO RISK MANAGEMENT

CONTINUED

Our risk management review process and reporting structure

Risks are reported to various governance structures including the:

- > Board (annually and Audit and Risk Committee quarterly feedback to the Board)
- > Board Audit and Risk Committee (quarterly)
- > Executive Committee (quarterly and ad hoc when required)
- > Business performance review meetings (monthly)
- > All other stakeholders through our Integrated report.

Operational risks are reviewed by the relevant responsible person and are reported to various forums/committees as per our ERM framework. Functional risk and project risks are also reported to the specific governance structures responsible for its performance.

The Executive: Risk and Assurance, supported by the Head: Risk and Compliance, is responsible for the ongoing reporting on risks and the risk management process to the various stakeholders.

Risk escalation processes are in place to ensure risks are reported and communicated within normal reporting cycles and on an ad hoc basis to address matters of particular urgency.



The froth produced as part of the flotation process in the RBPlat concentrator

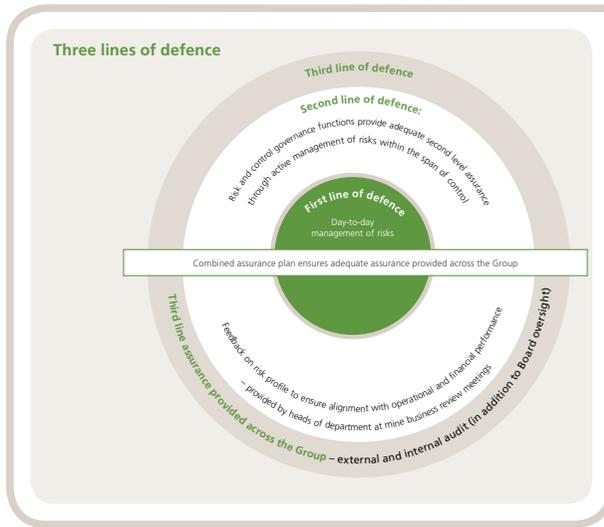


OUR APPROACH TO RISK MANAGEMENT

CONTINUED

Three lines of defence model

In line with global best practice our three lines of defence model is also incorporated into our risk management processes. It plays an important part in ensuring our risk management is effective and that we maintain a high standard of risk governance. The heart of the RBPlat risk management philosophy and activity, as well as responsibility for internal controls, is entrusted to the first line of defence, which primarily includes line management and certain functional management areas. The second line of defence includes the risk and assurance unit, complemented by the operational risk management function residing in the SHER Department at mine level, as well as other shared services and head office functions like supply chain management, finance, etc. The third level of defence is primarily the Board, Audit and Risk Committee and other Board sub-committees, external audit and the outsourced internal audit function.



Combined assurance

RBPlat adopted the combined assurance plan approach to ensure that adequate assurance is provided across the Group and to prevent gaps or duplication in assurance efforts. The Risk and Assurance unit is responsible for drafting the combined assurance plan in consultation with functional and operational management and the outsourced internal audit service provider. The outcomes of all assurance activities are compiled in an audit tracking tool and progress on the recommendations is tracked monthly and reported to the Audit and Risk Committee every quarter.

Assurance matrix

| Area assured | Independent assurance providers | Work done | Outcome | Framework/standard | Frequency |
|--|---|--|---|---|--------------------------------------|
| Annual financial statements | > External audit (PwC) | > Annual audit | > External audit opinion | > IFRS > Companies Act > International Standards on Auditing (ISA) | > Annual |
| Review of internal controls and risk management | > Internal audit (KPMG) | > Internal audit provides assurance on RBPlat's ERM | > Internal audit opinion | > IFC review | > Annual |
| Internal financial controls | > Internal audit (KPMG) | > Assurance on the effectiveness of our organisational control environment | > Internal audit opinion | > ISO 31000 standards relating to risk management > King III | > Annual |
| Mineral resources and reserves | > MinCorp | > Audit of procedures applied to the estimation of mineral resources and reserves and confidence in the estimation | > Audit opinion | > SAMREC code (2009) | > Biennial |
| Safety, health and environment | > DQS > LWTR Consulting > Green Giant Consulting > Routledge Modise Inc > Middindi Consulting > Open House Management Services | > Annual certification > BRPM safety audit (Section 54 stoppages and self-imposed stoppages) > Environmental legal audit > Safety and health legal audit > Mine design major excavations and rock engineering audits | > BRPM recertified > BRPM recertified > Certification for both BRPM and Styldrift I | > ISO 14001 standards relating to environment and quality > ISO 9001 standards relating to quality management > OHSAS 18001 Occupational health and safety assessment certification | > Annual > Biennial > Biennial |
| Sustainability (integrated report) | > Gilden Assurance (Pty) Ltd (Independent third party assurance provider) | > Opinion on selected sustainability key performance indicators > AA1000 Accountability Principles application | > Assurance statement | > AA1000AS | > Annual |

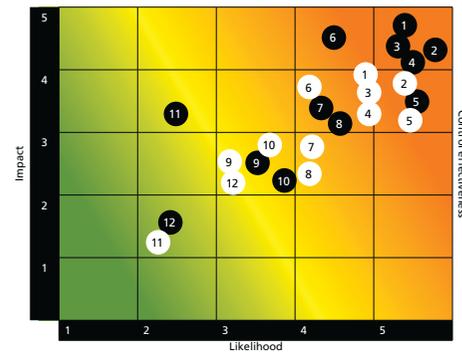
RBPLAT'S TOP RISKS

Strategic risk profile

Risks related to the business strategy and material issues

The ERM approach we have adopted at RBPlat provides us with an integrated approach to the management of our business risks within a complex and ever-changing environment. The following risk profile provides detail of the key strategic risks and responses related to our business strategy and plan, as well as its relation to our stakeholders' material issues. It also provides a summary of the key business risks affecting our main operations.

RBPlat's strategic risk profile



| Inherent risk ranking | Risk description* | Residual risk ranking |
|-----------------------|---|-----------------------|
| 1 | Potential breakdown in stakeholder engagement and responsiveness | 2 |
| 2 | Inability to deliver on time and fund projects within, budget especially the Styldrift I project | 1 |
| 3 | Inadequate safety performance | 4 |
| 4 | Potential for operating costs to escalate | 3 |
| 5 | Operational exposures due to poor performance against life of mine strategy | 5 |
| 6 | Global economic and market conditions | 7 |
| 7 | Failure to implement our social and labour plans (SLPs) | 8 |
| 8 | Inability to provide employee home ownership | 6 |
| 9 | Lack of availability of utilities | 10 |
| 10 | Failure to have available adequate and appropriate skills | 9 |
| 11 | Our environmental and climate change management could result in non-compliance with key legislation | 12 |
| 12 | Insufficient mineable reserves available on a sustainable basis | 11 |

Legend ● Inherent risk ○ Residual risk

* Detail on pages 48 to 51

Bafokeng Rasimone Platinum Mine's top five inherent risks

| Inherent risk ranking | Risk description |
|-----------------------|---|
| 1 | Production losses related to Section 54s and other safety-related stoppages due to incidents and intensified investigations and MHSA enforcement by the DMR could negatively impact our revenue |
| 2 | Failure to attract and retain adequate and appropriate skills due to unsuitable remuneration and reward structures could negatively impact on BRPM achieving its business plan |
| 3 | Potential industrial action could negatively impact on BRPM's operations and its ability to achieve its business plan |
| 4 | Inadequate South shaft UG2 profitability could negatively impact on BRPM achieving its business plan |
| 5 | Regulatory change to enforce wage and benefits parity between contactors and enrolled employees could negatively impact on profitability and/or life of mine plan |

RBPlat's concentrator top five inherent risks

| Inherent risk ranking | Risk description |
|-----------------------|--|
| 1 | Insufficient Merensky ore for processing resulting in plant stoppages, elevated levels of wear and tear, instability to existing maintenance strategies and an increase in unit cost |
| 2 | Project construction schedule interface with normal concentrator plant operations could cause project delays and/or production stoppages |
| 3 | Insufficient Styldrift I material could have major impact on RBPlat profitability |
| 4 | Failure of the Larox filter could lead to production stoppages and resultant negative impact on revenue |
| 5 | Failure to secure the required labour (with the required skills) for the 100ktpm concentrator could impact efficiencies |

Styldrift I's top five inherent risks

| Inherent risk ranking | Risk description |
|-----------------------|--|
| 1 | Inability to deliver on the specific milestones in line with the project schedule leading to further project delays |
| 2 | Contractors' adverse financial position could negatively impact funding model and cash flow |
| 3 | Potential cost overruns on the project could negatively impact funding model and cash flow |
| 4 | Inability to process ore as a result of the concentrator and/or overland conveyor not being ready on time would negatively impact cash flow and life of mine |
| 5 | Insufficient power available for ramping up to steady state production |

| Stock of capitals and the pillars of our strategy that could be affected | Increase/decrease in inherent risk ranking | Risk description, root cause and potential impact | Response to risk | Residual risk | | Inherent risk | |
|--|--|--|--|---------------|------|---------------|------|
| | | | | 2014 | 2014 | 2013 | 2012 |
| Towards operational excellence | | | | | | | |
| | ▲ | Inability to deliver on time and fund projects within budget, especially the Styldrift I project , could negatively impact on future revenue, costs and reputation | Effective project management capability has been developed and adequate governance and financial management structures are in place Continue developing Styldrift I operational readiness. Capacitate site management with appropriate resources, systems and strategic partnerships > Engage ramp-up contractor to commence with technical scope alignment > Customisation of human resource, supply chain, mineral resource management, IT, engineering and security systems Put measures in place to mitigate the risk around the non-performance of key contractors | 1 | 2 | 6 | 8 |
| Grow organically | | | | | | | |
| | = | Potential breakdown in stakeholder engagement and responsiveness could lead to breakdown in stakeholder relationships and in particular a breakdown in labour and union stability that could lead to unprotected industrial action which could negatively impact on RBPlat's ability to meet its production and financial targets | Our stakeholder engagement framework was updated to ensure proactive management of stakeholder-related risks. An effective employee engagement model has been agreed with employee representative bodies and continuous engagement takes place. Current measures account for a long-term wage agreement which will regulate our enrolled labour issues until June 2020 Engagement with representative bodies regarding our contract workforce to align wage negotiation period with those of our enrolled employees over time are also intended to reduce the risk of industrial action RBPlat participates in industry initiatives to enhance relationships with all stakeholders. The Executive: Corporate Affairs manages stakeholder-related risk at strategic level in support of initiatives at our operations | 2 | 1 | 1 | 1 |
| Towards operational excellence | | | | | | | |
| | ▼ | Potential for operating costs to escalate to higher than planned levels (due to safety stoppages, higher staff costs, suppliers costs, etc) could impact on the Group's ability to fund projects from operational cash flows | We have focused on improving productivity and reducing costs across our operations and corporate office. Following a successful cost saving project in 2013 we focused on achieving further sustainable cost savings in 2014. The review of our supply chain management processes, and the changes we implemented to support cost saving initiatives in 2013 have been effective. We continued optimising our supply chain in 2014. Our implementation of activity-based accounting at shaft level has also assisted with the management of cost | 3 | 4 | 3 | 5 |
| | ▲ | Inadequate safety and health performance resulting in injuries and/or work stoppages due to Section 54s may impact on RBPlat's ability to meet production and financial targets. Poor health in our employees would result in our employees not being fit to work at their full potential and being absent due to sickness. This would impact on our productivity and profitability | We have adopted a zero harm philosophy and we are working to increase our maturity level on the road to resilience. We conducted extreme audits/internal shaft audits and have a safety strategy in place. We have introduced continuous evaluation teams to assess leadership and team safety performance and conduct immediate safety retraining where required. Improving understanding of the role that human error plays in injuries, accidents and incidents. All our employees (enrolled and contractors) have to undergo a medical examination before they can work on our mines. All employees returning from leave have to undergo a medical before returning to work. All our enrolled employees are on the Platinum Health medical aid and are able to access a wellness programme. Almost all our volume contractors were able to join a medical aid during 2014. We hope to arrange for all our volume contractors to become members of Platinum Health, which will allow us to monitor their wellness | 4 | 3 | 4 | 4 |
| | = | Operational exposures due to poor performance against life of mine strategy which could impact unit costs and operating profit | Maximising the commercial strength of our operations to ensure their long-term profitability through effective mine planning, production monitoring and reviewing processes. In addition, various processes are in place to manage operational risks, including safety, fire, environment and plant processes | 5 | 5 | 5 | 7 |

| Stock of capitals and the pillars of our strategy that could be affected | Increase/decrease in inherent risk ranking | Risk description, root cause and potential impact | Response to risk | Residual risk | | Inherent risk | |
|--|--|--|---|---------------|------|---------------|------|
| | | | | 2014 | 2014 | 2013 | 2012 |
| Towards operational excellence | | | | | | | |
| | ▲ | Inability to provide employee home ownership in line with the wage agreement commitments could lead to business interruptions due to strike action | A housing collective agreement formed part of the wage agreement which ended on 30 June 2014. Phase I of the employee home ownership scheme delivered 422 houses at Waterkloof Hill in 2014 and additional land has been secured for the construction of additional homes. RBPlat is negotiating affordable finance for home owners. To date 295 sales agreements have been signed by employees and 289 employees are now resident in the new three-bedroomed homes. We continue to consult with neighbouring mining companies regarding the potential for cooperating on specific housing projects to speed up delivery of housing to our employees | 6 | 8 | 9 | 9 |
| | ▲ | Global economic and market conditions could result in financial exposure due to a significant drop in PGM prices and/or strengthening of the rand | Focus has been on achieving cost reductions and maintaining a low cost base, by increasing operational efficiencies and production enhancements | 7 | 6 | 10 | 3 |
| | ▼ | Failure to implement our social and labour plans (SLPs) could lead to a negative impact on our mining licence and also community unrest as a result of unemployment and other socioeconomic issues which could also negatively impact RBPlat's reputation and affect us financially | The stakeholder engagement model we adopted as part of our sustainable development framework and policy is intended to assist with engagement around delivery of our SLP projects We have fulfilled and exceeded our commitments in terms of our SLPs covering the five-year period 2010 – 2014. This included submitting Section 102 applications because it was necessary to do so where projects had been changed for various reasons. We have now submitted our SLPs covering the next five-year period to the DMR and will commence work on these in 2015. We conducted a review of our SLP compliance and established a monitoring process to proactively manage our exposure in regard to both SLP compliance and other Mining Charter commitments. Both the delivery of our SLP projects and the development of our operations have provided employment and skills development opportunities for community members We have regular engagement sessions with the communities and a recruitment strategy and development programme that favours local community members | 8 | 7 | 2 | 2 |
| | ▲ | Failure to have available adequate and appropriate skills could lead to a drop in the quality of skills, which will negatively impact on achieving operational efficiencies and our SLP and failure to establish suitable remuneration and reward structures could lead to loss of key employees | Maintain momentum on current human resource development strategy to meet SLP and operational requirements. Enhance the talent management and succession planning process to ensure key individuals and functions are retained and monitor effectiveness of remuneration and reward structures and benchmark them to ensure they are competitive | 9 | 10 | 13 | 10 |
| | ▲ | Lack of availability of utilities could result in the failure of the power supply, or an inadequate power supply could lead to business interruptions and delays in expansion projects, negatively impacting our financial and operational performance | We have a supply agreement with Eskom in place and the power supply for Styldrift I has been secured. The existing main sub-station is adequate for BRPM requirements for the foreseeable future RBPlat's emergency preparedness plan includes 12Mva of diesel power generating capacity which is adequate for the safe exit of our employees from Styldrift I and BRPM in the event of a total power failure. This also provides sufficient generating capacity to protect our key infrastructure in the event of a prolonged outage | 10 | 9 | 11 | 12 |
| Build flexibility | | | | | | | |
| | ▲ | Insufficient mineable reserves available on a sustainable basis could lead to inability to support planned production rate | Approved mining production planning programme and supervisory structure is in place | 11 | 12 | 14 | 9 |
| | ▲ | Our environmental and climate change management could result in non-compliance with key legislation, which may lead to the withdrawal of mining-related licences (mineral rights/water, etc) negatively impacting mining operations and costs | We have ongoing monitoring of licence requirements in place and address deviations if and when they are identified. Regulatory compliance and business sustainability frameworks and policies are in place and are actively implemented and monitored | 12 | 11 | 12 | 6 |
| | | Potential tax liability stemming from shareholder loan treatment/mining rights transfer matter. Senior counsel has been engaged to advise on the issue. Various engagements with SARS and Royal Bafokeng Holdings resulted in SARS assessing and rejecting our appeal. RBPlat has made a submission for deferment of payment pending litigation. This risk was ranked 5 on an inherent risk basis for 2014. | We have lodged an objection against these tax assessments and an application to suspend payment in terms of Section 164 (2) of the Tax Administration Act. The South African Revenue Service (SARS) has disallowed Royal Bafokeng Resources' (RBR's) objection and RBR lodged a notice of appeal in November 2014. Based on independent advice and consultation to date, RBR remains confident that it has a reasonable prospect of successfully defending the matter. This risk has now materialised and is part of a litigation process. | | | | |

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS



ADVOCATE KGOMOTSO MOROKA (60)
Chairman (Independent)
BProc, LLB

Kgomotso joined our Board as Chairman and independent non-executive director on 1 June 2010. A practising senior advocate, she is Chairman of the Nomination Committee, a member of the combined Remuneration and Nomination Committee and a permanent invitee to all other committee meetings. She is a director of the Standard Bank Group, South African Breweries, Multichoice South Africa and Netcare. Kgomotso is a trustee of the Nelson Mandela Children's Fund, Project Literacy and the Apartheid Museum.



PROFESSOR LINDA DE BEER (45)
(Independent Chairman of the Audit and Risk Committee)
Chartered Director (SA) CA(SA), MCom (Tax)

Linda joined the RBPlat Board as an independent non-executive director on 1 June 2010. An independent reporting and governance advisor and visiting professor at the University of the Witwatersrand, she is involved in local and international accounting and audit standard setting. She is also a member of the King Committee and chairs the Financial Reporting Investigations Panel of the JSE.



ROBIN MILLS (68)
(Independent)
BSc (Eng) (Rand) Mining, CEng, FIMMM, FSAIMM

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



MARK MOFFETT (55)
(Independent)
CA(SA)

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



THOKO MOKGOSI-MWANTEMBE (52)
(Independent)
MSc

Thoko, who was appointed to the RBPlat Board in November 2014, is currently the Chief Executive of the Kutana Investments Group. She previously held executive positions at Telkom Limited, Lucent Technologies, Siemens Telecommunications, Alcatel SA and Hewlett Packard SA, where she was the Chief Executive Officer. In 2005 she won the ICT achiever of the year award and ICT personality of the year. In 2007 she received the BWA businesswoman of the year award in the corporate category. She is a non-executive director of Vodacom Limited, Absa Bank Limited and Aveng Limited. She became a member of the Remuneration and Nomination and Social and Ethics committees on 19 November 2014.



MIKE ROGERS (70)
(Independent)
BSc (Eng) (Rand) Mining, PrEng, FSAIMM

Mike, who was appointed to the Board as a non-executive director on 7 December 2009, is Chairman of the Social and Ethics Committee and he will also chair the Remuneration and Nomination Committee until 1 May 2015, at which time Thoko Mokgosi-Mwantembe will become Chairman of this committee. In his former role as Executive Head of Joint Ventures at Anglo American Platinum Mike gained an in-depth understanding of RBPlat's operations. He became an independent non-executive director in February 2014.

NON-EXECUTIVE DIRECTORS



LOUISA STEPHENS (38)
(Independent)
CA(SA), BBusSc (Finance)

Louisa joined the RBPlat Board on 29 September 2014. She is currently an independent financial trader at Prime Select Holdings having previously gained extensive experience in mergers and acquisitions, structuring and arranging debt funding and implementing leveraged debt transactions as the Chief Investment Officer of Circle Capital Ventures (Pty) Ltd and General Manager: Investments and Finance at Nozala Investments (Pty) Ltd. Prior to joining Circle Capital Ventures she was a fund manager at the National Empowerment Fund's Corporate Fund (uMnotho Fund) after gaining experience in acquisition and leverage finance in Rand Merchant Bank's Investment Banking Division. She is a non-executive director of South Ocean Holdings Limited and Greymatter and Finch (Pty) Ltd. Louisa is a member of the Audit and Risk Committee.



LUCAS NDALA (40)
CA(SA), PGDM (UCT)

Lucas was appointed to our Board as a non-executive director on 28 May 2013. He is currently the Chief Executive Officer of Mining Oil and Gas Services (MOGS), having previously held the position of Chief Financial Officer of Royal Bafokeng Holdings (Pty) Ltd since 2008. Lucas became a member of the Remuneration and Nomination Committee on 19 November 2014.



DAVID WILSON (44)
CA(SA)

David was appointed to our Board as a non-executive director on 29 May 2014. He is currently Investment Manager: Strategic Investments at Royal Bafokeng Holdings (Pty) Ltd (RBH). Prior to joining RBH, he was a director and Head of Mergers and Acquisitions for sub-Saharan Africa at Deutsche Bank, South Africa. Before joining Deutsche Bank in 2004 he was an Associate Director, Corporate Finance at HSBC South Africa and Vice President, Corporate Finance at ING Barings, South Africa. He is a member of the Social and Ethics Committee.

EXECUTIVE DIRECTORS

And members of the Executive Committee



STEVE PHIRI (58)
Chief Executive Officer
BJuris, LLB, LLM, Dip Corp Law

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



MARTIN PRINSLOO (46)
Chief Financial Officer
CA(SA)

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

EXECUTIVE COMMITTEE



NEIL CARR (55)

Executive Head: Operations

BSc (Mechanical Engineering), EDP (INSEAD)

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



GLENN HARRIS (53)

Head of Operations for the BRPM Joint Venture

NHD (Metals), BTech, MDP, MMCC

In his current role Glenn heads up operations for the BRPM and the Styldrift I project, collectively known as the BRPM Joint Venture. Before assuming this role he had been General Manager of BRPM since 2006. He has 30 years' experience in mining, 19 of which have been in platinum mining.



REGINALD HAMAN (40)

Executive: Risk and Assurance

MBA, PGDBA, Graduate diploma in Company Direction, NHD, ND

Reg has 19 years' experience in risk and governance, gained in senior executive positions in various sectors including mining and financial services. He is the past President of the Institute of Risk Management of South Africa and served on the King III risk management working group.



MPUELENG POOE (55)

Executive: Corporate Affairs

BProc, MDP, Certificate in Advanced Corporate and Securities Law

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



VICKY TLHABANELO (54)

Executive: Human Resources

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

Vicky, who joined RBPlat in 2010, has held leadership positions for more than 15 years. Her experience includes over 23 years in human resources in various areas including banking, retail research, agriculture, academic institutions, as well as mining and development.

CHAIRMAN'S LETTER TO STAKEHOLDERS



Adv Kgomotso Moroka SC
Chairman

It is my pleasure to introduce you to our integrated report for the financial year ended 31 December 2014.

A highlight for me, as Chairman of RBPlat, was the launch of the first phase of our new employee home ownership scheme in September 2014, which not only provides our employees with the opportunity to have their families living with them in a very pleasant and safe environment, but also gives them the opportunity to own an asset that should appreciate over time.

The biggest event in the South African platinum industry during 2014 was the devastating five-month strike in the first half of the year. While we were very fortunate not to experience any strike action, inevitably the impact the strike had on our neighbours also affected RBPlat and its employees.

I would like to recognise the efforts of management, employees and union representatives that made it possible for RBPlat to enjoy another year of labour stability. This spirit of cooperation also allowed us to achieve a five-year wage agreement and to start delivering on the commitment we made in our previous wage agreement to build homes for our employees.

We were grateful that our shareholders, despite the current outlook for the platinum industry, supported our capital raising programme in the first quarter of 2014. We were able to reward their confidence in RBPlat by producing a very pleasing set of results for 2014.

We advised the market when RBPlat released its half year results for 2014, that we had identified that the Services shaft hoisting capacity at Styldrift I was a key constraint in terms of underground construction activities. The project schedule has been revised to take this into account and Styldrift I will now start ramping up in the first quarter of 2016 instead of in the third quarter of 2015, as previously scheduled.

Sadly, we did not meet one of our key strategic objectives of zero harm in our operations. On Saturday, 4 October 2014, Mr Xadreque Chihungo, who was employed as a stage hand by Shaft Sinkers, was fatally injured in a shaft-related incident at Styldrift I. This was the first fatal accident at Styldrift I for over three-and-a-half years. On Friday, 10 October 2014, Mr Refumane Petrose Kanono, who was employed as a loco operator by JIC, was fatally injured in an underground accident at BRPM's South shaft, when he was trapped by a ventilation door. On Thursday, 8 January 2015, Mr Amelio Paquette, who was employed as a winch operator by JIC, was fatally injured when he was trapped during a fall of ground in a stope panel at BRPM's North shaft. The Board extends its condolences to their families, friends and colleagues for their loss.

Today population growth, urbanisation, social and economic development and the demand for a green low-carbon economy, all contribute to an increased demand for minerals and metals, with platinum group metals (PGMs) making a major contribution to a green low-carbon economy. We recognise that meeting these demands and achieving the benefits society seeks comes at a cost to people and the environment. This is the reality that lies at the heart of sustainable development, which has as its central idea the principle that any human activity and the products that activity delivers should make a net positive long-term contribution to the wellbeing of humanity and the ecosystem. This approach puts the focus not on how our mining can be sustainable but on how our mining and the minerals and metals we produce can contribute to sustainable development. It is therefore important when we assess the net contribution of our mining activities to sustainable development

that we take into consideration the unique long-term nature of mining, the benefits it generates, as well as the costs and risks involved over its life cycle and that of its mineral product.

This was the final year of our five-year social and labour plan (SLP), which is central to our performance in terms of the Mining Charter Scorecard. I would refer you to the Social and relationship capital section of this report on pages 126 to 131, which provides a detailed report on what we have achieved over the five years of our SLP and also sets out our SLP for the next five years. It is pleasing that we have been able, through our SLP investment, to deliver against our declared purpose of creating economic value for all our stakeholders.

Our efforts towards sustainability were recognised when we became a Best Performer on the JSE Socially Responsible Investment (SRI) Index for 2013.

The Board and Executive management reviewed the relevance of our strategic objectives as we do every year, and while some of the issues that we need to address to achieve these objectives may have changed over the years, or become more or less important, we concluded that our objectives remain relevant.

I would refer you to my Corporate governance review on pages 166 to 167 and the Governance section of this report on pages 168 to 179 for information on how the Board carried out its responsibilities during 2014.

On behalf of the Board my thanks and congratulations go to everyone who contributed to a stable and productive year at our operations.

Adv Kgomotso Moroka SC
Chairman

For information on our wage agreement and our employee home ownership scheme, see pages 102 and 103 of the Human resources section of this report. Details of RBPlat's performance against our SLP are to be found on pages 126 to 131. Our directors' CVs can be found on pages 52 to 53.



CHIEF EXECUTIVE OFFICER'S STRATEGIC REVIEW

I am very proud that RBPlat's performance since 2010, and the confidence our shareholders have in our ability to deliver against our organic growth strategy, resulted in both the bookbuild and rights offer that made up our capital raising programme for Styldrift I being significantly oversubscribed. Through their ongoing support our investors also endorse our declared commitment to seek and deliver the good from mining and to leave a lasting legacy of sustainable benefits for all our stakeholders.



Steve Phiri
Chief Executive Officer

While we have found that integrated reporting has many advantages, in particular having an integrated view of our business throughout the year and helping to eliminate repetition in our reporting, this year there is one message that is repeated throughout this report: the importance of the role that labour stability played in our performance in 2014. This stability didn't just happen. All the parties involved: RBPlat's management, the union representatives and our workforce, have invested and continue to invest time and effort in building a partnership based on trust, mutual respect, transparency and fairness. We believe that the willingness of all parties to engage with and respond to each other has established a partnership that played a key role in both our labour stability and our pleasing production performance in 2014.

□ We were so hopeful that we would have a fatality-free year, but as our Chairman has already mentioned, we had two fatal accidents in October 2014, one at BRPM and one at Styldrift I. We have made progress towards improving the safety performance in our core mining areas at BRPM, where there were no fatalities during 2014. Sadly, we started 2015 with a fatal accident at BRPM as a result of a fall of ground. We will be increasing our focus on the service areas of the mine and continue to strengthen our efforts to keep people safe throughout our operations.

We made changes to our management structure this year following the departure of our Chief Operating Officer. It was pleasing to realise that, despite our talent management and succession programme being in its early stages, the depth of talent at RBPlat meant it was a manageable process to reorganise the team. There was no need to seek new talent outside RBPlat.

This partnership also resulted in the completion of the first phase of our employee home ownership scheme, of which we are all justifiably proud.

My thanks to our management team, our workforce and the union for your contribution to our performance in 2014 and I encourage you to continue working together to ensure we maintain this critically important partnership.

□ Details of our employee engagement can be found on page 103 of the Human resources section of the report and information on industrial action at RBPlat can be found on page 100. See pages 114 to 116 for more information on our safety statistics and efforts to improve our safety performance. For further detail refer to the Manufactured capital section of this report.

Our performance against our strategy

When we took over the management of the BRPM Joint Venture (JV) in 2010 we identified four strategic objectives and the issues we needed to address to achieve these objectives:

- > Towards operational excellence at BRPM (achieving a safe operating environment, labour stability, optimising volumes and reducing costs)
- > Building flexibility in the business through co-extraction and increasing immediate stopable reserves (IMS)
- > Growing organically through Styldrift I and II
- > Pursuing value enhancing opportunities, including acquisitions and synergies.

As our Chairman mentioned, these strategic objectives still remain relevant today.

Towards operational excellence at BRPM

While we were disappointed by our safety performance this year, our lost time injury frequency rate (LTIFR) has shown a steady improvement over the past five years. We continue to work towards improving our safety maturity level. As I've already mentioned, we have been fortunate that labour stability has been a key feature of our performance, particularly in the past two years. It has made an important contribution to optimising volumes and containing costs at BRPM. These are both areas where we performed very well in 2014, as you will see from the Manufactured and Financial capital sections of this report. The decision we took in 2013 to focus on our more profitable core business, which is mining and processing the Merensky reef, also worked well in 2014.

To build flexibility we need:

- > Well-developed Merensky ore reserves
- > To be able to supplement current Merensky production with UG2.

One of our most important structural achievements over the past three years has been the increase in the IMS panels to stoping team ratio we have achieved through a sustained increase in the rate of development, redevelopment, ledging and equipping over the past three years. This increase has contributed to a number of important performance improvements at BRPM.

Our initiation of mining the UG2 reef at BRPM in 2010 has also contributed to our operational flexibility by providing access to a secondary reef horizon.

Organic growth

- > Complete construction and ramp-up of Styldrift I
- > Develop Styldrift II and bring forward as an expansion project
- > Further develop UG2 – depending on market conditions

Our Styldrift I project, which fell behind schedule by six months this year mainly due to constraints regarding the Services shaft, will now start ramping up to full production in the first quarter of 2016. When it achieves steady state in the first quarter of 2019 it will increase our production to approximately 470koz (4E) per annum.

The Styldrift II resource represents 40% of the BRPM JV's overall resource. We have completed the pre-feasibility study and are proceeding with the feasibility study. Our aim is to bring the project forward as an expansion project much earlier than we originally anticipated. We are very excited about what we have seen of the results of the studies so far.

Because of the work we have done to provide access to the UG2 reef horizon at BRPM we are in a position to increase our mining of UG2 as and when market conditions make this a profitable option.

Pursue value enhancing opportunities

- > Regional consolidation and royalty agreements
- > Mergers and acquisitions

Our royalty agreements with Impala Platinum (Implats) remain in place, however, our income from these agreements was negatively affected by the impact on Implats' production of the five-month strike in the platinum industry.

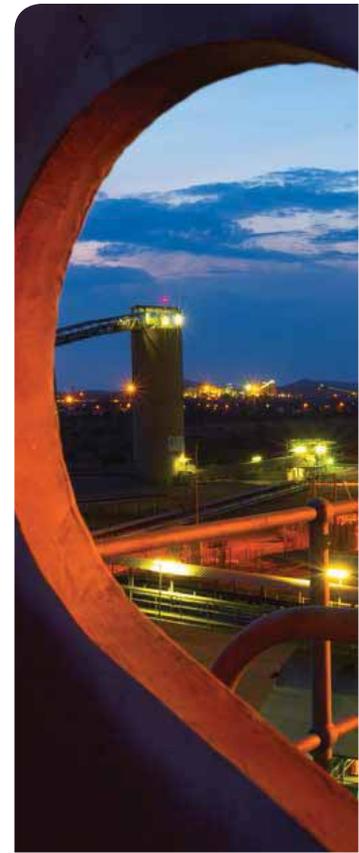
While we have not as yet made progress with this leg of our strategy, we continue to consider possible mergers and acquisitions and to seek out synergies and ways of cooperating with our neighbours.

Market review

- > Platinum market saw a deficit in 2014
- > Five-month strike in platinum sector contributed to South African refined mine supply falling by 1.37Moz or by 886koz including stock utilisation
- > Gross demand excluding investment was up by 3.3% for the year
- > Recycling growth up just 2.3% to 2.0Moz
- > However, platinum prices declined to levels not seen since 2009
- > The South African rand depreciated by 10% against the US dollar

□ See page 88 for information on Styldrift I and page 90 for information on Styldrift II.

□ Silo at BRPM's South shaft



CHIEF EXECUTIVE OFFICER'S STRATEGIC REVIEW

continued

These factors should have contributed to higher platinum prices in 2014, but this was not to be the case. Macroeconomic influences were negative for commodities at the end of 2014. This was due to a two-speed global economy with growth in the US, a stronger US dollar and the prospect of higher US interest rates, while Europe, Japan and China showed signs of slowing. In platinum's case, there were excess stocks available to the market, which have built up since the financial crisis, and these served to offset supply disruption from South Africa.

Platinum

The platinum price declined by 6% year-on-year to average US\$1 384/oz in 2014. The price started the year in the mid-US\$1 300s, and increased to trade largely between US\$1 400/oz and US\$1 490/oz for the duration of the strikes in the platinum sector. Platinum peaked at US\$1 511/oz in early July, before weakening to end the year below US\$1 200/oz, which despite a depreciating rand is less than the breakeven price for a number of South African operations.

Market liquidity

Stocks immediately available to market that have mainly built up since the financial crisis are estimated at 2.6Moz at the end of 2014. These stocks exclude the working inventories for demand applications and ETF holdings and are thus considered as a minimum of what the market needs to absorb to motivate higher prices.

Market outlook

Global platinum demand excluding investment is forecast to rise by just over 4% in 2015 to 8.2Moz, with automotive demand projected to increase by 130koz to 3.3Moz (excluding non-road). The majority of automotive growth comes from Europe, as tighter emissions legislation and higher platinum loadings largely offset lower demand from Japan. Platinum recycling is forecast to grow by over 8%, and this may dampen net demand growth, particularly as more highly loaded platinum diesel catalysts are scrapped in Europe.

A weaker macroeconomic environment and a stronger dollar point to platinum prices remaining relatively flat throughout 2015, at less than US\$1 300/oz, and if the rand continues to weaken against the US dollar, dollar denominated prices could be even lower.

The long-term outlook indicates that the current recycling wave will peak in a

couple of years, demand will continue to grow steadily and the lack of expenditure generally in primary supply will limit supply growth.

Palladium

The deficit in the palladium market is estimated to have widened to 1.75Moz in 2014, excluding producer stock sales and the allocation of metals to ETFs. Global ETFs absorbed a net 940koz of additional metal in 2014. Prices peaked at US\$910/oz in September but along with a commodity-wide sell-off and dollar strengthening, prices fell to US\$804/oz by year end. This reflects the availability of stocks to meet market requirements for now.

Market outlook

A structural market deficit is forecast to persist, which should lead to synchronously higher prices as stocks deplete. However, as said, the market is currently well stocked and macroeconomic headwinds in 2015 could lead to a dip in prices in the near term.

Automotive palladium requirements are forecast to rise to around 80%, as a percentage of total demand, with China expected to show the highest demand growth. This should lift prices towards US\$1 000/oz in the medium term, unless there is a technological shift in end-use and further substitution.

Rhodium

The average rhodium price increased by almost 10% to US\$1 173/oz in 2014, partly attributable to a drop in primary supply. Gross demand excluding investment increased by 3.8% year-on-year, to breach 1Moz for the first time since 2008. Industrial demand, net of recycling, decreased by 4.5% year-on-year to 150koz, although demand for autocatalysts has improved by 5.5% year-on-year, net of recycling. With a substantial drop in supply, this means fundamentals switching to a deficit in 2014, but the industry remains well stocked for now and price pressure is limited in the near term.

Market outlook

Medium-term production growth for rhodium is more constrained than for platinum and palladium as a significant proportion of rhodium-rich UG2 capacity has been closed out since 2008. Depletion of existing assets will see global output start to decline from 2018, and combined with a slow rate of net demand growth, this should keep the rhodium market in a narrow deficit for the next five years. The rhodium market for 2015 is expected to remain close to balance.

Outlook

In the short to medium term our focus will remain on achieving operational excellence in our core business of mining BRPM, improving safety, maintaining productivity and containing costs.

The expansion of the Joint Venture concentrator, which will process the ore from both BRPM and Styldrift I, will be completed in the first half of 2017 and it is expected to start processing ore from Styldrift I in the third quarter of 2015.

Our biggest challenge in the short term, in terms of organic growth, is achieving the milestones we have set ourselves for the Styldrift I project in order to start ramping up production in the first quarter of 2016 and achieving steady state by the first quarter of 2019.

The results of the Styldrift II pre-feasibility, which was presented to the Board in February 2015, indicated a very good business case for proceeding with the feasibility study, which the Board has approved.

Developing new opportunities for platinum

During 2014 the platinum industry joined forces to find new ways to develop a global market for platinum investment. The result of these discussions was the launch of the World Platinum Investment Council (WPIC) in November 2014. RBPlat is one of six

platinum producers funding the Council, which include Anglo American Platinum, Aquarius Platinum, Impala Platinum Holdings, Lonmin and Northam Platinum.

WPIC's mission is to help investors make better informed decisions regarding physical platinum. WPIC believes that presenting the platinum investment proposition to a wider range of investors will in future result in platinum being considered favourably as an investment. It is not, for instance, well known that platinum has performed well as an investment asset over the past 20 years.

Outstanding issues of concern to our industry

While our industry has long been concerned with the environmental and social impacts of its activities society is now calling for its members to go further than this to ensure that their activities deliver a net positive contribution in the long term. This approach will involve considering how all the implications of mining touch both people and the environment over both the short and long term. It is a tougher challenge than simply considering environmental and social impacts and their mitigation, however, it is a fairer approach as it will take into account the full range of benefits, costs and risks resulting from mining and metals production over time.

Currently, a key issue of concern to our industry is the uncertainty regarding water and electricity supplies for our operations.

The need to reconfirm who has a constitutional obligation for communities and who has a secondary and supporting responsibility for them, and to re-establish the partnership between government and the private sector, remains an outstanding issue that has still not been addressed.

Last year I spoke about the uncertainty regarding the regulatory environment for South African mining companies. This uncertainty, which is unfortunately still with us, remains a deterrent to investment in our industry. Hopefully, a win-win solution will be found during 2015, regarding the sections of the Mineral and Petroleum Resources Development Act (MPRDA) in dispute.

In conclusion

I have already thanked RBPlat's management, our employees and the union representatives for their contribution to our achievements this year. I look forward to working with them to achieve even more in 2015. My thanks go to our communities for working in partnership with us to ensure the stability of our operations. I would also like to thank our Joint Venture partners for their support.

Three Board members resigned this year. First of all, I would like to recognise the contribution of Nico Muller, who was Chief Operating Officer of RBPlat from March 2009 to September 2014, made to our journey towards operational excellence. In particular I would like to recognise his foresight in building flexibility in RBPlat's operational performance. I would also like to thank David Noko and Francis Petersen, who served as non-executives on our Board from its inception in 2010, for their valuable contribution to our deliberations.



Steve Phiri
Chief Executive Officer

Styldrift I, which is currently under construction



FINANCIAL CAPITAL



PERFORMANCE



ACHIEVEMENTS

Significant **cash generated** by operations

Successful **R1.5 billion** equity raising

Successful **implementation of Phase I** of the employee home ownership scheme



IMPROVEMENTS

Cost management reporting



CHALLENGES

PGM market conditions

Tax dispute relating to 2008 and 2009 assessments



DISAPPOINTMENTS

US dollar **metal price performance**

| | |
|----------------------------------|----|
| OVERVIEW | 64 |
| FINANCIAL SUMMARY AND STATISTICS | 67 |
| OUTLOOK | 71 |

R1.4 billion
in cash generated by our operations

Key financial capital material issues

| Key material issues in 2014 | Key performance indicators that were our focus for 2014 | What we achieved in 2014 | Focus for 2015 |
|---|--|--|--|
| > The confidence our shareholders have in RBPlat was demonstrated through their support for our capital raising programme | > Raise equity as part of the funding strategy for the Styldrift I project | > Successfully raised R1.5 billion of equity as part of our funding plan for Styldrift I project | |
| > Improved funding flexibility to ensure availability of the capital required to fund the Styldrift I project and related processing solution | > Start negotiations around term debt to complete funding strategy for Styldrift I project | > Viable proposals from six financial institutions for R3 billion term debt facility | > Finalisation of R3 to R4 billion debt facilities for Styldrift I project |
| > Impact of new wage agreement on costs | > Actual percentage increase in the wage bill | > Successfully finalised new wage agreement consisting of two phases over five years | > Implementation of wage agreement and continuing to foster a mutually beneficial relationship with our workforce |
| > Transparent and accountable communication with the investor community | > Effective stakeholder engagement measured by response of investors | > Periodic communication with investor community including annual and interim results presentations, quarterly updates, road shows and one-on-one meetings | > Ongoing stakeholder engagement, particularly investor relations |
| > Impact of safety stoppages on revenue | > Production lost to safety stoppages | > 79kt lost due to safety stoppages | > Continue with our efforts to improve our safety performance |
| > Impact of delay in ramp-up of Styldrift I on cash flow and repayment of debt | > Project team to finalise operational cost implications in respect of new ramp-up profile for Styldrift I in light of the challenge experienced relating to the constraints of the Services shaft | > Impact assessed and communicated to market in third quarter 2014 (refer to page 88 of Manufactured capital for details of the results of the assessment) | > Continue to build flexibility in the funding model – term debt now only required in 2016. Will finalise solution during 2015 |
| > Containing our costs and implementing SAP business planning consolidation (BPC) cost management system to improve business planning processes and management reporting | > Embedding cost containment as part of the way we work > Improving our reporting systems so that we can make informed business decisions as quickly as possible > Further increase our control of budgets in order to drive cost efficiencies | > Contained costs below mining inflation > The implementation of the SAP business planning and control (BPC) software system, which will allow us to monitor and manage our cost performance on a daily basis, is almost complete. Currently running in parallel with existing Ess-base management accounting system to test accuracy | > Reporting including new management accounting system, (business planning and control (BPC)) and integrated report > Stabilise and optimise the SAP BPC system to further improve our cost management systems and controls > Maintain a strong cost containment focus |
| > Global economic and PGM market conditions | > Operate in a sustainable manner which will help us maintain healthy margins, provide returns to our shareholders and allow us to repay our future borrowings > Cash and liquidity management of the business (treasury management system) > Continue to evaluate mergers and acquisitions opportunities | > Excellent cash generation > Implemented treasury management system which allows us to better manage our cash > A number of possible mergers and acquisitions have been investigated but none have as yet been concluded | > Continue to take action to reduce any possible negative impacts > Use ability to predict economic and PGM market conditions to help us manage our business in a challenging environment |
| Supply chain issues: | | | |
| > Meeting our Mining Charter HDSA procurement targets | > Focus on increasing our preferential spend with historically disadvantaged South Africans (HDSAs) and local suppliers using our enterprise development programme | > 68.13% of discretionary procurement was from HDSAs* | > Meet and exceed our Mining Charter HDSA procurement targets > Continue with our efforts to build capacity in local HDSA businesses |
| > Hedging strategy for acquisition of Styldrift fleet equipment | > Through the foreign exchange risk management system, we will receive US\$ instead of ZAR for the BRPM Joint Venture concentrate sales to Rustenburg Platinum Mines (RPM) which will allow us to hedge the purchase of equipment for Styldrift I payable in euro. The intention is to hedge the euro against the US\$ which is more cost effective than hedging the euro against the ZAR due to less volatility between the US\$ and euro | > Opened a customer foreign currency (CFC) account to receive US\$ and acquired necessary approvals and facilities for the hedging arrangements | > Hedging of US\$ against euro for euro purchases of equipment for Styldrift I once delivery schedules have been finalised by project team |

* These key performance indicators have been assured (See page 187 for the assurance statement)



INVESTOR COMMUNITY

JOINT VENTURE PARTNERS

PROVIDERS OF DEBT

SOUTH AFRICAN REVENUE SERVICES

Overview

Our shareholders' support for our capital raising programme in March/April 2014 was a clear indication of their confidence in RBPlat and its ability to deliver against its organic growth strategy. It was particularly pleasing in view of the tough times the platinum industry experienced during the five-month strike in 2014.

Our raising of R1.5 billion equity capital for the Styldrift I project included an accelerated bookbuild offering to qualifying investors and a rights offer to qualifying RBPlat shareholders. The bookbuild was significantly oversubscribed and in light of very strong demand, it was upsized to R700 million. In all, 11 290 323 new ordinary shares were placed with qualifying institutional investors at a price of R62 per bookbuild share. Following the bookbuild 99.7% of the rights offer shares offered to qualifying RBPlat shareholders were subscribed for and excess applications resulted in the rights offer being 4.47 times oversubscribed, resulting in the full R800 million being successfully raised.

Following the equity capital raise, which resulted in our free float increasing to 35.9%, we have seen an increase in the liquidity of trade in our shares.

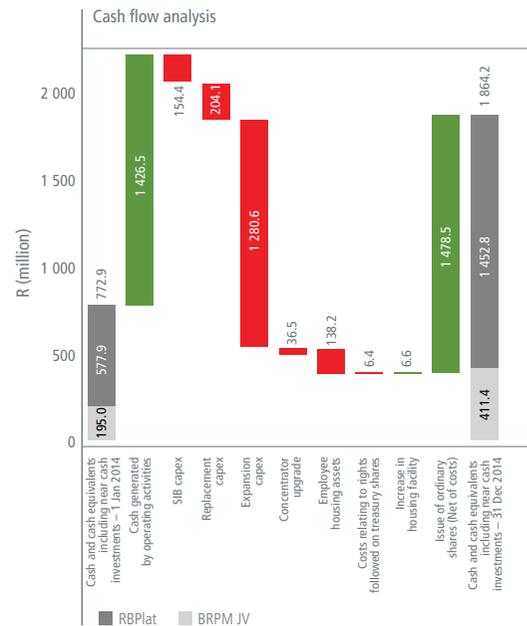
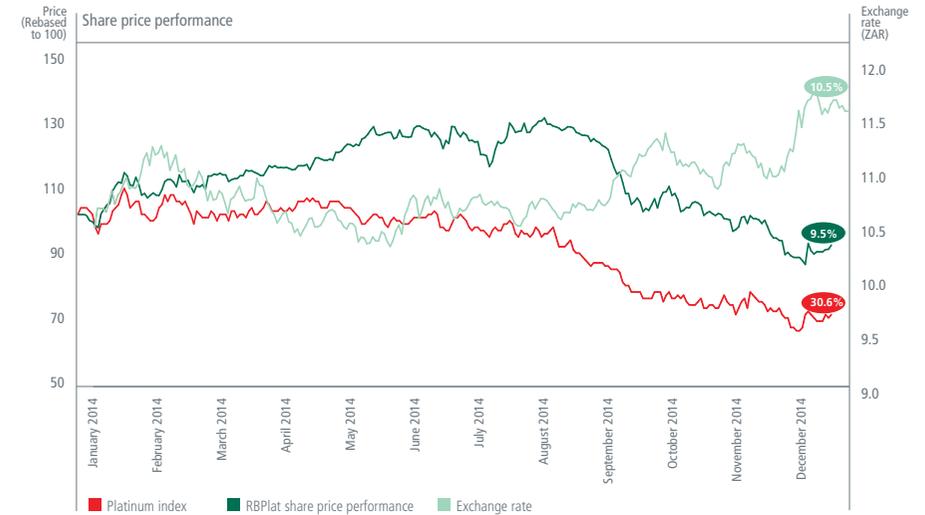
RBPlat's financial results for 2014 reflect the benefits of the stability we achieved in the sea of turmoil created by the five-month strike in the platinum industry during 2014.

The third party recognition we received for our integrated reporting when our report was placed first in the EY Integrated Reporting Awards for 2014 and won the Mid Cap section of the Chartered Secretaries and JSE integrated reporting awards confirmed to us that we are doing the right things in terms of our efforts to operate our business in an integrated manner.

We embarked on a request for proposal process with financial institutions during 2014. Viable proposals were received from six financial institutions to fund R3 billion in term debt, with funding/underwriting commitments ranging between R1 billion and R3 billion each. Due to the delay in the ramp-up of Styldrift I production and the

RBPlat's share price performance compared with that of the platinum sector

RBPlat's share price outperformed the platinum index despite having lost 9.5% compared to the 30.6% erosion in the performance of the platinum index. At the same time the rand depreciated 10.5% against the US\$.



For details of the governance RBPlat has put in place regarding the funds shareholders have entrusted to us see page 166 of the Governance section of this report.

concomitant delay in capital expenditure, we estimate that we will now only require term debt funding in 2016. We have therefore temporarily suspended our term debt raising process until the second half of 2015.

Our cash flow generation once again exceeded all our expectations, funding R1 426.5 million (85.1%) of our total Group capital expenditure for the year of R1 675.6 million, including the R1 280.0 million invested in the Styldrift I and II projects. This left the Group with a cash or near cash balance of R1 864.2 million at year end.

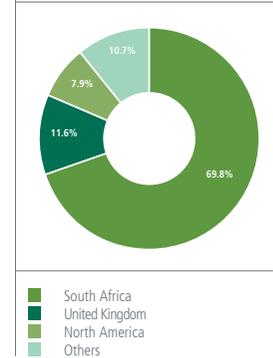
During 2014 we introduced a new treasury management system which,

by providing us with an integrated view of our bank accounts and investments, has enhanced the effectiveness of our cash management.

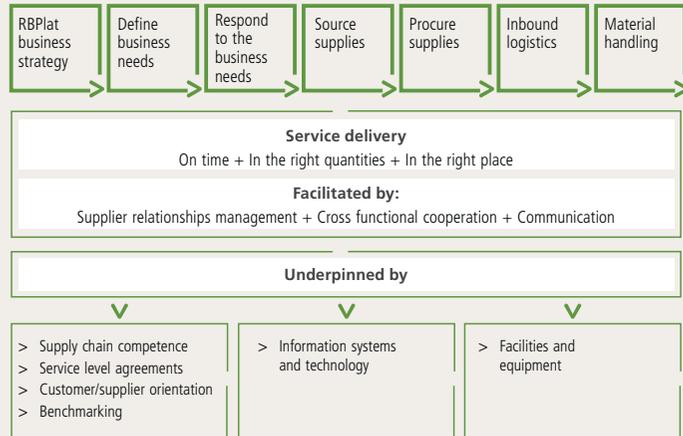
Containing costs

While we were able to achieve substantial cost reductions in 2013, we knew that it was unlikely that we would be able to maintain the same level of cost reduction in 2014. Despite an 11.8% increase in our fixed costs we were, however, able to keep our unit cost increases below mining inflation. I would refer you to the industry cost curve on page 23, which provides a benchmark for RBPlat's cost performance in terms of our industry.

Geographical spread of free float of our shareholders as at 31 December 2014



Our supply chain value model



Our effective management of costs and our solid operational performance, combined with the assistance of a weak rand, resulted in a significant improvement in RBPlat's financial performance in 2014.

Delivering against our social and labour plans (SLPs)

During 2014 we honoured our social licence to operate by successfully completing and exceeding our commitments in terms of our SLPs for the period 2010 – 2014. We have exceeded our targets for discretionary procurement from HDSA businesses, which is an important part of our Mining Charter commitments, since 2011.

Supply chain management

Supply chain management plays an important role in containing our costs. Having stabilised our supply chain in 2013, our focus for 2014 was on making our procurement processes as efficient as possible. This involved analysing our existing procurement processes to find areas where we could improve these processes and contain costs.

RBPlat's strategic sourcing function managed to realise significant cost savings by successfully renegotiating contract pricing and implementing our total cost of ownership supply chain strategy.

By implementing a labour control system using SAP, which allows us to check the accuracy of invoicing by

volume contractors, we now have much better control of a major cost area for RBPlat.

- A major task the supply chain team undertook this year was the codifying of all the items we stock to eliminate duplication and ensure efficient buying that also helps us to categorise spend and improve reporting and decision-making.

Our supply chain team demonstrated great flexibility and agility when called upon to take over all key supply contracts from the main contractor at Styldrift I as a matter of urgency. This exercise, involved registering new suppliers on our system, signing contracts with them, verifying their information, which included checking that they comply with our policies on labour practices and environmental management. In total we have taken over 197 supplier contracts from the main contractor.

Please refer to pages 126 to 131 for details of our SLP delivery and page 134 for details of our discretionary procurement.

Financial summary and statistics

| | 2014 R (million) | 2013 R (million) | 2012 R (million) | 2014 vs 2013 % change |
|---|---------------------|---------------------|---------------------|-----------------------------|
| Revenue | 3 767.5 | 3 251.1 | 2 865.3 | 15.9 |
| Cost of sales | (2 902.2) | (2 650.1) | (2 525.5) | (9.5) |
| Gross profit | 865.3 | 601.0 | 339.8 | 44.0 |
| Other income | 25.2 | 77.5 | 66.9 | (67.5) |
| Administrative expenses | (137.3) | (105.0) | (101.7) | (30.8) |
| Net finance income | 91.3 | 39.0 | 56.3 | 134.1 |
| Profit before tax | 844.5 | 612.5 | 361.3 | 37.9 |
| Taxation | (245.7) | (164.7) | (85.6) | (49.2) |
| Non-controlling interest | (157.9) | (163.6) | (105.4) | 3.5 |
| Profit attributable to owners of the Company | 440.9 | 284.2 | 170.3 | 55.1 |
| Headline earnings | 440.9 | 283.9 | 170.3 | 55.3 |
| Headline earnings per share (cents) | 239 | 173 | 104 | 38.2 |
| Normalised headline earnings* | 506.9 | 348.4 | 233.2 | 45.5 |
| Normalised headline earnings per share (cents)* | 274 | 212 | 142 | 29.3 |
| Weighted average number of ordinary shares in issue for earnings per share | 184 797 002 | 164 319 791 | 163 960 709 | 12.5 |
| EBITDA** | 1 189.4 | 1 008.0 | 633.8 | 18.0 |
| Average annual R:US\$ exchange rate | 10.85 | 9.65 | 8.21 | 12.4 |
| Closing R:US\$ | 11.57 | 10.47 | 8.47 | 10.5 |
| Average basket price (R/Pt oz)*** | 19 842 | 17 927 | 16 404 | 10.7 |
| Gross profit margin (%) | 23.0 | 18.5 | 11.9 | 24.3 |
| EBITDA margin (%)** | 31.6 | 31.0 | 22.1 | 1.9 |
| Statement of cash flows | | | | |
| Cash generated by operating activities | 1 426.5 | 907.8 | 732.6 | 57.1 |
| Capital expenditure (100% BRPM) | 1 723.5 | 1 058.8 | 1 192.3 | 62.8 |
| Cash, net of debt (including preference share investment) | 1 864.2 | 772.9 | 910.5 | 141.2 |
| RBPlat share performance on the JSE | | | | |
| Ordinary shares (cents/share) | | | | |
| – High | 7 690 | 6 499 | 6 749 | 18.3 |
| – Low | 4 740 | 4 201 | 4 374 | 12.8 |
| – Year end | 5 271 | 5 900 | 5 750 | 11.3 |
| Volume of shares traded | 45 595 706 | 37 834 520 | 24 529 533 | 20.5 |
| Number of shares issued outside the Group at year end | 189 897 794 | 164 459 662 | 164 150 804 | 15.5 |

* Normalised headline earnings are based on headline earnings adjusted for fair value depreciation, amortisation and tax thereon

** The Company utilises certain non-IFRS performance measures and ratios (ie EBITDA) in managing the business and that 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

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

Headline earnings

The Group's headline earnings increased by R157 million from R283.9 million in 2013 to R440.9 million in 2014. This increase reflects the improvement in our PGM rand basket price and cost saving initiatives implemented in 2014.

Our headline earnings per share for 2014 of 239 cents are 38.2% higher than the 173 cents per share reported in 2013.

Revenue

Our revenue of R3 767.5 million for 2014 was 15.9% higher than the R3 251.1 million for 2013. The increase is due to a 9.7% increase in our rand basket price and a 5.2% increase in 4E production volumes. The base metal content of the Merensky reef makes a valuable contribution to our rand basket price.

Revenue from production through the BRPM concentrator increased by 13.4% from R2 944.7 million to R3 339.6 million. The 2014 revenue number included R5.6 million (2013: R11.9 million) generated from the on-reef development from Styldrift I project.

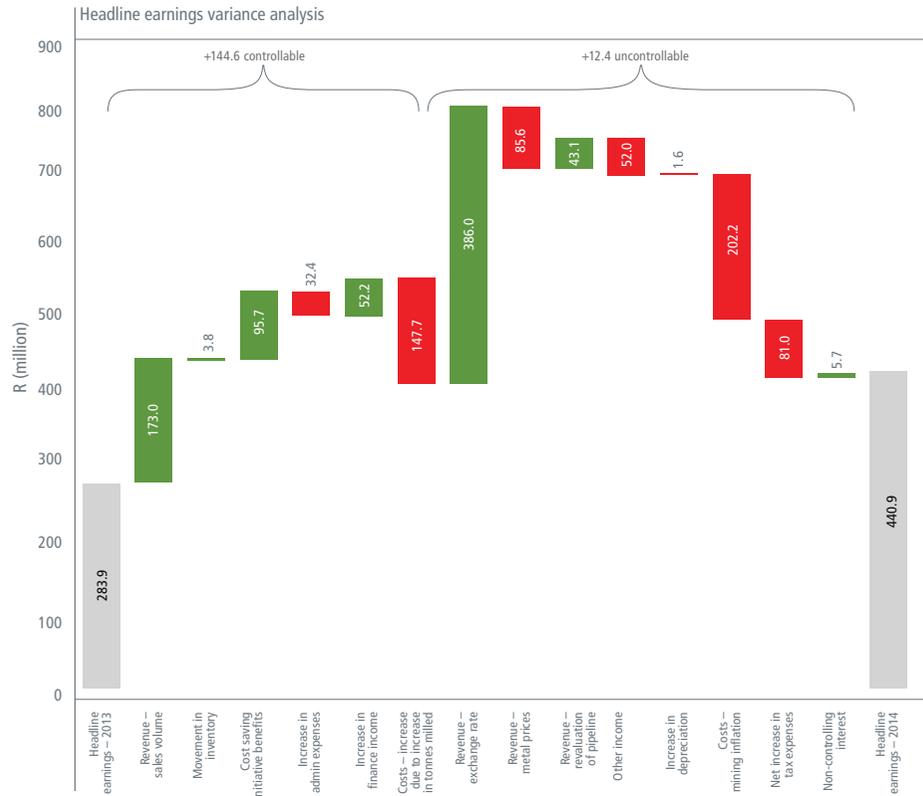
Revenue from toll concentrating of UG2 increased by 39.7% from R306.4 million in 2013 to R427.9 million in 2014 due to a 26.3% increase in toll production volumes and an increase in the rand basket price.

Gross profit

Our gross profit margin improved significantly from 18.5% in 2013 to 23.0% in 2014. This was due to a 15.9% increase in revenue which was offset by a 5% increase in cost of sales. This limited increase in the cost of sales was as a result of our continued focus on cost management in 2014.

Cash operating costs

BRPM's average cash unit cost per tonne milled increased by 4.0% from R920 per tonne milled in 2013 to R957 per tonne milled in 2014. The cash unit cost per platinum ounce increased by 8% from R11 592 to R12 463 per platinum ounce produced. The BRPM JV remains at the lower end of the industry cost curve.



Summarised statement of financial position

| | 2014 R (million) | 2013 R (million) | 2012 R (million) | 2014 vs 2013 % change |
|---|---------------------|---------------------|---------------------|-----------------------------|
| Non-current assets | 19 960.5 | 18 558.4 | 17 947.0 | 7.6 |
| Property, plant and equipment | 10 889.5 | 9 567.9 | 8 899.2 | 13.8 |
| Mineral rights | 6 518.4 | 6 583.7 | 6 645.0 | (100) |
| Goodwill | 2 275.1 | 2 275.1 | 2 275.1 | – |
| Environmental trust deposit | 113.6 | 106.8 | 103.1 | 6.4 |
| Deferred tax asset | 27.6 | 24.9 | 24.6 | 10.8 |
| Employee housing | 136.3 | – | – | 100.0 |
| Current assets | 3 543.4 | 2 259.1 | 2 154.4 | 56.9 |
| Accounts receivable, inventories and other | 1 679.2 | 1 486.2 | 1 243.9 | 13.0 |
| Cash and cash equivalents (including preference share investment) | 1 864.2 | 772.9 | 910.5 | 141.2 |
| Total assets | 23 503.9 | 20 817.5 | 20 101.4 | 12.9 |
| Total equity | 18 196.3 | 15 986.3 | 15 480.6 | 13.8 |
| Non-current liabilities | 4 574.9 | 4 331.6 | 4 175.1 | 5.6 |
| Deferred tax liability | 4 486.7 | 4 262.0 | 4 112.6 | 5.3 |
| Long-term provisions | 88.2 | 69.6 | 62.5 | 26.7 |
| Current liabilities | 732.7 | 499.6 | 445.7 | 46.7 |
| Total equity and liabilities | 23 503.9 | 20 817.5 | 20 101.4 | 12.9 |

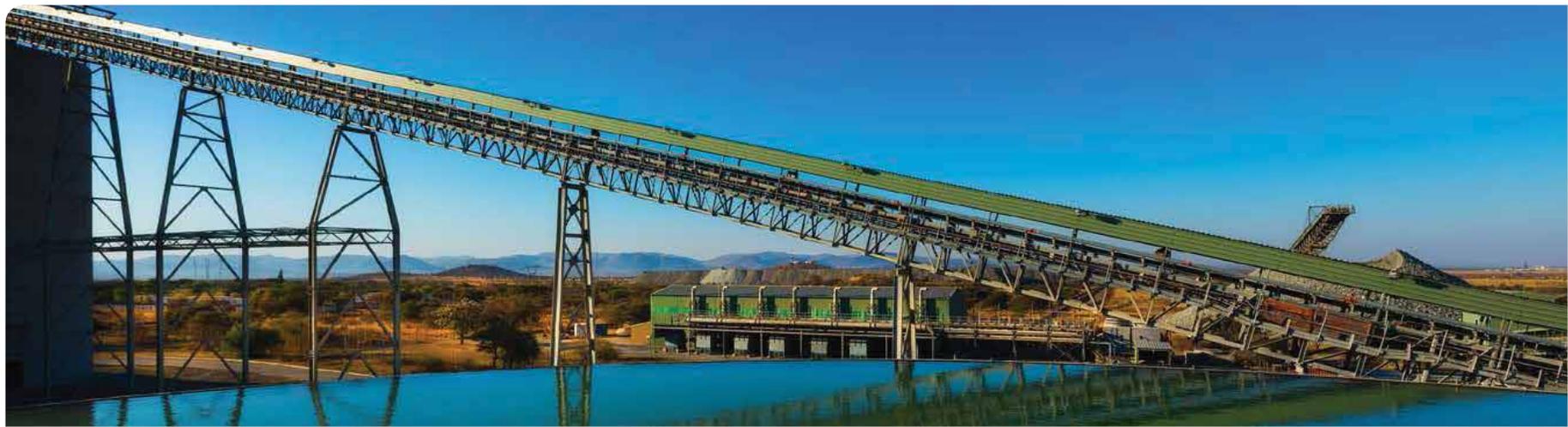
Sales volumes

| | | Sales volumes | | | US\$ average price achieved* | | |
|-----------|-------|---------------|---------|---------|------------------------------|----------|----------|
| | | 2014 | 2013 | 2012 | 2014 | 2013 | 2012 |
| Platinum | Pt oz | 189 710 | 181 351 | 174 665 | 1 346/oz | 1 418/oz | 1 552/oz |
| Palladium | Pd oz | 78 555 | 74 009 | 72 007 | 832/oz | 719/oz | 649/oz |
| Gold | Au oz | 8 841 | 8 771 | 8 761 | 1 259/oz | 1 309/oz | 1 672/oz |
| Rhodium | Rh oz | 16 974 | 15 431 | 14 488 | 1 207/oz | 977/oz | 1 143/oz |
| Iridium | Ir oz | 5 605 | 5 062 | 4 813 | 556/oz | 642/oz | 1 037/oz |
| Ruthenium | Ru oz | 28 882 | 26 232 | 24 858 | 61/oz | 64/oz | 92/oz |
| Nickel | Ni t | 1 854 | 1 822 | 1 875 | 7.65/lb | 6.47/lb | 7.68/lb |
| Copper | Cu t | 1 180 | 1 171 | 1 175 | 3.11/lb | 3.21/lb | 3.50/lb |

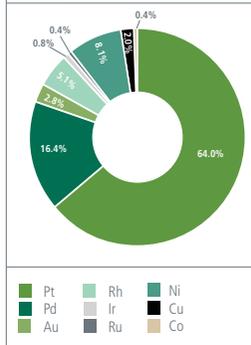
* Grossed up to 100% from amount received in terms of the disposal of concentrate agreement, excludes pipeline revaluation

The base metal content of the Merensky reef makes a valuable contribution to our rand basket price

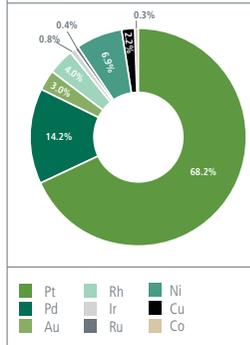
↙ The thickener and conveyor belt at RBPlat's concentrator, which is currently being upgraded to meet the requirements of the Company's organic growth



Contribution to revenue per metal in 2014



Contribution to revenue per metal in 2013



Social and labour plan (SLP) expenditure

Total SLP expenditure for 2014 amounted to R133.0 million of which R110.3 million was expensed and R22.7 million was capitalised to the Styldrift I project. This is 26.4% higher than the 2013 SLP spend of R105.2 million.

Other income

Other income decreased by 67.5% from R77.5 million in 2013 to R25.2 million in 2014. The decrease is mainly due to the reduction in the royalty income from Implats as a result of industrial action at Implats during the first five months of 2014.

Administrative costs

Administration costs increased by 30.8% from R105.0 million in 2013 to R137.3 million in 2014. The increase was mainly due to:

- > R14.0 million relating to the RBPlat employee home ownership scheme
- > R1.6 million relating to legal fees in respect of the RBR tax contingency (refer Note 20.5 in the financial statements for further detail)
- > R4.3 million more gross bonuses paid in 2014 compared to 2013 as a result of improved profitability.

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA as a percentage of revenue increased from 31% in 2013 to 31.6% in 2014 as a result of increased revenue and our continued focus on cost management performance.

Finance income

Finance income increased by 125.8% from R42.7 million in 2013 to R96.4 million in 2014 due to the increased cash on hand as a result of the bookbuild and rights offer completed in April 2014.

Finance costs

Finance costs increased from R3.7 million in 2013 to R5.1 million in 2014 mainly due to R1.1 million interest paid on the RBPlat housing facility.

Taxation

Current income tax increased by 51.9% from R15.6 million in 2013 to R23.7 million in 2014 mainly due to the increase in taxable income as a result of increased interest income. Deferred tax increased by 48.9% from R149.1 million in 2013 to R222.0 million in 2014 due to increased BRPM JV profits.

In our 2013 integrated report we advised that we had received a revised tax assessment from SARS for Royal Bafokeng Resources (RBR) for the years 2008, 2009 and 2010, amounting to R437.5 million, made up of income tax,

penalties and interest. Senior counsel has been engaged to advise on this issue. We have lodged an objection against these assessments and an application to suspend payment in terms of Section 164(2) of the Tax Administration Act. After SARS disallowed RBR's objection, RBR lodged a Notice of Appeal in November 2014. Based upon independent advice and consultation to date, RBR remains confident that it has a reasonable prospect of successfully defending the matter.

Accounting treatment of housing assets for the RBPlat Group

An aligned and stable workforce is key to achieving business stability. We believe that facilitating long-term wealth creation for our employees is integral to achieving this alignment and stability. The 422 three-bedroomed employee housing development that we completed during 2014 represents a significant step towards our objective of creating long-term wealth for our employees. Because the development of large-scale employee housing brings a new dimension to our business this year we have detailed the accounting treatment of this part of our business in the section that follows.

Employee housing assets

Employee housing assets are recognised at cost which consists of the cost of the land and the cost to construct the houses, and are classified as current assets as these houses are held primarily for purpose of trading. No depreciation is recognised on the employee houses as the intention is to sell the houses within a short period of time after their construction.

When the employee housing assets are sold to employees, the carrying amount of the house is derecognised. The difference between the proceeds received and the carrying amount of the house is recognised in profit and loss as a gain or loss on disposal of employee housing.

Financial asset – receivable from employees for housing assets

Initial recognition

When the employee housing assets are sold to employees, the Group will recognise a financial asset receivable from the employee at fair value. The best evidence of the receivable's fair value on initial recognition is the transaction price. However, due to the

employees paying a preferential interest rate of CPI + 1%, the fair value may differ from the transaction price. The Group therefore determined a market related rate for the financial asset based on an average credit profile per band of employees to determine the effective interest rate for this receivable. The Group recognises the difference between the fair value at initial recognition and the transaction price as a short-term employee benefit.

Subsequent measurement

The financial asset receivable from the employee is accounted for at amortised cost (recognised at fair value on initial recognition and transaction cost) using the appropriate effective interest rate as determined above.

For the financial asset receivable from the employee, the portion to be realised within 12 months from the reporting period is presented as part of current assets. The balance of the amount is presented as a non-current asset in the statement of financial position.

Short-term employee benefit

The recognition of the initial difference is amortised over the shorter of the service period of the employee or the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised as a profit or loss in the statement of comprehensive income. The portion of the short term employee benefit to be realised within 12 months from the reporting period is presented as part of current assets, the balance of the amount is presented as a non-current asset in the statement of financial position.

Income recognition

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is probable that such income will accrue to the Group. The effective interest rate for this receivable from employees for housing assets is based on a market related interest rate based on an average credit profile per band of employees.

Levy income is recognised on an accrual basis as it is invoiced every month and is classified as other income for the Group.

Cash position

During the year the Group increased its cash and cash equivalents by

R1 091.3 million. This increase is mainly due to R1 478.5 million (net of costs) raised by the bookbuild and rights offer completed during the first half of 2014. Cash generated by operations increased from R482.7 million in 2013 to R1 358.5 million in 2014. At 31 December 2014 the RBPlat Group had cash and near cash investments of R1 864.2 million (2013: R772.9 million).

Dividend policy

As previously indicated, we are likely to pay our first dividend when Styldrift I achieves steady state production.

Outlook

During 2015 our operational focus will remain on cost management, containment and control. Capital expenditure on Styldrift I will continue to increase as we complete and commission the Main and Services shafts and develop and equip the mine. In this regard, we will be developing a hedging strategy to manage the cost of imported equipment for Styldrift I that we will be purchasing in euros in 2015.

Our average basket price for 2014 was R19 842 with a low of R18 091 and a high of R21 224 compared with an average for 2013 of R17 927. Current spot ranges between R18 300 and R19 000 per platinum ounce. We anticipate that the rand revenue basket for 2015 will be relatively flat.

We expect the rand to remain at similar weak levels to those we experienced in 2014 and we also expect metal prices to remain relatively flat. This combination is likely to result in our average revenue basket for 2015 being fairly similar to what we achieved in 2014.

Once Styldrift I reaches steady state early in 2019 RBPlat will be able to generate very strong cash flows from both BRPM, which has a life span of more than 20 years, and Styldrift I with a life span of around 50 years. We are therefore comfortable that should the Board in future take the decision to go ahead with Styldrift II, we would be in a position to pay dividends and fund a substantial portion of the Styldrift II project from internal cash flow.

RBPlat is steadily progressing through the normal business life cycle from initial set up, through the formative years to the sustaining, optimising and improvement phase. The challenge for us as a business during this next phase is not to lose our nimbleness, drive towards simplicity and the ability to act decisively and pragmatically.

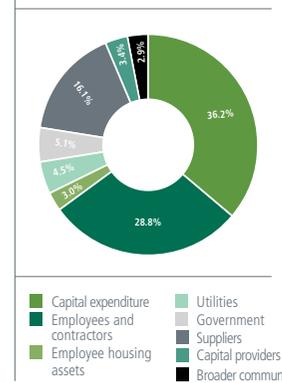
FINANCIAL CAPITAL

CONTINUED

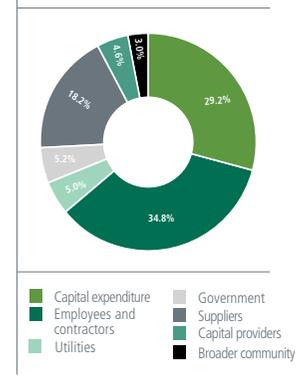
Wealth creation

| | 2014 R (million) | 2013 R (million) | 2012 R (million) |
|---|---------------------|---------------------|---------------------|
| Revenue | 3 767.5 | 3 251.1 | 2 865.3 |
| Value added by operations | 3 767.5 | 3 251.1 | 2 865.3 |
| Add: Other income | 18.5 | 76.2 | 64.2 |
| Add: Net finance income | 91.3 | 39.0 | 56.3 |
| Total value added | 3 877.3 | 3 366.3 | 2 985.8 |
| Value distributed | | | |
| Employees and contractors of BRPM | 1 271.4 | 1 181.7 | 1 145.7 |
| Contractor payments | 541.9 | 489.0 | 478.4 |
| Salaries and wages including retirement benefit funds and health-care funds | 883.8 | 773.3 | 753.1 |
| Share-based payment expense | 21.8 | 35.8 | 43.6 |
| Retrenchment payments | - | 21.2 | - |
| Pay-as-you-earn deducted | (157.2) | (121.9) | (114.6) |
| UIF | (10.0) | (7.9) | (7.0) |
| SDL | (8.9) | (7.8) | (7.0) |
| Corporate office employees and non-executive directors | 68.0 | 60.5 | 61.9 |
| Salaries and wages including retirement benefit funds and health-care funds | 70.4 | 61.3 | 55.5 |
| Share-based payment expense | 19.5 | 18.1 | 24.1 |
| Pay-as-you-earn deducted | (21.3) | (18.2) | (16.9) |
| UIF | (0.1) | (0.1) | (0.1) |
| SDL | (0.5) | (0.6) | (0.7) |
| Water and electricity providers | 208.4 | 179.4 | 171.1 |
| Magalies Water | 16.5 | 15.1 | 14.6 |
| Eskom | 191.9 | 164.3 | 156.5 |
| Government | 234.3 | 183.1 | 174.1 |
| Mining and non-mining income tax (excludes deferred tax) | 23.7 | 15.6 | 17.4 |
| STC | - | - | - |
| Royalties | 12.6 | 10.9 | 9.6 |
| Pay-as-you-earn deducted from employees | 178.5 | 140.2 | 131.5 |
| UIF | 10.1 | 8.0 | 7.9 |
| SDL | 9.4 | 8.4 | 7.7 |
| Providers of capital | 157.9 | 163.6 | 105.0 |
| Non-controlling interest | 157.9 | 163.6 | 105.0 |
| Dividends | - | - | - |
| Finance cost | - | - | - |
| Suppliers of materials | 450.3 | 365.2 | 407.6 |
| Suppliers of services | 248.7 | 254.6 | 203.7 |
| Suppliers of corporate office services and goods | 45.1 | 24.6 | 22.1 |
| Employee housing assets | 138.2 | | |
| Capital expenditure | 1 675.6 | 1 036.6 | 1 173.9 |
| Employee housing assets | 138.2 | - | - |
| Broader community | 133.1 | 105.2 | 126.9 |
| Social labour plan – HRD expenditure expensed | 86.3 | 76.0 | 81.6 |
| Social labour plan – CED expenditure expensed | 24.0 | 15.0 | 45.3 |
| Social labour plan – CED expenditure capitalised | 22.8 | 14.2 | - |
| Other (sponsorships and administration) | - | - | - |
| Total value distributed | 4 631.1 | 3 554.5 | 3 592.0 |
| Retained by Group | (753.8) | (188.2) | (606.2) |
| Depreciation and amortisation | 436.2 | 434.5 | 327.6 |
| Deferred tax | 222.0 | 149.1 | 69.1 |
| Profit on remeasurement of previously held interest in BRPM retained by the Group | - | - | - |
| Utilisation of shareholder funds for capital investment | (1 412.0) | (771.8) | (1 003.0) |

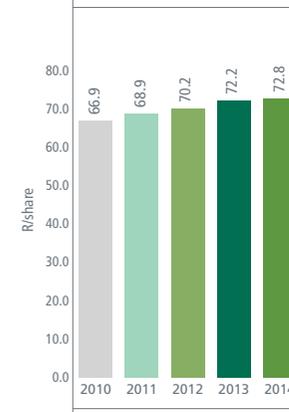
Wealth creation – 2014



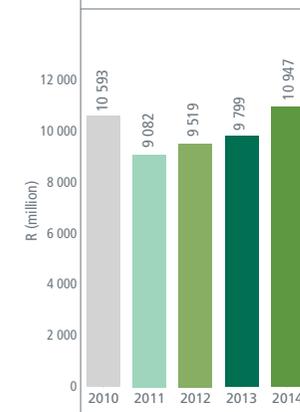
Wealth creation – 2013



Net asset value per share



Market capitalisation



OUR PERFORMANCE AGAINST THE CAPITALS

MANUFACTURED CAPITAL



| | |
|---|----|
| OUR KEY MANUFACTURED CAPITAL STAKEHOLDERS | 80 |
| OVERVIEW | 81 |
| OPERATING RESULTS | 82 |
| PROJECTS | 87 |
| OUTLOOK | 91 |

PERFORMANCE

Strong operating performance as a result of stable operations



ACHIEVEMENTS

- > 7% increase in tonnes delivered
- > 8% increase in tonnes milled
- > 5% increase in 4E and Pt metals in concentrate produced
- > Unit cost increases kept below mining inflation
 - 4% increase in cost per tonne milled
 - 7% increase in cost per 4E ounce



IMPROVEMENTS

- > 13% improvement in lost time injury frequency rate (LTIFR)
- > Labour efficiencies:
 - 5% increase in stoping crew efficiencies
 - 5% increase in tonnes milled per employee



CHALLENGES

- > 9% increase in serious injury frequency rate (SIFR)



DISAPPOINTMENTS

- > Two fatal accidents at our operations
- > Six-month delay in planned stoping ramp-up at Styldrift

Surface construction work at Styldrift I

Key manufactured capital material issues

| Key material issues in 2014 | Key performance indicators that were our focus for 2014 | What we achieved in 2014 | Focus for 2015 |
|---|---|---|---|
| Towards operational excellence | | | |
| <p>> Labour and trade union stability</p> | <ul style="list-style-type: none"> > No industrial action in 2014 > Conclude new wage agreements > Delivery of Phase I of the employee home ownership scheme | <ul style="list-style-type: none"> > No production losses due to industrial action > Concluded new wage agreements with both enrolled and contractor employees > Successful completion of construction of the first phase of housing project in September 2014 | <ul style="list-style-type: none"> ☐ > Maintain and enhance relationships between management, labour and union representatives > Work with organised labour to identify additional areas for collaboration > Initiate Phase II of housing project |
| <p>> Operating costs</p> | <ul style="list-style-type: none"> > Keep year-on-year unit operating cost increases to below on-mine mining inflation (10.5%) by offsetting above inflation increases in labour, utilities and mining-related commodities through: <ul style="list-style-type: none"> – optimal alignment of labour complement with operational requirements – improving operational efficiencies (rand per tonne milled) – increasing ounce production (4E ounces produced) – further enhancing cost management systems – filling critical vacancies identified through operational needs analysis – square metres mined per stoping crew – tonnes milled per total operating employee (TEC) | <ul style="list-style-type: none"> > Additional supervisory labour (miner level) > Sweeping related labour signed on to address areas where shortfalls were identified > Square metres mined per stoping crew improved by 5% > Milled tonnes/TEC improved by 5% > 4E ounce production increased by 5% > Rand per tonne milled increased by 4% > Rand per 4E ounce increased by 7% | <ul style="list-style-type: none"> > Continue developing and refining: <ul style="list-style-type: none"> – Supply and procurement contracts – Cost responsibility and accountability – Cost management and reporting systems – Incentive reward schemes, which drive both safety as well as productivity improvements |
| <p>> Optimise long-term business strategy/profitability</p> <p>Market conditions are likely to remain depressed in the short to medium term negatively impacting on the profitability of companies, especially the UG2-only operations of the Bushveld Igneous Complex. RBPlat believes that the key to maximising its returns in this environment is to leverage its Merensky-biased resource while not compromising on flexibility. This will allow us to increase our UG2 production when market conditions are conducive to us doing so</p> | <ul style="list-style-type: none"> > Increase ounce production by maximising available mill capacity at both BRPM and Waterval toll concentrators > Maximise Merensky throughput at BRPM and supplement spare capacity with UG2 by increasing BRPM milled tonnes by 2% and increasing toll treatment milled tonnes by 2% > Increase concentrator 4E ounce production by 2% > Begin work on 250ktpm concentrator upgrade project in accordance with plan > Begin work on Styldrift overland conveyor construction as per plan > Continue with UG2 trial mining at South shaft with the intention of: <ul style="list-style-type: none"> – Identifying the most suitable mining method – Proving that a sustainable UG2 delivered grade can be achieved – Conducting trial mining on conventional, up-dip and pre-developed mining layouts – Achieving a sustained UG2 face grade of 4.6g/t (4E) | <ul style="list-style-type: none"> > BRPM milled tonnes increased by 5% > Toll concentrating tonnes increased by 26% > Upgrade of BRPM concentrator and construction of Styldrift overland belt commenced on schedule > Conventional breast and up-dip identified as the most suitable layouts > Trial mining face grades have consistently met the target of 4.6g/t 4E > 4E ounce production increased by 5% | <ul style="list-style-type: none"> > Continue work related to the revised 350ktpm concentrator strategy: <ul style="list-style-type: none"> – Complete 250ktpm upgrade at BRPM – Complete Styldrift overland conveyor – Complete feasibility studies for 100ktpm Merensky module > Continue with South shaft UG2 trial mining, while increasing the number of stoping crews to more closely simulate steady state operating conditions and test sustainability of the delivered grade > Complete 80ktpm UG2 concentrator feasibility study to ensure operational flexibility should market conditions improve |

 For details of our efforts to improve engagement with our employees see page 103 of the Human capital section.

| Key material issues in 2014 | Key performance indicators | What we achieved in 2014 | Focus for 2015 |
|---|--|--|---|
| Build flexibility | | | |
| <p>> Reserves available to support planned production rates</p> | <p>> BRPM to have:</p> <ul style="list-style-type: none"> - immediately available ore reserves (IMA) of 22 months - immediately stopable reserves (IMS) of 6 months - developed ore reserves (DOR) of 16 months <p>> BRPM current reserves:</p> <ul style="list-style-type: none"> - Ensure working cost development rates are matched to stoping depletion rates <p>> BRPM future reserves:</p> <ul style="list-style-type: none"> - North shaft Phase III Merensky replacement project is delivered on schedule - South shaft UG2 access and development will support a fast ramp-up should market conditions permit | <p>> IMA = 22.5 months</p> <p>> IMS = 8.5 months</p> <p>> DOR = 14 months</p> <p>> North shaft Phase III project ahead of schedule</p> | <p>> BRPM to have:</p> <ul style="list-style-type: none"> - IMA of 22 months - IMS of 6 months - DOR of 16 months <p>> BRPM current reserves:</p> <ul style="list-style-type: none"> - Ensure working cost development rates are matched to stoping depletion rates <p>> BRPM future reserves:</p> <ul style="list-style-type: none"> - North shaft Phase III Merensky replacement project is delivered on schedule - South shaft UG2 access and development will support a fast ramp-up should market conditions permit |
| <p>> IMS panel ratio to mitigate impact of geology and depletion to ensure sustainable production from both the Merensky and UG2 mining platforms</p> | <p>> Maintain a combined IMS to stoping panel ratio of 1.5 or greater for the BRPM JV:</p> <ul style="list-style-type: none"> - 1.5 for Merensky at North and South shafts - 1.5 for UG2 at North shaft - 2.0 for UG2 at South shaft | <p>> Combined IMS ratio = 1.70</p> <ul style="list-style-type: none"> - North shaft Merensky = 1.63 - South shaft Merensky = 1.48 - North shaft UG2 = 2.40 - South shaft UG2 = 2.08 | <p>> Maintain Merensky IMS \geq 1.50</p> <p>> Maintain UG2 IMS:</p> <ul style="list-style-type: none"> - South shaft \geq 2.0 - North shaft \geq 1.5 |
| Organic growth | | | |
| <p>> Styldrift I project execution</p> | <p>> Maintain capital discipline through regular review of all capital expenditure:</p> <ul style="list-style-type: none"> - Capital spend in line with budget - Positive earned value <p>> Execution of Styldrift I project to schedule and cost with particular focus on shaft sinking, equipping, lateral development and underground bulk infrastructure. Project schedule performance (revised baseline):</p> <ul style="list-style-type: none"> - Meet key milestone targets - No slippage on critical path <p>> Continue developing Styldrift operational readiness. Capacitate site management with appropriate resources, systems and strategic partnerships:</p> <ul style="list-style-type: none"> - Engage ramp-up contractor to commence with technical scope alignment - Customisation of human resources, supply chain, mineral resource management, IT, engineering and security systems - Permanent office and warehousing facilities to be established <p>> Reduce risk of sinking contractors business distress impacting on project progress by securing key:</p> <ul style="list-style-type: none"> - construction and equipping assets - supply chain related contracts | <p>> Capital discipline:</p> <ul style="list-style-type: none"> - Capital expenditure project to date (PTD) at R3.8 billion in line with budget - Earned value project to date = +R283 million <p>> Project schedule performance (revised baseline):</p> <ul style="list-style-type: none"> - Key milestones remain on target - Critical path = 0 day slippage <p>> Operational readiness:</p> <ul style="list-style-type: none"> - Ramp-up contractor technical alignment well advanced - Customisation in progress – all SAP-related systems fully integrated and functional - Permanent offices and warehousing facilities constructed and operational <p>> Risk reduction:</p> <ul style="list-style-type: none"> - All key construction and equipping assets purchased June 2014 - RBPlat has taken control of all related supply chain contractors (197 in total) | <p>> Maintain capital discipline through review of all related capital projects</p> <p>> Execute as per revised Styldrift I project baseline schedule with particular focus on Main and Service shaft commissioning, lateral development and underground bulk infrastructure construction to support ramp-up and 250ktpm concentrator upgrade</p> <p>> Continue developing Styldrift operational readiness. Capacitate site with required resources (men, material and equipment), operational infrastructure (training centre, change houses, etc) and optimise systems</p> <p>> Conclude agreements for contract mining</p> |
| <p>> Styldrift II</p> | <p>> Continue with the pre-feasibility phase of this project with the aim of completing the pre-feasibility study by the end of the first quarter of 2015</p> | <p>> Current study programme on track</p> | <p>> Complete pre-feasibility study by end first quarter 2015</p> |



DEPARTMENT:
MINERAL
RESOURCES

EMPLOYEES
AND CONTRACT
WORKERS

INVESTMENT
COMMUNITY

JOINT VENTURE
PARTNERS

PROVIDERS
OF DEBT

TRADE
UNIONS

Our key Manufactured capital stakeholders

- > Employees
- > Contractors
- > Communities
- > Unions
- > Department: Mineral Resources
- > Joint Venture partners
- > Investor community

□ We continually strive to improve our stakeholder engagement. Most material to our operations are our enrolled employees and volume contractors. Our engagement with them takes place daily through both formal and informal channels. Our engagement, and endeavours to improve the effectiveness of our engagements, are further described in the sections of this report covering Human and Social and relationship capital.

Management uses a number of structures to engage with employees and the unions on operational issues. The Chief Executive Officer, Company executives and mine management regularly brief the workforce and union leaders on RBPlat, its business plan, safety initiatives, the platinum industry, the global economy, company performance and operational excellence. This is also complemented by regular briefing sessions by the Head of

operations to the workforce and union leaders. The communities in which we operate are also key stakeholders in terms of the positive or negative impact our operations may have on their prosperity, health, living conditions and general wellbeing.

The performance of RBPlat depends on the ability of the operations to optimally extract its PGM reserves through the effective utilisation of its manufactured capital. Performance in this regard impacts directly on our shareholders, the views potential investors have on RBPlat as an investment opportunity, our joint venture partners and providers of debt. The Department: Mineral Resources (DMR) is a key stakeholder of RBPlat. Our engagement with the DMR is mainly in connection with its application of the Mine Health and Safety Act. The inspectorate regularly inspects our operations and if poor health and safety issues are encountered may stop or advise remedial action to rectify the situation. The management teams of our operations and union representatives work closely with the DMR to conduct these investigations and find acceptable solutions.

↘ Pre-shift construction crew briefing session at Styldrift I



Overview

Key to the strong production performance at BRPM during 2014 was our labour stability and the commitment of our workforce to meeting production targets, underpinned by the existing flexibility in our operating platform. Combined with our ongoing cost management initiatives, this performance made it possible for us to keep our year-on-year unit cost increases below mining inflation. This was a particularly rewarding achievement in light of the devastating five-month strike that affected so many of our peers in the platinum industry and the challenging start we experienced during the first quarter, due to an unusually high number of safety incidents.

We believe that the operational stability, continuity and flexibility which have been a hallmark of our business are a consequence of the commitment to driving business performance and strategy demonstrated by our leadership, employees and organised labour.

- Our efforts during 2014 were aimed at consolidating these key aspects by:
 - > further developing our relationships with our key internal stakeholders
 - > ensuring that all operational functions are optimally resourced
 - > maintaining operating flexibility.

One of the key focus areas at RBPlat's operations during 2014 was the further strengthening of its existing team-orientated operating environment. This was achieved by ensuring that our people have a clear understanding of RBPlat's business and its requirements.

The health and safety of our employees is a key material issue for RBPlat. The long-term health and safety strategy we introduced in 2012 will assist to achieve the goal of our safety vision, which is that every person working at RBPlat goes home unharmed every day.

□ For more information on our engagement with our employees and the union see page 103 of the Human capital section of this report and for information on remuneration and reward in RBPlat see our Remuneration section on pages 182 to 186 of this report.

MANUFACTURED CAPITAL

CONTINUED

From a project perspective we are pleased with the continued progress we have achieved on our BRPM Phase III Merensky replacement project, which remains ahead of schedule.

The implementation of the Styldrift I project has, however, proved to be more challenging, especially in view of the Services shaft hoisting constraint, which became apparent once the Main shaft was decommissioned for equipping during the third quarter of this year. This has resulted in the planned stoping ramp-up being delayed by six months. The project baseline schedule has subsequently been revised to incorporate this delay. Performance against this revised schedule remains on track.

Operating results

Our ongoing focus to safeguard our operational flexibility by ensuring that immediately stopable reserves are maintained at optimal levels, with the extraction of the UG2 reef horizon as a supplemental source of ore to our Merensky production, continues to pay dividends. It resulted in year-on-year improvements in most key production matrices with increases in tonnes delivered, tonnes milled, metals in concentrate and operating efficiencies. This, combined with effective cost management initiatives, has yielded year-on-year unit operating cost increases below mining inflation.

Mining

The year-on-year increase in total BRPM JV development in 2014 of 8% from 36.5km to 39.4km is mainly attributable to an increase in the working cost development required to maintain our

ore reserve and IMS targets and ensure sustainable production. Our IMS face length improved by 10% to 6.6km.

BRPM's overall IMS panel ratio per stoping crew ended at 1.7 for the financial year, which is 13% higher than our target of 1.5 and a 12% improvement year-on-year. This increase was a direct result of optimisation related to improving the distribution of IMS on a level-by-level basis and ensuring development rates and equipping requirements remain aligned with depletion rates.

Stoping output increased by 4%, with a total of 527 000m³ being mined, compared to 505 000m³ in 2013.

Our delivered tonnes increased by 7% year-on-year to 2 471kt, with Merensky delivered tonnes increasing by 1% to 1 908kt and UG2 delivered tonnes by 36% to 563kt.

UG2

UG2 production accounted for 23% of total tonnes delivered, with mining of the central high facies UG2 at North shaft, which continues to make a significant financial contribution to the business, contributing 65% of the total UG2 production.

Trial mining of the general facies UG2 at South shaft, which as communicated previously is characterised by a narrower reef horizon and more complex geology than at North shaft, continued as planned.

We are encouraged by the improvements the trial mining campaign has yielded

with respect to stope width and consequent face grade, with stope widths of below 95cm being sustained and face grades consistently meeting the target of 4.6g/t (4E) during the course of the year. A commensurate improvement in the delivered grade was however not realised. We attribute this to the high levels of dilution from lower grade on-reef development required to establish the face lengths to sustain UG2 production in the longer term. Furthermore, trial mining has established that the mining layouts and ensuring development rates and equipping requirements remain aligned with depletion rates.

Trial mining at South shaft will continue during 2015, with the key focus being to evaluate if the improvement achieved in face grade can be extended to the delivered grade, in an environment more representative of steady state conditions. As such, the number of stoping crews will be increased while the number of development crews will be reduced.

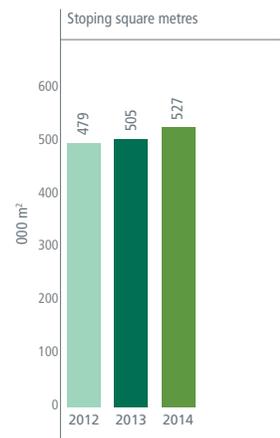
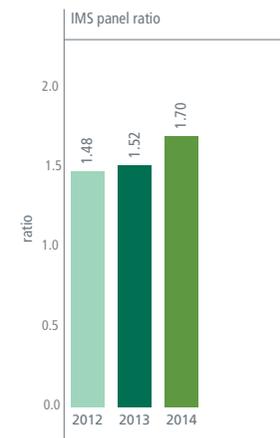
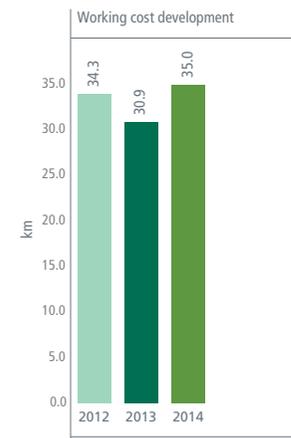
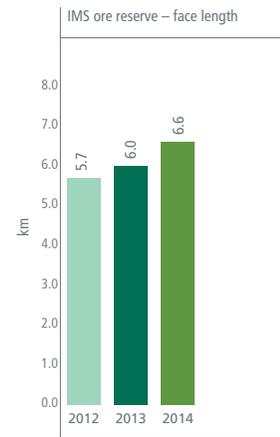
Grades achieved

The overall built-up head grade decreased marginally year-on-year by 2%, from 4.38g/t (4E) to 4.29g/t (4E). This reduction, which was due to the increased contribution of on-reef development from the Phase III project and UG2 trial mining to our overall run of mine (ROM) volumes, was in line with expectations.

Mining production

| Description | Unit | Var % | 2014 | 2013 | 2012 |
|-------------------------------|--------------------|-------|-------|-------|-------|
| Total development | km | 8 | 39.4 | 36.5 | 39.4 |
| Working cost development | km | 13 | 35.0 | 30.9 | 34.3 |
| Capital development | km | (20) | 4.4 | 5.5 | 5.1 |
| Development replacement ratio | m ² /m | 11 | 28.7 | 32.4 | 27.1 |
| Total stoping square metres | 000 m ² | 4 | 527 | 505 | 479 |
| Merensky | 000 m ² | (2) | 427 | 434 | 415 |
| UG2 | 000 m ² | 41 | 100 | 71 | 64 |
| IMS panel ratio | ratio | 12 | 1.70 | 1.52 | 1.48 |
| Total tonnes delivered | kt | 7 | 2 471 | 2 310 | 2 384 |
| Merensky | kt | 1 | 1 908 | 1 895 | 1 959 |
| UG2 | kt | 36 | 563 | 415 | 425 |
| Built-up head grade (4E) | g/t | (2) | 4.29 | 4.38 | 4.07 |
| Merensky (4E) | g/t | (1) | 4.45 | 4.51 | 4.22 |
| UG2 (4E) | g/t | (1) | 3.74 | 3.76 | 3.36 |

Please note that any differences between the variance percentages in this table and those in the text of this section are due to rounding



↙ A view of the concentrator flotation and cleaner circuits



Processing

Since 2010, the concentrator team has embarked on several projects focused on improving overall concentrator availability and operational efficiency as part of its journey to become a world class concentrator. These included:

- > upskilling of personnel
- > developing a revised site-specific asset care strategy
- > improved operational and cost management systems
- > revised operating methodologies to reduce water and power consumption.

Our total milled tonnes increased by 8% to 2 479kt from 2 301kt in 2013, with 2 112kt and 367kt being milled at the BRPM and Anglo American Platinum (Amplats) Waterval concentrators, respectively. The improved milling throughput was as a result of increased mining volumes. Merensky and UG2 mill volumes increased by 27kt and 151kt to 1 914kt and 565kt, respectively,

compared to the same period in 2013. UG2 contributed 23% of the total tonnes milled.

The overall and BRPM concentrator recoveries, which ended marginally lower at 86.05% and 86.77%, respectively, are in line with expectations. Toll concentrating recoveries were within expected contractual limits. This, combined with the 2% lower built-up head grade and 8% increase in mill volumes, yielded a 5% increase in both 4E and Pt metals in concentrate year-on-year, with 294koz and 190koz being produced, respectively.

Work on the first phase of our concentrator upgrade to 250kt began in August 2014 as planned and is ongoing. The upgrade has had no impact on the overall plant performance. This is being achieved by scheduling project work during normal planned maintenance downtime. This project is currently on schedule and within budget.

Concentrator production

| Description | Unit | Var % | 2014 | 2013 | 2012 |
|--|------|-------|-------|-------|-------|
| Total tonnes milled | kt | 8 | 2 479 | 2 301 | 2 375 |
| Merensky | kt | 1 | 1 914 | 1 887 | 1 958 |
| UG2 | kt | 36 | 565 | 414 | 417 |
| UG2% milled | % | 28 | 23 | 18 | 18 |
| Total BRPM concentrator tonnes milled | kt | 5 | 2 112 | 2 010 | 2 214 |
| Merensky | kt | 1 | 1 914 | 1 887 | 1 958 |
| UG2 | kt | 61 | 198 | 123 | 257 |
| UG2% milled | % | 50 | 9 | 6 | 12 |
| Tonnes milled – UG2 toll | kt | 26 | 367 | 291 | 160 |
| Total built-up head grade (4E) | g/t | (2) | 4.29 | 4.38 | 4.07 |
| Merensky | g/t | (1) | 4.45 | 4.51 | 4.22 |
| UG2 | g/t | (1) | 3.74 | 3.76 | 3.36 |
| Recovery – 4E (Total concentrating) | % | (0) | 86.05 | 86.37 | 86.71 |
| Recovery – 4E BRPM concentrator | % | (0) | 86.77 | 87.05 | 87.21 |
| 4E metals in concentrate | koz | 5 | 294 | 280 | 269 |
| Pt metal in concentrate | koz | 5 | 190 | 181 | 174 |

Please note that any differences between the variance percentages in this table and those in the text of this section are due to rounding

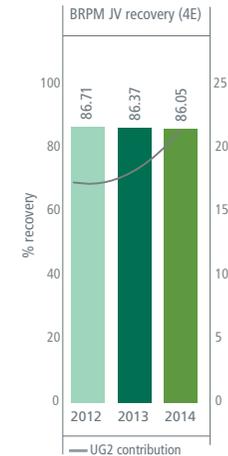
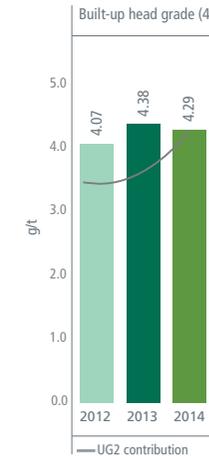
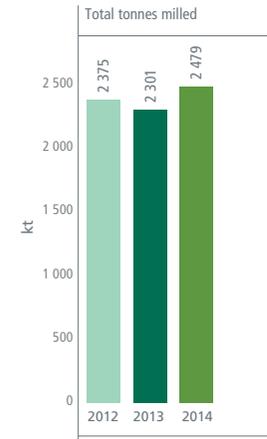
Labour costs

Total labour increased by 12% or 993 people to 8 873 compared to 7 907 in 2013.

By year-end our working cost labour complement at BRPM had increased by 1% or 92 employees to 6 272 compared with 6 180 in 2013. The increase in working cost labour is mainly due to the introduction of additional mining supervisory and vamping employees.

Capital labour increased by 874 to 2 601, in line with the increase in construction-related activities at the Styldrift I project.

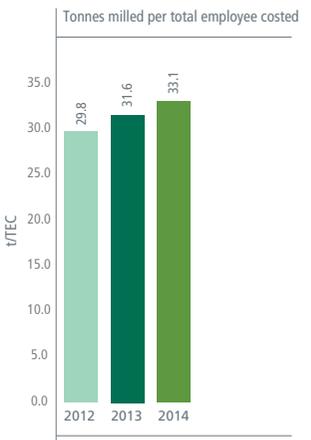
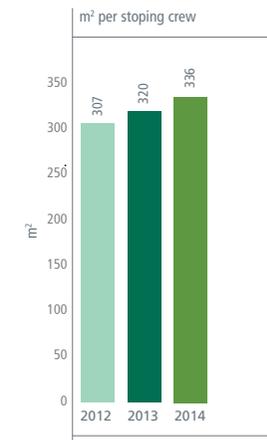
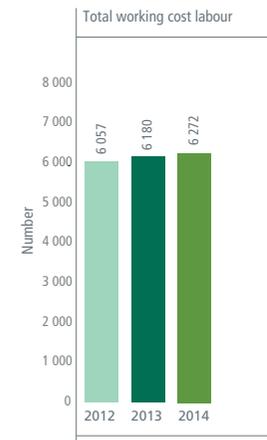
Stopping crew efficiencies at BRPM improved by 5% year-on-year from 320m²/crew to 336m²/crew, while our overall labour efficiency on a tonne per working cost employee increased by 5% from 31.6t/employee to 33.1t/employee.



Labour

| Description | Unit | Var % | 2014 | 2013 | 2012 |
|-----------------------------|----------------------|-------|--------|--------|--------|
| Total labour | number | (12) | 8 873* | 7 907* | 7 743* |
| Working cost labour | number | (1) | 6 272 | 6 180 | 6 057 |
| Capital labour | number | (51) | 2 601 | 1 727 | 1 686 |
| Stopping efficiency – total | m ² /crew | 5 | 336 | 320 | 307 |
| Milled tonnes/TEC | t/TEC | 5 | 33.1 | 31.6 | 29.8 |

* Excludes corporate staff



Cash operating costs

Our cash operating costs at BRPM increased by 13% year-on-year to R2 361 million. Increased production volumes and our continued focus on costs management contained cash unit cost increases to below mining inflation, with the unit cost increases per tonne milled and per 4E ounce amounting to 4% and 7%, respectively.

Operating expenditure

| Description | Unit | Var % | 2014 | 2013 | 2012 |
|---------------------------|------|-------|--------|--------|--------|
| Cash operating cost | R'm | (13) | 2 361 | 2 093 | 2 051 |
| Cash operating cost/t | R/t | (4) | 957 | 920 | 864 |
| Cash operating cost/4E oz | R/oz | (7) | 8 040 | 7 519 | 7 616 |
| Cash operating cost/Pt oz | R/oz | (8) | 12 463 | 11 592 | 11 775 |

Capital expenditure

Stay-in-business (SIB) capital costs ended the year at R154 million which was R16 million or 12% up from 2013. This increased expenditure can mainly be attributed to the construction of a new water treatment facility at BRPM and the upgrading of locomotive controllers. SIB capital during 2014 at 7% of operating costs, remained well within our target range of between 6% and 8%.

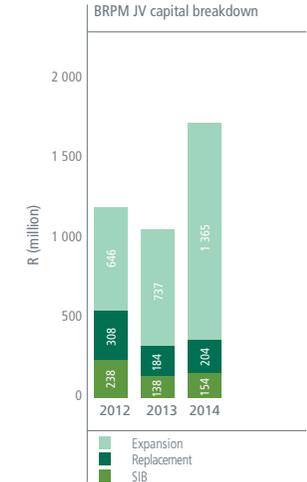
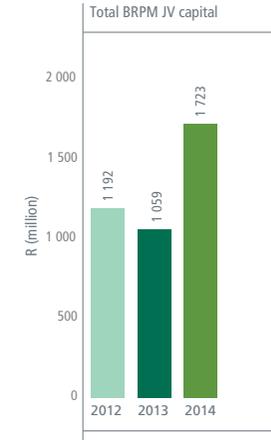
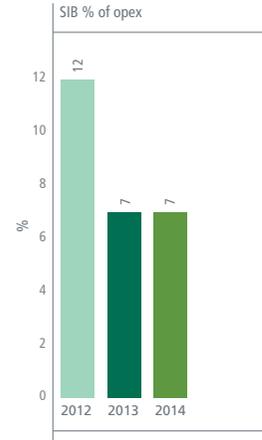
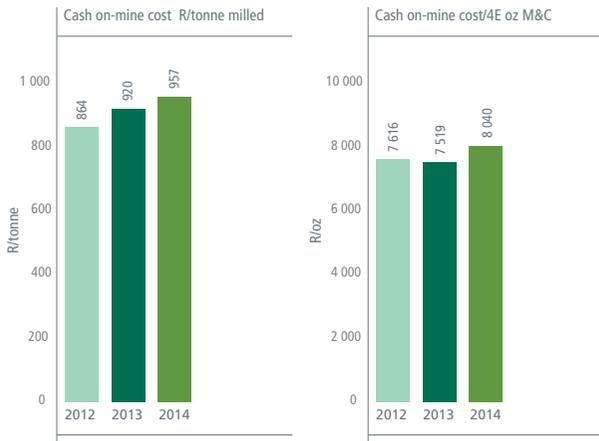
During 2014 the replacement capital expenditure on the BRPM Phase III project was, as forecast, R204 million. We expect the annual cost of this project to be between R180 million and R200 million per annum until it is completed in 2017.

Our expansion capital expenditure increased by 85% from R628 million to R1 365 million. This increased expenditure is mainly related to the increase in construction activities at our Styldrift I project.

Breakdown of total capital expenditure of BRPM JV

| Description | Unit | Var % | 2014 | 2013 | 2012 |
|----------------------------------|------------|-------------|--------------|--------------|--------------|
| Stay-in-business (SIB) capital | R'm | (12) | 154 | 138 | 238 |
| SIB % of operating cost | % | 1 | 7 | 7 | 12 |
| Replacement capital | R'm | (11) | 204 | 184 | 308 |
| Phase II | R'm | 100 | - | 9 | 116 |
| Phase III | R'm | (17) | 204 | 175 | 192 |
| Expansion capital | R'm | (85) | 1 365 | 737 | 646 |
| Styldrift I | R'm | (82) | 1 307 | 691 | 628 |
| Styldrift exploration drilling | R'm | (13) | 31 | 27 | 9 |
| Styldrift II | R'm | (43) | 27 | 19 | 9 |
| Total capital expenditure | R'm | (63) | 1 724 | 1 059 | 1 201 |

Please note that any difference between the variance percentages in this table and those in the text of this section is due to rounding



Projects

BRPM capital projects

The two key capital projects at BRPM in 2014 were the North shaft chairlift project and the Phase III North shaft Merensky replacement project.

North shaft chairlift project

The North shaft chairlift project, which will provide employees with a safer method of transportation into the mine than the previous belt riding option, included the development and installation of a chairlift from surface to level 5. Work on the project, which

began in June 2011, was completed in October 2014 and the chairlift was commissioned in November 2014. Capital expenditure on the project ended within the approved project budget at completion.

Phase III North shaft replacement project

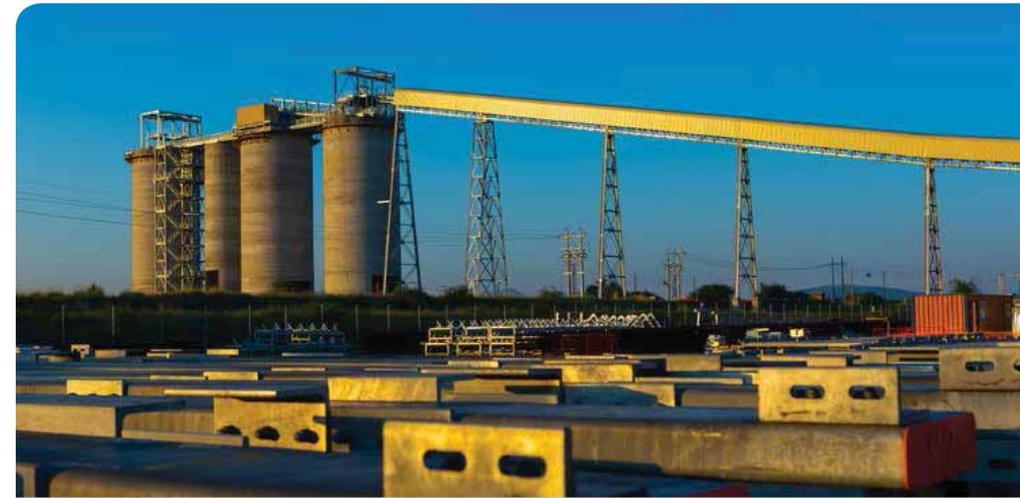
This project, which extends the life of Merensky at BRPM's North shaft by extending the North shaft Merensky decline system and associated infrastructure from 10 level to the mine boundary at 15 level, is scheduled to be completed in 2017. As previously

mentioned, the project is already making an on-reef development contribution to BRPM's production.

The overall project is ahead of schedule and is 73% complete against a planned completion of 67% with 8 301 metres of development having been completed to date. The project remains below budget, with cumulative expenditure for the project to date amounting to R789.4 million.

The project is expected to be completed with an estimated saving of R114 million against an approved project budget of R1 409 billion.

Styldrift I surface silos and feed conveyor



Styldrift I project

As we advised in August 2014, when we announced our interim results and again in October when we released our third quarter results, the hoisting capacity of the Services shaft at Styldrift I has been identified as a key constraint. The Services shaft provides all logistical support for underground development and construction work on 600, 642 and 708 levels, including rock hoisting, transportation of men and material and all services during the period the Main shaft is being equipped.

Technical analysis highlighted that this constraint will effectively limit the rate at which key infrastructure required for the commissioning of the Main shaft and the start of production ramp-up can be developed, constructed and equipped. A detailed technical review of the overall underground mining and construction schedule and key constraints was subsequently conducted in order to identify ways of mitigating the impact of the constraint on the schedule. It resulted in the following revisions:

- > All construction activities were placed on full calendar operations
- > A double kibble was introduced to reduce shift change delays

- > Services shaft schedule was revised
- > Additional "slick-lines" were installed in the Services shaft to improve concrete and shot-crete delivery to underground construction sections
- > Construction of water settlers 1 and 2 was deferred
- > Construction of the UG2 and spare reef silos (3 and 4) was deferred
- > Lateral development on 642 and 600 levels was rescheduled and rates revised.

The net result of this review is a three-month delay in the Main shaft commissioning, a six-month delay in the start of production ramp-up with a commensurate delay in reaching steady state. The Main shaft commissioning, previously scheduled for the first quarter of 2015, will now take place in the second quarter of 2015. The start of ramp-up, previously scheduled for the third quarter of 2015, is now scheduled for the first quarter of 2016, with steady state being achieved in the first quarter of 2019.

The project baseline schedule has subsequently been revised to incorporate the constraints we identified and reflect the changes in execution methodology. The project remains on schedule against

the revised baseline, and no slippage on the critical path by year-end.

The impact of the delay in production ramp-up on the overall BRPM JV output will be partially mitigated by securing additional production from BRPM's South shaft during 2018.

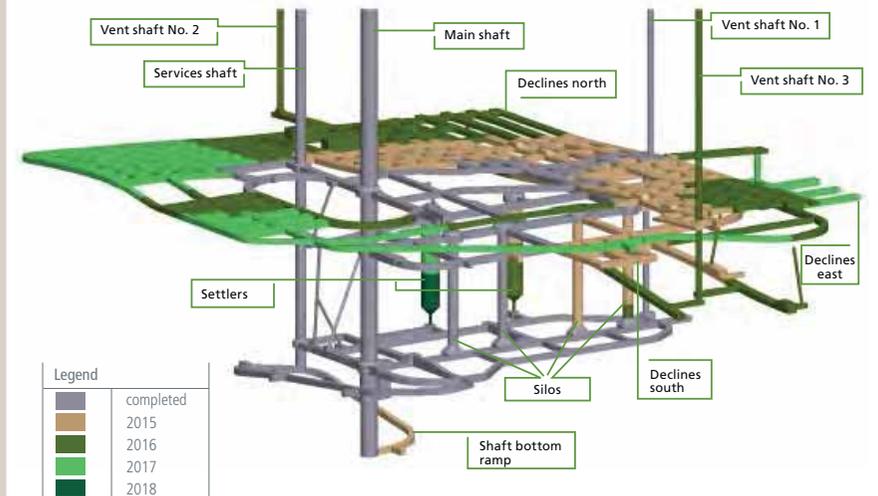
Total capital expenditure on the project for the 2014 financial year was R1.307 billion (including the concentrator project, contingency and escalation).

By year-end R3.818 billion of the total capital commitment of R4.552 billion for the project to date had been expended. The capital cost of the project remains R11.014 billion, as the impact of the delayed Main shaft commissioning and start of ramp-up will be absorbed by savings and contingencies. The capital cash flow has been aligned to the revised baseline project schedule, resulting in lower expenditure in 2015 and higher expenditure in 2016 and 2017, mainly due to the fact that concentrator related construction activities have been delayed to align with the revised ramp-up requirements.

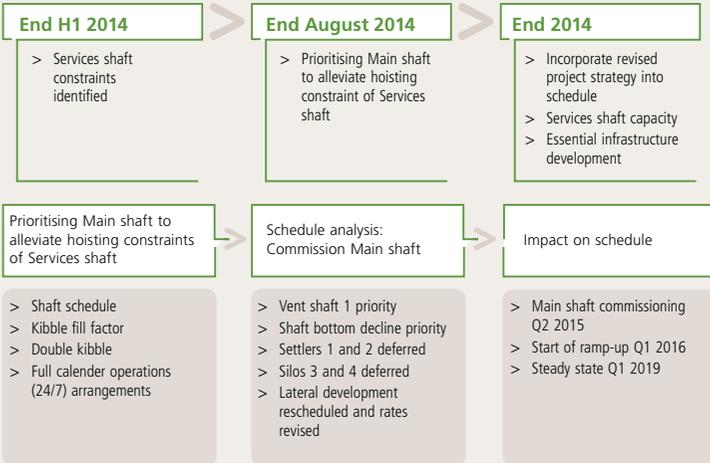
Styldrift I project high level schedule

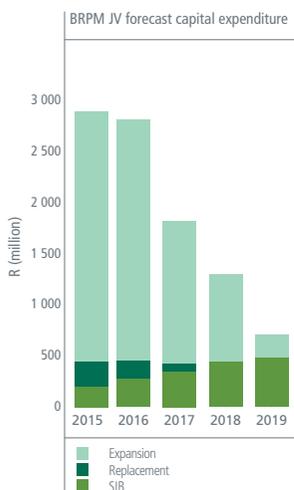
| | 2015 | | | | 2016 | | | | 2017 | | | | 2018 | | | | 2019 |
|--|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Main shaft hoisting system equipping and commissioning | █ | █ | | | | | | | | | | | | | | | |
| Ventilation shaft No. 1 | █ | █ | | | | | | | | | | | | | | | |
| Services shaft equipping and commissioning | | | █ | █ | | | | | | | | | | | | | |
| Access development to start of ramp-up | | | █ | █ | | | | | | | | | | | | | |
| Shaft infrastructure development, construction and equipping | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| Ramp-up | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| Steady state | | | | | | | | | | | | | | | | | ▲ |
| 250ktpm upgrade | █ | █ | █ | █ | | | | | | | | | | | | | |
| Overland conveyor belt to concentrator complex | █ | █ | █ | █ | | | | | | | | | | | | | |
| 100ktpm upgrade | | | | | █ | █ | █ | █ | █ | █ | █ | | | | | | |

Styldrift I project key infrastructure



Mitigating the days lost at Styldrift I project





Styldrift II

Styldrift II, which lies within the BRPM JV resource boundary and to the east of the current Styldrift I expansion project, makes up approximately 36% (129Mt) of the total BRPM JV resource. The resource currently comprises 58Mt Merensky at an average grade of 7.81g/t 4E over a resource width of 104cm and 71Mt UG2 at an average grade of 5.39g/t 4E over a resource width of 120cm. The resource depth varies between 820m and 1 500m with a consistent north-west strike and dipping at an average of 9°.

Unique to the Styldrift II resource area is that it is almost exclusively underlain by the Swartklip facies, resulting in less variability in mineralised envelope width, improved lateral continuity and a lower incidence of potholing and faulting when compared to the predominant Rustenburg facies found on Styldrift I and BRPM.

The size, grade, relative shallow depth and unique resource characteristics of the Styldrift II ore body therefore represent a significant investment opportunity for RBPlat and its shareholders.

To date we have completed a total of 98 primary exploration holes equating to 125 000m of drilling (including deflections), yielding 350 Merensky intersections and 307 UG2 intersections. A good correlation between actual intersections and geological modelling has been observed. Resource optimisation during 2015 will include the updating of the 3D seismic model as well as additional surface drill holes to improve the resolution on certain key geological features within the Styldrift II mining area.

To this end RBPlat embarked on a detailed study and exploration drilling programme in 2010. This was followed by concept and pre-feasibility studies. The results of the pre-feasibility study indicated a positive business case and was presented to the RBPlat Board in February 2015. The Board approved the pre-feasibility study, and to proceed with a feasibility study.

Outlook

The safety, health and wellness of our employees plays an important role in achieving sustained operational continuity and as such will continue to be a major focus during 2015. We remain confident that our road to resilience safety programme supported by our strategy of strengthening the barriers that prevent injuries and focussing on the health and wellness of our employees will enable us to achieve our safety, health and wellness targets and objectives.

Using new technology and approaches to keep our people safe is an important part of our efforts to improve on safety performance.

Maintaining the sound labour and community relations we have developed over the past few years will be paramount in ensuring ongoing operational and project continuity. As such, our key focus during 2015 will be to:

- > expand communication and feedback forums used to engage with labour and union representatives to further enhance the mutual trust and understanding of the business that has been established to date
- > meet our social and labour plan commitments through the ongoing development of skills and infrastructure as part of our contribution to local economic development in the communities in which we operate.

Our key operational challenges will be to maximise BRPM volumes and grades with a strong emphasis on operating cost control in order to minimise the impact of the delay in the Styldrift I ramp-up on the overall business between 2015 and 2018. A detailed review of the overall BRPM operational and extraction strategies has been conducted in order to optimally leverage its Merensky and UG2 resources during this period. The net outcome of this exercise resulted in the impact of the Styldrift I delay on the BRPM JV production being reduced from approximately 250koz to 120koz over the period by extending the life of South shaft into 2018. We will continue exploring various options to further reduce the impact.

In addition, protecting the Styldrift I revised baseline schedule will be of paramount importance to ensure that the revised ramp-up and steady state milestones are met. To this end we have

equipped the project with additional technical resources to assist with the construction, equipping, planning, management and control activities related to the Main and Services shaft construction programmes.

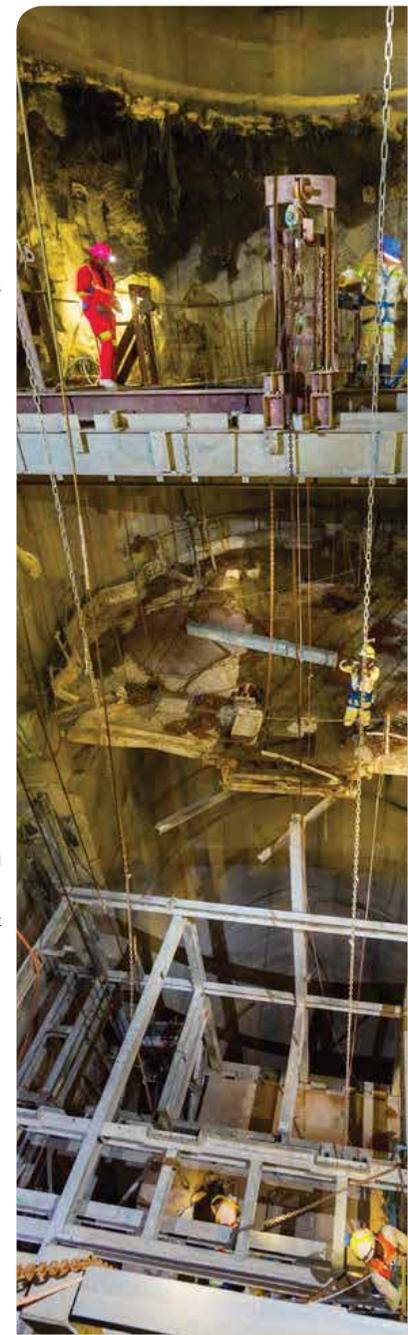
We are confident that production from BRPM will be between 2.4 to 2.5mt for 2015, given our good stakeholder relations and strong operating platform, with the head grade being maintained at between 4.15g/t (4E) and 4.20g/t (4E). Our Merensky ore will be preferentially treated at the BRPM concentrator facility and excess UG2 will be toll treated at Waterval. UG2 production is set to contribute approximately 20% of BRPM's total production in 2015.

RBPlat production is now forecast to increase in line with the revised Styldrift I ramp-up schedule, with the 250ktpm processing capacity coming on line in the third quarter of 2015 and increasing to 350ktpm in the first half of 2017 as opposed to the third quarter of 2016, which is what was previously communicated in the 2013 integrated report. The Joint Venture head grade is forecast to increase to between 4.25g/t (4E) and 4.30 g/t (4E) from the first quarter of 2017 as the head grade benefits from the Merensky stoping ramp-up at Styldrift I. UG2 production contribution reduces commensurate with the Styldrift ramp-up, decreasing to 10% by the first quarter of 2019.

Total capital expenditure (including escalation and contingencies) is forecast to increase and peak at around R2.9 billion in 2015, the key driver being the Styldrift capital construction programme. Capital expenditure will decrease marginally to R2.8 billion in 2016, reducing to R1.8 billion in 2017 as construction activities on the Styldrift I project wind down. Replacement capital attributable to the North shaft Merensky Phase III replacement project will account for approximately R200 million per annum over the next two years, reducing to R100 million on completion of the project in 2017. SIB capital expenditure is forecast at around 8% of total operating expenditure.

We will continue to stay abreast of industry developments regarding innovation and new technologies; this will allow us to extract incremental benefits throughout our value chain and contribute to upskilling of our employees.

Styldrift I Main shaft loading box construction



See Intellectual capital page 160 for more information on how we are using technology to make our operations safe.

**In memory of our colleagues
who lost their lives in 2014**

Mr Xadreqe Chihungo, who died on 4 October 2014 in a work-related accident at Styldrift I and Mr Refumane Petrose Kanono, who died in a work-related accident at BRPM South shaft on 10 October 2014

Our deepest sympathies go to their families, friends and colleagues



OUR PERFORMANCE AGAINST THE CAPITALS

**HUMAN
CAPITAL**



| | |
|-----------------------------|-----|
| OUR KEY STAKEHOLDERS | 96 |
| HUMAN RESOURCES | 98 |
| TRAINING AND DEVELOPMENT | 104 |
| SAFETY, HEALTH AND WELLNESS | 110 |

PERFORMANCE

ACHIEVEMENTS



422

employee houses completed and 295 sales agreements signed by 31 December 2014

IN SUPPORT OF UNITED NATIONS (UN) GLOBAL COMPACT PRINCIPLES 1, 2, 3, 4, and 5

As a signatory of the UN Global Compact (UNGC), RBPlat is committed to:

Human rights

Principle 1: Support and respect the protection of internationally proclaimed human rights within their sphere of influence

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

Labour

Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining

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

Principle 5: Uphold the effective abolition of child labour

IMPROVEMENTS



- > 13% reduction in lost time injury frequency rate (LTIFR) year-on-year
- > 97.17% of our enrolled employees and contractors are historically disadvantaged South Africans
- > Women now make up 12.3% of our enrolled employees (1.4% increase year-on-year)

DISAPPOINTMENTS



- > Two fatal accidents in our operations and a further fatal accident on 12 January 2015
- > 9% increase in serious injury frequency rate (SIFR)

CHALLENGES



- > The safety maturity level of our employees remains a challenge on our road to resilience programme

Employees' families enjoy their new homes in RBPlat's employee home ownership development

HUMAN RESOURCES

Key human resources material issues

| Key material issues in 2014 | Key performance indicators that were our focus in 2014 | What we achieved in 2014 | Focus for 2015 |
|--|--|--|--|
| Towards operational excellence | | | |
| <ul style="list-style-type: none"> > Employee engagement and responsiveness | <ul style="list-style-type: none"> > Wage negotiations > No strike action, production and safety targets met > Increase efforts to improve our employee engagement and responsiveness > Improving communication skills of operational leaders | <ul style="list-style-type: none"> > Successfully concluded a new long-term wage agreement with our enrolled employees, which continues to include incentives for productivity > See page 103 for details on our engagement and response to our employees > See page 107 of Training and development section for training undertaken in this regard | <ul style="list-style-type: none"> > Continuous engagement with labour and employees to maintain a culture of sharing business information and innovation > Improve employees' access to information through the development of an employee portal > Continue with leadership communication skills training programme |
| <ul style="list-style-type: none"> > Labour and trade union stability | <ul style="list-style-type: none"> > Number of production days lost to labour action > Concluding a new long-term wage agreement with our enrolled employees by 30 June 2014 > Closing the wage gap between contractors and enrolled employees > Enrol the majority of volume contractors on a medical aid | <ul style="list-style-type: none"> > Wage agreement signed without any labour instability > Agreed the process for bringing contractor wage negotiations and wages in line with those of our enrolled employees > Majority of volume contractors on a medical aid | <ul style="list-style-type: none"> > Implementing new wage agreement > Reviewing our remuneration policy for levels D1 and below > Benchmarking our remuneration structures > Monitoring other wage negotiations in our industry > Facilitating the enrolment of the remaining volume contractors on a medical aid |
| <ul style="list-style-type: none"> > Suitable remuneration and reward structures linked to performance that are acceptable to our employees and investors | <ul style="list-style-type: none"> > Establishing suitable remuneration and reward structures linked to performance that are acceptable to our employees and our investors and drive performance | <ul style="list-style-type: none"> > See page 186 of the Remuneration section of this report for details of the new incentive programme we have implemented | <ul style="list-style-type: none"> > Development of new employee share ownership programme (ESOP) |
| <ul style="list-style-type: none"> > Employee home ownership scheme | <ul style="list-style-type: none"> > Completing Phase I of employee home ownership scheme (422 three-bedroom houses) > Number of employee sales agreements signed > Securing funding for Phase II of the scheme > Signing home ownership sales agreements with employees | <ul style="list-style-type: none"> > First phase of employee home ownership scheme delivered > 295 sales agreements* signed and 289 families resident in their homes by year-end | <ul style="list-style-type: none"> > Finalising an independent structure for the management of the housing estate > Planning and starting work on Phase II of home ownership scheme and preparation for Styldrift I employee housing |
| <ul style="list-style-type: none"> > Talent management and succession planning | <ul style="list-style-type: none"> > Put scorecard in place to predict talent supply and relevant interventions required > Performance management to become part of daily life > Defining roles at Styldrift I | <ul style="list-style-type: none"> > A scorecard is in place to predict talent supply and relevant intervention required (See page 101 of this report for details of the effectiveness of our succession planning) > Psychometric testing was conducted and a self-mastery management process was undertaken (See page 102 for details of the work carried out to date) > Key Styldrift I roles reviewed and defined | <ul style="list-style-type: none"> > Use of scorecard ongoing > Career conversations in place > Defining of new roles ongoing |

* These indicators have been assured (See page 187 for the assurance statement)



See page 100 for detail of our skilled employee turnover by category.
There is more information on the percentage of HDSA managers in core and support functions on page 101 of this report.
Refer to page 101 for number of woman at mining.

HUMAN RESOURCES continued



COMMUNITIES

DEPARTMENT:
LABOUR

DEPARTMENT: MINERAL
RESOURCES

EMPLOYEES AND
CONTRACT WORKERS

GOVERNMENT

INVESTOR
COMMUNITY

RBPLAT LEADERSHIP

UNIONS

Our key human resources and training and development stakeholders

The impact of escalating wages on RBPlat's operating costs is of major concern to investors as is our ability to maintain labour and union stability. We were able to negotiate a long-term wage agreement without any industrial disruption.

Our employees are key stakeholders of RBPlat. We are responsible for ensuring their human rights are respected and protected in the workplace and that our workers enjoy freedom of association and the right to collective bargaining. We must ensure that we comply with the South African Basic Conditions of Employment Act No 75 of 1997 and the Labour Relations Act No 66 of 1995. Talent management and succession planning is also part of our responsibility to management, as is employment equity within RBPlat. We are also responsible for ensuring our employees are paid and receive the benefits they are entitled to.

Engaging with our employees, obtaining feedback from them and, where necessary, acting on this feedback is key to a successful productive working relationship. We would refer you to page 103 for information on our engagement with and response to our employees.

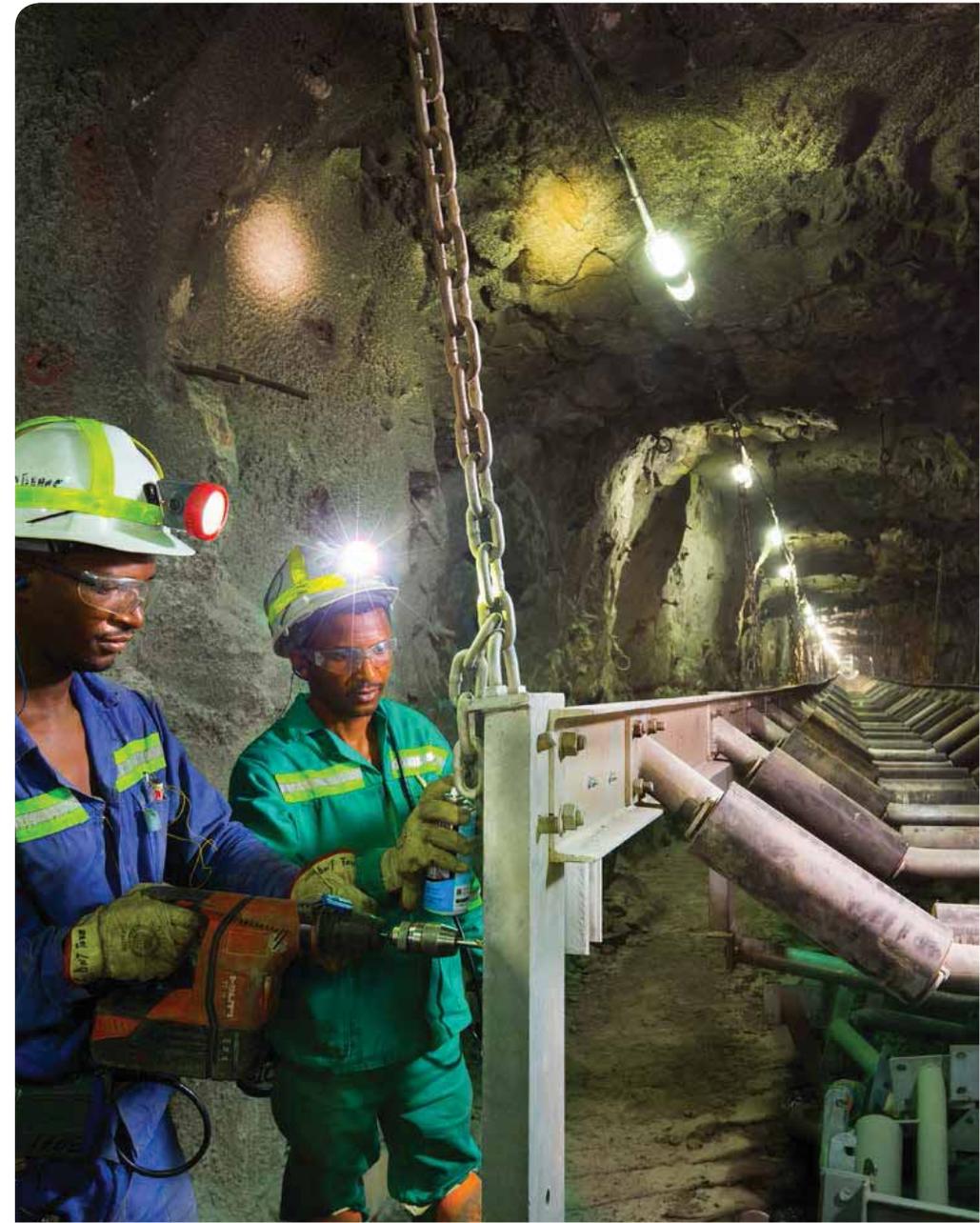
It is our responsibility to provide our communities with skills development and education in terms of our SLP commitments.

We engage with specialist service providers who assist us with the provision of training and various other specialist skills.

Both the Department: Mineral Resources and the Department: Labour are key stakeholders with whom we engage and to whom we are required to report. During 2014 we established an Employment Equity Forum facilitated and supported by the Department: Labour.

See pages 101 and 102 for information on our talent management and succession planning, HDSAs in skilled positions and remuneration and benefits. See pages 106 to 108 of this report for details of our delivery against our skills development commitments and page 131 for information on our SLP education achievements.

The conveyor belt, which forms part of the BRPM Phase III project, under construction



HUMAN RESOURCES continued

Our approach to human resources management

Our approach to human resources management is based on international best practice, upholding the UN's Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, which form part of our commitments as a signatory to the UNGC. The development of our human resources strategy and its alignment with our corporate strategy and our employment policies and procedures are the responsibility of the Executive: Human Resources, who reports to our Chief Executive Officer.

Human resources strategy, policies and procedures

The human resources teams at our operations are responsible for implementing our human resources strategy and policies. They are also responsible for strategic workforce planning and employee training and development.

In 2014 we reviewed and implemented all key human resources policies.

Our employment policies and procedures ensure that we:

- > have a sound employee relations recognition agreement (ERRA)
- > uphold the right of our employees to freedom of association and collective bargaining

- > provide equal opportunities to all our potential and existing employees
- > achieve a diversified workforce that reflects the demographics of our country
- > provide a workplace based on:
 - mutual respect
 - fairness
 - integrity
 - non-discrimination
 - equal opportunity at all levels
 - open and two-way engagement with our employees and their representatives
- > consult extensively with all the affected parties including management, employees and the trade unions if and when it becomes necessary to reduce our workforce.

The objective of the transformation element of our human resources strategy is to achieve diversity at all levels of the organisation by:

- > developing the miners of tomorrow through youth development, graduate and bursary programmes and learnerships
- > upgrading the skills of the people currently mining our operations
- > developing the historically disadvantaged South African (HDSA) leaders of tomorrow through leadership development programmes,

- internal promotion and succession planning
- > increasing the number of women working at mining in our workplace through retention, external recruitment and diversity training
- > facilitating the home ownership we are committed to in terms of the Mining Charter and our long-term wage agreement.

In 2015 we will be reviewing and optimising our human resource systems.

Investing in our people

We believe in making an appropriate investment in the development of our people. If our business is to be sustainable and we are to achieve our strategic goal of operational excellence we need employees with the appropriate skills and experience.

It is our aim to provide our permanent employees and contractors with opportunities to acquire competencies that will allow them to develop and progress. We also offer our employees well-structured employment contracts that offer fair and competitive remuneration.

Evaluating the effectiveness of our approach

Our total workforce as at 31 December 2014

- We need to have the optimal workforce to achieve our production targets. This requires the right number of people with the right skills. The increase in our employee and contractor numbers is due to increased activity in connection with the Styldrift I project, which includes Shared services and Corporate office.

| | 2014 | 2013 | 2012 | % change year-on-year |
|-----------------------------------|--------------|--------------|--------------|-----------------------|
| BRPM mine | | | | |
| Contractors | 3 586 | 3 688 | 4 167 | (2.8) |
| Enrolled employees | 2 666 | 2 573 | 3 072 | 3.6 |
| BRPM concentrator | | | | |
| Contractors | 74 | 80 | 89 | (7.5) |
| Enrolled employees | 186 | 176 | 166 | 5.7 |
| Styldrift I project | | | | |
| Contractors | 2 098 | 1 221 | 666 | 71.8 |
| Enrolled employees | 84 | 30 | 21 | 180.0 |
| Shared services | | | | |
| Contractors | 15 | 8 | – | 87.5 |
| Enrolled employees | 164 | 131 | – | 25.2 |
| Corporate office | 27 | 22 | 24 | 22.7 |
| Total number of employees* | 8 900 | 7 929 | 8 205 | 12.3 |

* These numbers exclude trainees who were part of our social and labour plan commitment

Workforce changes

- > Our total workforce increased by 12.3% year-on-year
- > Enrolled employees (Corporate office included in this number) increased by 6.7% year-on-year
- > Contractors increased by 15.5% year-on-year

□ Please refer to pages 76 to 79 of Manufactured material issues to see our achievements against our production targets.

↘ The primary and secondary mills at the BRPM concentrator

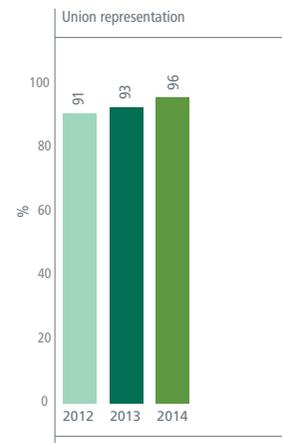


HUMAN RESOURCES
continued

Voluntary turnover of enrolled employees

| Level | Number of employees | | | Percentage of total enrolled employees | | | % change year-on-year |
|---------------------------------|---------------------|-----------|------------|--|-------------|-------------|-----------------------|
| | 2014 | 2013 | 2012 | 2014 | 2013 | 2012 | |
| Senior management | 1 | - | - | 0.03 | - | - | 0.01 |
| Middle management | 7 | 6 | 14 | 0.21 | 0.19 | 0.42 | 0.27 |
| Junior management | 30 | 22 | 40 | 0.92 | 0.68 | 1.20 | 0.93 |
| Core skills | 57 | 42 | 65 | 1.74 | 1.30 | 1.96 | 1.67 |
| Total voluntary turnover | 95 | 70 | 119 | 2.90 | 2.17 | 3.58 | 2.88 |

While we have had an increase in our core skills turnover, which is where we consistently have the highest voluntary turnover, at 1.74% this turnover is still very low. Total voluntary turnover of enrolled employees increased by 2.88% year-on-year.



Labour relations

> 96% of our employees were unionised in 2014 (this excludes approximately 127 (4%) middle and senior managers).

In terms of our employee relations recognition agreement (ERRA) the threshold for a union to exercise organisational rights is 40% on any bargaining unit. We currently recognise two unions, NUM and UASA. Although UASA is below the 40% stipulated it remains recognised.

At year-end NUM remained the majority union with:

- > 72% representation in the operators unit
- > 75% representation in the supervisory unit.

In accordance with our ERRA we signed a long-term wage agreement with NUM, the majority union, for implementation on 1 July 2014.

Industrial action

| | |
|------|--|
| 2014 | No days lost to industrial action |
| 2013 | No days lost to industrial action |
| 2012 | A three-day strike (21 – 23 August) and 10-day strike from 12 – 21 September, both related to rock drill operator demands* |

* RBPlat's negotiations with the unions following these strikes resulted in agreement on the introduction of a performance-based incentive bonus, which has proved most effective in achieving our production targets

Employment equity (enrolled and contractors)

We recruit from our local communities whenever possible. At Styldrift I the recruitment of employees with key operational skills is ongoing. Members of the local community who were trained as mechanised machine operators are already working underground at Styldrift I, gaining practical exposure to a production environment.

Providing equal opportunities

> 381 women were working at mining in RBPlat at 31 December 2014 (this figure excludes contractor employees and women recruited for our development programme)

- > In 2014 women made up 12.3% (10.9% in 2013) of our enrolled employees
- > At 31 December 2014, of the people employed by RBPlat 97.17% were HDSAs.

Our employment of HDSAs in skilled positions

- > Since its inception RBPlat has considerably exceeded the Mining Charter scorecard targets for HDSAs at every level in our organisation
- > This year we exceeded the targets for skilled employees by an average of 57.17%.

| Level of skill | 2014 No of HDSAs | Actual % for 2014 | Charter target (%) | % by which we exceeded the target |
|-------------------|------------------|-------------------|--------------------|-----------------------------------|
| Board level | 6 | 54.55 | 40 | 14.55 |
| Senior management | 5 | 62.50 | 40 | 22.50 |
| Middle management | 107 | 68.59 | 40 | 28.59 |
| Junior management | 841 | 88.99 | 40 | 48.99 |
| Core skills | 5 291 | 99.59 | 40 | 59.59 |
| Total | 6 250 | 97.17 | 40 | 57.17 |

Talent management and succession planning

The depth of our talent at RBPlat proved itself this year. When the General Manager of Styldrift I and our Chief Operating Officer resigned we had the talent and experience available in our operational team to allow us to immediately make appointments to take on these responsibilities from within RBPlat and to promote members of our operational team up one position to fill the gap left by these appointments.

In order to maintain this depth of talent it is critical that we invest in talent management and succession planning.

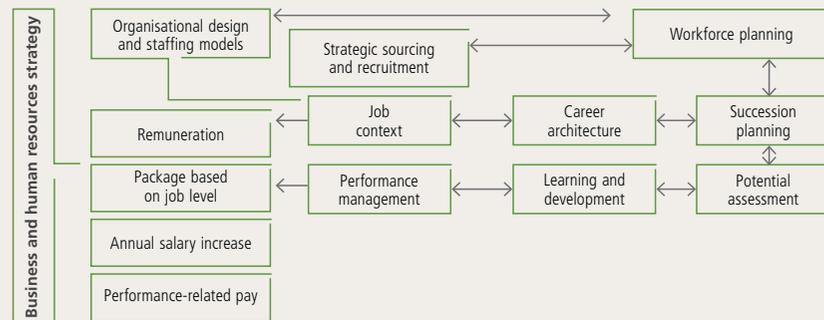
We achieved our focus for 2014, which was to have a talent management framework in place that will allow us to predict talent supply and the interventions necessary to ensure we have the talent available when it is required. In 2015 we plan to have talent conversations embedded as a practice and have conducted a full talent bench strength and supply review.

See the Employee benefits and remuneration section on page 102 for information on the steps we are taking to improve the remuneration and benefits of our volume contractors.

For information on how we build talent please see the diagram on page 107 of Training and development.

HUMAN RESOURCES continued

Talent management framework



Our annual people calendar

| | | | |
|--|---|---|--|
| January Salary increases D2 and above | February Salary increases D2 and above | March Bonus payments to all employees | April Career conversations |
| May Manager once removed conversations | June Mid-year performance conversations | July Salary increases bargaining unit | August Salary increases bargaining unit |
| September Operational/functional talent review | October Business talent review | November Implement talent actions | December Setting next year's KPIs and year-end performance conversations |

Our progress

During 2014 we:

- > provided ongoing line manager coaching and support
- > conducted talent management workshops in all business areas
- > completed 80% of line management assessments (360° feedback, psychometric and performance data)
- > completed 60% of leadership competence training
- > continually provided competence training.

In 2015 we will:

- > complete assessments by end March 2015
- > continue with the talent management process.

One of our talent management challenges is the retention of artisans. To address this challenge we ensure we pay market-related salaries.

Performance management

Performance management plays a key role in the development of talent. Our senior and middle managers and our mining teams at our operations have performance reviews twice a year and are measured against key performance management indicators, which include career development discussions.

Team performance reviews are done monthly with an emphasis on safety, productivity and cost. These performance reviews have a direct impact on a team's monthly incentives.

Employee benefits and remuneration

Our enrolled employees are provided with a retirement fund and medical scheme benefits, as well as group life assurance cover with a benefit of up to seven times their annual salary in the event of their death. These benefits are provided over and above the legally mandated benefits.

They are also entitled to disability benefits, which include the payment of the full medical aid benefit for the duration of the disability period, death benefits and funeral cover. Should an employee pass away while in our employ their children's education will be paid for until they complete their tertiary education.

As previously mentioned we are currently engaging with the union regarding contract worker wages, with the aim of closing the wage gap between our enrolled employees and contractors over time. Our negotiation of medical aid membership for contractors has improved the employment benefits of most of our volume contractors and given them access to treatment for chronic diseases. We aim to have all volume contractors on the Platinum Health medical aid by the end of 2015.

Our employee home ownership scheme

We are pleased that we have been able to offer 422 homes to our enrolled employees in the Waterkloof Hills Estate near the Waterfall Mall in Rustenburg. These homes were built as the first phase of the scheme. By year-end 295 employees had signed sales agreements for their three-bedroomed homes, which have a mortgage repayment period of about 18 years. The estate is near Rustenburg, which is in accordance with the Mining Charter stipulation that mining companies will provide decent housing close to a functional town. Enrolled employees are allocated houses according to the qualifying criteria agreed by the Housing Committee, whose membership consisted of NUM members and RBPlat management.

These homes provide our enrolled employees with the opportunity to own an asset that is expected to appreciate over time.

The home or living out allowance employees previously received from RBPlat will be replaced with a housing allowance which will be used to pay off their home loans. Construction of Phase II, which will consist of a further 3 100 houses, is planned to start in 2015.

The first homes to be built are 80m² three-bedroomed homes. These will be

followed by homes that will vary from 140m² to 360m² in size for the next level of employees.

Engaging with and responding to our employees

While we recognise that engaging with and responding to our employees will always be a challenge, we believe that the labour and trade union stability we have achieved can be attributed to the relationships we have managed to establish with our enrolled employees, contractors and their union representatives.

We keep our employees updated on business issues through a range of communication tools, including our *Lebone* newsletter, the Chief Executive Officer's monthly email message, our annual report to employees, partnership forums, the monthly feedback sessions held by the Head of Operations and the mine managers, and cellphone text messages. We also plan to establish an employee portal in 2015. To improve work group communication the leadership training we provide includes training in communication skills.

Our most significant human resources engagement in 2014 was the successful renegotiation of our wage agreement with NUM, which represents the majority of our employees, and the allocation of houses to enrolled employees.

Chief Executive Officer employee engagement

Our Chief Executive Officer continues to have regular meetings with employees and each year he meets with the trade union leadership. He responds to any issues raised during these meetings and shares his vision for the business. He thanked the trade union leaders for the maturity they demonstrate in their relationship with RBPlat. He also addressed the mining supervisory team this year and engaged with miners and team leaders. The value of these interactions is shown by the outcome of his engagement with a mining team that had not been performing well. His discussions with them revealed that there was a very good reason for their unsatisfactory performance. The situation that was preventing them from achieving their production targets was quickly resolved and the team's performance immediately improved.

For details of the home ownership scheme see pages 219 to 220.

TRAINING AND DEVELOPMENT

Key training and development material issues

| Key material issues in 2014 | Key performance indicators that were our focus in 2014 | What we achieved in 2014 | Focus for 2015 |
|---|--|---|---|
| <ul style="list-style-type: none"> > Availability of adequate and appropriate skills | <ul style="list-style-type: none"> > Number of our employees receiving development training > Continuing with the upskilling of our workforce and community members through skills development training > Improve our artisan retention > Assess the potential of BRPM employees for upskilling to mechanised mining | <ul style="list-style-type: none"> > Employee development training implemented (see pages 106 to 109 of this section for details) > Apprentice training was improved as part of overcoming artisan retention issue. First quarter of 2015 will see 10 of the 15 learners go up for final board examination > See page 108 of the Training and development section for information on the upskilling we achieved during 2014 | <ul style="list-style-type: none"> > Increase proactive training initiatives using team behaviour analysis to anticipate where training is required > Continue with the upskilling of our workforce and community members |
| <ul style="list-style-type: none"> > Leadership training interventions to reduce repeat safety incidents | <ul style="list-style-type: none"> > Rock strata training for team leaders, miners and shift supervisors with the aim of improving our FIFR > Implement hazard identification training to reduce LTIFR | <ul style="list-style-type: none"> > Rock strata training for team leaders, miners and shift supervisors implemented and ongoing: <ul style="list-style-type: none"> – with the aim of improving our FIFR* – to reduce our LTIFR* > Hazard identification training also implemented and ongoing > Coaching process ongoing | <ul style="list-style-type: none"> > Monitoring and evaluation of the impact of training on performance |
| <ul style="list-style-type: none"> > Styldrift I operational readiness in terms of training and development | <ul style="list-style-type: none"> > Continue to train and develop community members to work in a mechanised mine (load haul dump (LHD) operators, drill rig operators, etc) | <ul style="list-style-type: none"> > 98 learners have been equipped with 168 skills that equip them to work in a mechanised mine. Seventeen of these learners are now working at Styldrift I gaining practical exposure in a production environment | <ul style="list-style-type: none"> > Continuing to draw on our doorstep communities for additional trainees |
| <ul style="list-style-type: none"> > Achieve our Mining Charter targets in terms of our SLP skills development and education commitments | <ul style="list-style-type: none"> > Complete our SLP commitments in terms of the 2010 – 2014 Mining Charter requirements on time within budget > Total number of employees, contractors and community members that received part time ABET and percentage of workforce trained in terms of SLP commitments | <ul style="list-style-type: none"> > SLP commitments for 2010 – 2014 completed > SLP human resource development targets were achieved and exceeded over the past five years in terms of part-time ABET* and SLP commitments* (See page 106 of this section of the report for our total employees training spend as a percentage of payroll*) | <ul style="list-style-type: none"> > Implement the new SLP commitments and set a tone for the next five years. This will be achieved by building on the momentum established during 2010 and 2014 |

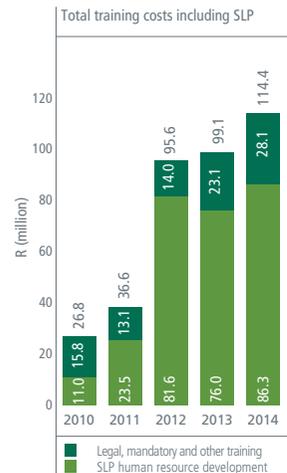
* These indicators have been assured (See page 187 for the assurance statement)

 See page 107 for our achievements against our SLP human resources development targets.

TRAINING AND DEVELOPMENT
continued

> A total of 286 people participated in our ABET programme in 2014 of which 169 were employees and contractors, and 117 community members

> A total of 76 employees and contractors have been trained in terms of our SLP human resource development for 2014



For more information on the achievement of our education support see pages 130 to 131.

Our approach

RBPlat is committed to providing the members of its workforce with the training they require to do their jobs and to work safely. In addition to the mandatory and legal training we provide we are researching the role human error plays in safety incidents and how best we can provide coaching and training to reduce safety incidents.

RBPlat's commitment to education and development extends from the first years at school through to tertiary education and continuous development for those employed at RBPlat and the communities in which we operate. We want to:

- > provide our employees with the opportunity to continually grow and develop during their employment at RBPlat

- > offer adults from our communities adult basic education and training (ABET) that will help them also reach their full potential and equip them to find suitable employment
- > provide the children from our communities with the education they need to reach their full potential.

Our investment in training and development over the period of our current social and labour plan (SLP)

RBPlat spent 15% (in addition to the mandatory skills development levy) of its total annual payroll (enrolled, full time contractors and labour hire employees) on human resources development, which exceeded the mandatory 5% of payroll required in terms of the Mining Charter scorecard by 10% in 2014.

| SLP area | 2010 – 2014 target enrolled employees to be trained | 2010 – 2014 actual enrolled employees trained | % by which we exceeded the target 2010 – 2014 |
|---|---|---|---|
| Employees | | | |
| ABET | 1 703 | 1 510 | (11.3) |
| Portable skills | 812 | 604 | (25.6) |
| Management and leadership training | 34 | 134 | 294.1 |
| Basic supervision | 46 | 103 | 123.9 |
| Supervisory programme | 72 | 65 | (9.7) |
| Total | 2 667 | 2 416 | (9.4) |
| Technical skills training | | | |
| Engineering | 313 | 336 | 7.3 |
| Mining | 953 | 4 364 | 357.9 |
| Engineering learnerships | 224 | 185 | (17.4) |
| Mining learnerships | 94 | 73 | (22.3) |
| Total technical skills training | 1 584 | 4 958 | 213.0 |
| Total SLP training for employees | 4 251 | 7 374 | 73.5 |

While we did not manage to achieve our targets in all of the SLP training areas, overall we exceeded our SLP training commitments for our employees by 73.5% over the past five years. In 2012 and 2013 we focused on management and leadership training, which resulted in us exceeding our SLP commitments in this area by 294.1%. When the Engineering Training Centre changed its training programme from three terms to two terms there was a period of six months when we were unable to register learners and this resulted in RBPlat not achieving its engineering learnership target. We also did not achieve our mining learnership target. The intake on this programme depends on the amount of attrition in our operations and the need for learner

miners based on our life of mine plan. Because our employee turnover was low during this period our requirement for mining learnerships was reduced.

After an analysis revealed that many incidents and accidents result from poor supervisory skills, we invested in this area of training with the aim of improving our safety performance. Our basic supervisory training focuses on discipline in the workplace and the basic principles of planning, organising, leadership and control (POLC). Since mining is our core business and the Competent A and B qualifications were classified as legal requirements after the originally approved SLP, we have exceeded our commitments in this area of the SLP by 357.9%.

Our community skills development achieved in terms of our SLP commitments

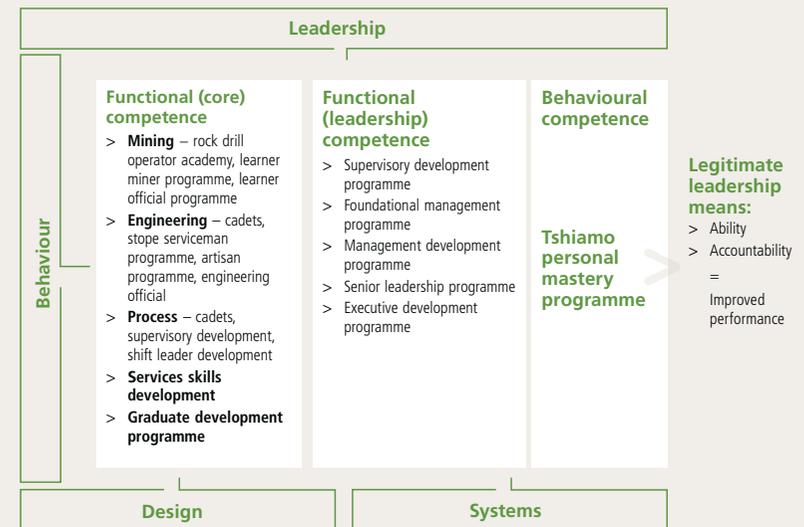
| SLP area | 2010 – 2014 target community members to be trained | 2010 – 2014 actual community members trained | % by which we exceeded the target 2010 – 2014 |
|---|--|--|---|
| Community | | | |
| ABET | 1 007 | 663 | (34.2) |
| Portable skills | 253 | 515 | 103.6 |
| Internships | 45 | 88 | 95.6 |
| Graduates | 68 | 82 | 20.6 |
| Bursaries | 68 | 73 | 7.4 |
| Internal bursaries and short courses | 487 | 978 | 100.8 |
| Total | 1 928 | 2 399 | 24.4 |
| Technical skills training | | | |
| Engineering academy | 30 | 30 | – |
| Mining academy | 110 | 168 | 52.7 |
| Process academy | 30 | 30 | – |
| Total technical skills training | 170 | 228 | 34.1 |
| Total training for community members | 2 098 | 2 627 | 25.2 |

A significant number of community members are building careers out of our portable skills training programme. Basic plumbing and electrical have attracted great interest from the community and this resulted in more uptake to the programme. These alternative skills reduce unemployment and improve lives in our doorstep communities.

Our bursary scheme continues to attract great interest from the community and gives us an opportunity to select talented individuals to participate in the bursary scheme. Most of our bursars move on to participate in RBPlat's talent pipeline. We currently employ senior managers in the Company that originally came through our bursary scheme.

The Mining Academy continues to serve as a gateway to formal employment in our operations for community members. Community members are taken through rigorous and stimulating on-the-job training. Once they are qualified, candidates are absorbed into different roles on the mine from where they have the opportunity to progress their careers.

How we build talent through training and development



TRAINING AND DEVELOPMENT continued

Evaluating the effectiveness of our approach

The impact of our skills development programmes

Over the period of our SLP, 663 community members decided to enrol for the ABET training we offered. Community members who attended ABET or portable skills training are recorded on a database with the aim of providing unemployed youth with an opportunity to find work in the mining industry. From this group we were able to train 168 as rock drill and winch operators. We were able to track the progress of four of the women we trained as they obtained employment as rock drill operators and winch operators with our volume contractor. (See the Cadet programme below for more information).

We also offered ABET training to our enrolled employees and contractors. In all, 1 373 studied in their own time after work and 137 employees received full time ABET training. ABET training opens the door to further career opportunities for previously disadvantaged employees.

Our portable skills training is also available to enrolled employees, contractors and community members. These basic courses included: bricklaying, business, electrical, plumbing, painting, computer, boiler making, tiling, plastering, carpentry and bead manufacturing. The enrolment for these courses over the period of our SLP was 604 employees and 515 community members.

We have been able to track the progress of a young man who attended the bead manufacturing course we offered the community. He initially managed to make a living selling his products at a flea market. Today he has a full time job with the company that presents the bead making training, working as a senior facilitator.

Our cadet programme

The purpose of this programme is to create a pool of skilled community members from which we can recruit.

The programme extends over 18 months during which the cadet programme includes work exposure, an individual development programme and work readiness preparation. The rationale behind an 18-month programme is that after this period of time the cadets

would be competent and capable of being absorbed into the Company. In addition they would have been exposed to the culture and discipline we expect from our employees. The fact that JIC, our volume contractor, employed all 65 of the rock drill operators from our first group of cadets to work at BRPM is an indication of the success of the programme. The retention rate of these cadets was approximately 90%. We also trained 71 community members as pipe, track and ventilation (PTV) assistants and they were also employed by JIC. The group of 49 cadets who completed their training in July 2014 were employed by BRPM and our volume contractors.

Developing the skills of our employees

This year we focused on developing leadership skills. During DMR safety performance discussions the importance of instilling a leadership culture that contributes positively towards achieving improved safety performance was highlighted.

Team leaders, miners and shift supervisors completed rock strata training and hazards identification training and we continued to coach and use the information gained from data collected from observing teams at work to further train teams. Team leaders were trained to have the correct conversations regarding performance. While our safety performance overall was disappointing, safety performance in the core mining areas, where we had focused our training, improved (see the Safety section on page 114 for more information).

The skills development training we provided for employees at BRPM included supplementary skills development training and training people for a change in occupation:

- > 2 384 RBPlat employees received skills development training during 2014
- > RBPlat employees received an average of 84 hours training each in 2014.

During the period of our current SLP we have provided mentorship programmes to 936 people. These included:

- > 256 mining and engineering learnerships
- > 213 professional specialists (mineral resource management, human resources, finance and safety)
- > 206 women in development programmes

- > 82 candidates participated in RBPlat's graduate development programme between 2010 and 2014 of which 40 candidates were still on the programme in 2014, 27 completed their programmes in 2014 and 13 candidates joined the programme in 2014.

The impact of the Bokamoso youth development programme

RBPlat launched a gap year programme aimed at assisting post matriculants with low pass marks to achieve university entrance maths and science marks. We enrolled 18 students from the MACHARORA village in the programme in 2012. Seven of the gap year learners successfully passed grade 12 in 2012 and earned themselves bursaries from RBPlat for their tertiary education.

Our bursary programme

RBPlat has awarded 85 bursaries over the past three years. Sixteen of our bursars achieved an average of 75% and above in 2012 and 24 students achieved a 75% and above average in 2013. These bursaries are for the bursars to study mining engineering, metallurgy, geology, electrical and mechanical engineering, mine surveying, chemical engineering, finance and accounting.

Stars of the RBPlat gap year programme

Lefina Tebang lost her parents early on and has taken care of her siblings ever since. When she enrolled on the gap year programme her neighbours took care of the children she is raising and she used the stipend she received to improve the lives of her three siblings. She improved her maths mark from 52% to 63% and her science mark from 59% to 68% during the year she was on the programme. She was accepted by the Vaal University of Technology to study metallurgical engineering and RBPlat provided her with a bursary for her tertiary education. In her first year (2013) she achieved two distinctions and just missed obtaining distinctions in three subjects. She has continued to do well this year.

Piet Molati, who was also enrolled on the gap year programme in 2012, improved his maths mark from 69% to an outstanding 90% and his science mark from 60% to 83%, gaining distinctions in both subjects. He was accepted at the University of Johannesburg to study metallurgical extraction and was also provided with a bursary by RBPlat. In his first year he obtained 10 distinctions, having achieved 90% and above in seven subjects and 80% and above for the remaining three. He received a R5 000 prize from the university for achieving an 80% average in his first year. In 2014 he received awards for being the eighth best student overall at the university and number one in the field of metallurgy.

A training session in progress at BRPM's North shaft training centre



SAFETY

Key safety material issues

| Key material issues in 2014 | Key performance indicators that were our focus in 2014 | What we achieved in 2014 | Focus for 2015 |
|--|--|--|---|
| Towards operational excellence | | | |
| <p>> Continue to focus on our journey to zero harm</p> | <p>Application of safety strategy:</p> <ul style="list-style-type: none"> > Road to resilience > Four barriers to injury (leadership, design, systems, behaviour) > High risk areas (FOG machinery, equipment, achieve a reduction in machine-related injuries) > Regulatory compliance > Fatal injury frequency rate > Number of days without injury > Lost time injury frequency rate > Improve our safety maturity level of 10% to move from compliant level to proactive level > Continue to grow our understanding of the role of human error in safety incidents | <ul style="list-style-type: none"> > Despite two fatal accidents, fewer Section 54 notices were issued to us in 2014 and as a result fewer 4E ounces were lost due to stoppages > 9% reduction in Section 54 notices > 19% reduction in 4E ounces lost > LTI-free month at RBPlat in March 2014 > RBPlat had 233 injury-free days* > Pre-start warning devices installed on all centre line winches and gully winches where the driver cannot see the return snatch block > Supervisors and safety representatives trained in root cause analysis technique (RCAT) > Over 8% of workforce completed the MQA skill training programme for safety representatives > RBPlat LTIFR* improved by 13% year-on-year | <p>In order to improve our safety maturity level we will focus on:</p> <ul style="list-style-type: none"> > Achieving zero harm > 20% improvement in LTIFR and SIFR > Strengthen our road to resilience strategy through the inclusion of continuous application of the rule (CAR) programme going forward > Implement new loco driver to loco guard communication system > All trackless underground machines equipped with proximity detection systems > Address new safety challenges presented by mechanised mining at North shaft Phase III, Styldrift I and the subsequent mining of hybrid areas > No production lost due to external safety stoppages > Focus on continuous application of the rule > Employees' duties for health and safety and their right to leave a dangerous workplace in accordance with the Mine Health and Safety Act (MHSA) |
| | <ul style="list-style-type: none"> > Safe execution and completion of the underground and surface infrastructure at Styldrift I > Serious injury frequency rate | <ul style="list-style-type: none"> > One serious injury at Styldrift I in 2014 compared with seven reported in 2013 | <ul style="list-style-type: none"> > Continue to safely mine and equip the underground areas of Styldrift I on time without any serious injuries or loss of life by aligning safety plans with RBPlat's safety strategy and road to resilience programme |
| | <ul style="list-style-type: none"> > Comply with key legislation and certify management systems in terms of international standards including achieving OHSAS 18001:2007 certification at Styldrift I Mine > Integrated auditing process for certification for BRPM's environmental management system (ISO 14001), quality management system (ISO 9001) for our training centre and occupational health and safety management system (OHSAS 18001) | <ul style="list-style-type: none"> > Styldrift I 18001:2007 certification achieved in March 2014 > BRPM recertification achieved in October 2014 | <ul style="list-style-type: none"> > Maintain OHSAS 18001, ISO 14001 and ISO 9001 certification at BRPM > Maintain OHSAS 18001 certification at Styldrift |
| <p>> Effective communication</p> | <ul style="list-style-type: none"> > Continually interact with relevant stakeholders, including supervisor safety representatives and organised labour, to reduce safety incidents > Improve communication to minimise tramming-related incidents | <ul style="list-style-type: none"> > Various safety communication methods were established including mobile phone SMS lines, mass meetings, safety campaigns, safety suggestion boxes and safety newsletters > Investigated and tested different types of communication systems between locomotive and guard vans at BRPM | <ul style="list-style-type: none"> > Continuous interaction with the relevant stakeholders to ensure effective safety communication reaches everyone working at RBPlat > Adoption of the preferred communication system between locomotive and guard vans and its systematic implementation |
| <p>> Effective leadership at all levels</p> | <ul style="list-style-type: none"> > Improve leadership understanding of the role human error plays in safety incidents in order to reduce these incidents | <ul style="list-style-type: none"> > Conducted leadership training to improve knowledge of hazard identification and supervisory skills > Plan, organise, lead and control (POLC) training for supervisors aimed at increasing safety awareness | <ul style="list-style-type: none"> > Improved supervisory training provided by human resource development centre > Place additional focus on supervisory teams in sections that do not perform as expected > Monthly safe production review sessions with mine overseers and engineers |

* These indicators have been assured. (See page 187 for the assurance statement)

SAFETY continued

Key health and wellness material issues

| Key material issues in 2014 | Key performance indicators that were our focus in 2014 | What we achieved in 2014 | Focus for 2015 |
|---|---|---|--|
| <p>> The health and wellness of our employees</p> | <ul style="list-style-type: none"> > All contract workers employed by our major contractors on RBPlat's preferred medical aid (Platinum Health) | <ul style="list-style-type: none"> > Majority of volume contractors on Platinum Health | <ul style="list-style-type: none"> > All major contractors who are on site for more than three months to be on a preferred medical aid scheme |
| | <ul style="list-style-type: none"> > Training of peer educators | <ul style="list-style-type: none"> > 185 wellness peer educators trained. Previously they were only trained as HIV/Aids peer educators | <ul style="list-style-type: none"> > More awareness campaigns to assist our enrolled employees and contractors with understanding how to improve their wellness |
| | <ul style="list-style-type: none"> > No new cases of noise-induced hearing loss (NIHL) in line with the 2013 Safety and Health Milestone requirements > No deterioration in hearing greater than 10% among occupationally exposed employees as a result of exposure to RBPlat operations | <ul style="list-style-type: none"> > 24 new cases of NIHL* | <ul style="list-style-type: none"> > No new cases of occupational illness or diseases > No deterioration in hearing greater than 10% among occupationally exposed employees as a result of exposure to noise at RBPlat operations > No new cases of NIHL in line with the 2025 industry Safety and Health Milestone requirements |
| | <ul style="list-style-type: none"> > 95% exposure measurement for respirable crystalline silica (RCS) to be less than an occupational exposure limit of 0.1mg/m³ as per the requirements in the 2012 Safety Milestone document. RCS is known to cause silicosis, a deadly lung disease > No new cases of occupational illness or disease | <ul style="list-style-type: none"> > No cases of silicosis > Improved the quality of our sampling and analysis techniques to detect even lower levels of crystalline silica > Not achieved: two cases of skin dermatitis | <ul style="list-style-type: none"> > No cases of silicosis > Continue to improve the quality of our dust sampling to detect even minute levels of dust |
| | <ul style="list-style-type: none"> > Measure the number of employees and contractors counselled and tested for HIV and the number on antiretroviral treatment (ART). We also record the number of ART default cases > Conduct intensive education, motivation and support of our workforce to decrease the HIV incident rate (new infections) | <ul style="list-style-type: none"> > Ongoing intensive awareness programme > Because our testing percentage increased we have lowered the percentage of "not known" cases > 11 518 employees and contractors were counselled and tested for HIV* > 42 ART cases defaulted from their treatment in 2014* > 452 employees on ART in 2014* | <ul style="list-style-type: none"> > Intensive education, motivation and support to decrease the HIV incident rate (new infections) > All employees and contractors on Platinum Health medical aid which allows those who require ART to receive it |
| | <ul style="list-style-type: none"> > Achieve early detection using innovative TB detection methods > Measure the number of enrolled employees and contractors who tested positive for TB and were treated for TB > Measure TB incidence rate | <ul style="list-style-type: none"> > 67 of the 464 employees who were tested for TB* in 2014 were found to be infected with TB*. This is an increase of 20% year-on-year > The TB incidence rate* for RBPlat in 2014 was 805/100 000 compared with an incidence rate of 713/100 000 for RBPlat in 2013 > Introduced immediate gene expert TB test | <ul style="list-style-type: none"> > Achieve early detection using innovative TB detection methods |

* These indicators have been assured. (See page 187 for the assurance statement)

On page 106 of the Training and development section of the report you will find more information on the training intended to increase leaders' understanding of the role human error plays in injuries, accidents and incidents and how this training can help leaders prevent injuries, accidents and incidents.

There is more information on how we have improved the quality of our inspections, investigations and our understanding of why even if people are trained and correctly equipped they are still injured on page 114 of this report.

Find out more about how Styldrift achieved its goal of improving its safety record, despite the build-up of personnel and activities on site in 2014 on page 115.

For information on what RBPlat is doing to improve the safety, health and wellness of our doorstep communities see the Social and relationship capital section on pages 114.

For more information on our efforts to improve the healthcare available in our doorstep communities refer to pages 128 to 132 of the Social and relationship capital section of this report.

SAFETY
continued



RBPlat's safety, health and wellness key stakeholders

There are two key issues that our workforce and our doorstep communities have indicated as material to them. These are that their family members working in our operations are provided with a safe and healthy work environment and that our operations do not adversely affect the health of the communities in which we operate and our workforce lives.

We rely on our health and wellness service providers, Platmed, for occupational-related medical surveillance and emergency care and Platinum Health for wellness and non work-related medical conditions for our employees and contract workers. The clinics in our doorstep communities also provide our employees and doorstep communities with medical services and wellness education. We are very pleased that we were able to arrange for most of our volume contract workers to become members of a medical aid.

The Department: Mineral Resources (DMR), which administers the Mine Health and Safety Act, 1996 (Act No. 29 of 1996) as amended, is responsible for measuring compliance with the Act. The department's inspectors, who regularly visit our operations, have the power to stop work in our operations until such time as they are satisfied with the working conditions. As a result they can have a major impact on our production if they observe any non-compliance with the Act. At the regular meetings we have with the inspectorate we share information on our efforts to reduce injuries in our operations and to better understand the inspectorate's objectives and concerns.

The Department: Health is responsible for the public healthcare delivery system upon which the communities in which we operate depend for their healthcare. We assist the department in this regard, where required.

Our internal and external trainers provide training that helps our

supervisors, managers and employees develop an understanding of how to keep themselves and their fellow workers safe and healthy.

Safety

Our safety vision: zero harm

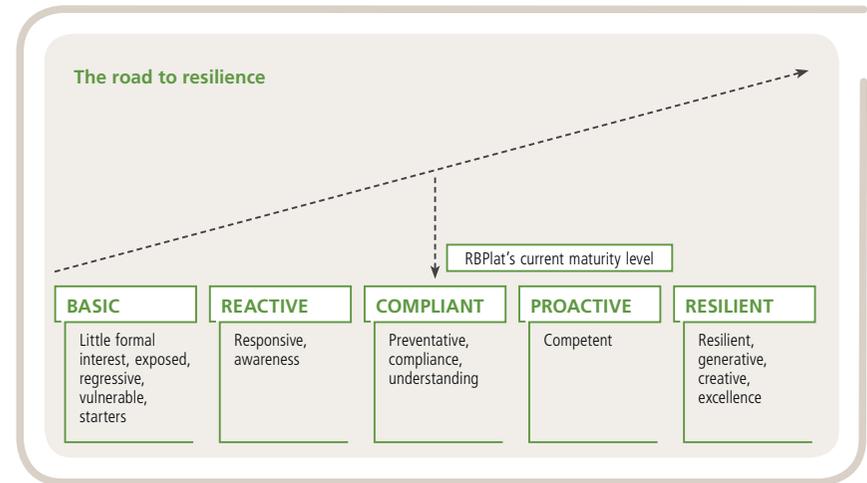
- > Every person working at RBPlat must return home unharmed every day
- > No rock will fall uncontrolled
- > No sub-standard winch will be operated
- > All loads will be properly supported
- > Kibble movement will be controlled and announced
- > No machinery is operated without authorisation
- > All machinery must comply with the original equipment manufacturers' (OEM) specifications and be effectively guarded for safe operation.

Our approach to managing safety in our operations

Mining and its related activities expose our employees to hazards. Keeping them safe is therefore a key material issue for RBPlat.

Key aspects of the management of safety in our operations include:

- > A safety strategy model, which we continue to improve and monitor, guides how we approach safety and health and how we investigate the causes of unwanted events in our operations. It also guides how we design and develop new projects. It helps us design our mines and operate them in a manner that makes them as safe as possible. The foundation of this strategy model is our: Safety code of conduct, Safety discipline and Safe teamwork. Its application also helps us build the resilience we need to enhance our ability to respond, monitor, anticipate and learn on our journey to zero harm
- > Codes of practice, standards and procedures that ensure operational safety are the direct responsibility of senior management. They are also responsible for providing visible leadership, appropriate



operational designs, workable systems and corrective behaviour with the aim of preventing unwanted events and eliminating fatalities. Our structure also clearly indicates the ultimate responsibility for safety of our Board and its sub-committees, and each individual enrolled employee and contractor working at our operations

- > Risk assessments in accordance with the MSHA. We use this process to reduce the risks
- > Ongoing research into what causes unsafe behaviour
- > Ongoing safety coaching, training and development for both supervisors and their teams
- > Our Senior Safety, Health, Environment and Risk (SHER) Manager is a member of the Chamber of Mines' Occupational Health and Safety Policy Committee, chairs the Tripartite meeting for the North West province Rustenburg region and also represents employers on the Mine Health and Safety Council Board.

Evaluating the effectiveness of our approach

When it comes to safety in our operations we measure the effectiveness of our management approach against the safety results we have achieved and we continue to focus on improving the safety maturity level of our operations.

This year we had successes and disappointments. The successes include RBPlat's one million fatality-free shifts in June 2014, BRPM's one million fatality-free shifts by August 2014 and the fact that Styldrift I, during a difficult period when there were a number of contractors on site, was fatality-free for three and a half years before the fatal accident in October 2014.

A further success has been that we have drastically reduced the number of fall of ground-related incidents at both BRPM shafts. We have also introduced advance strike gully (ASG) netting to prevent fall of ground incidents in this area.

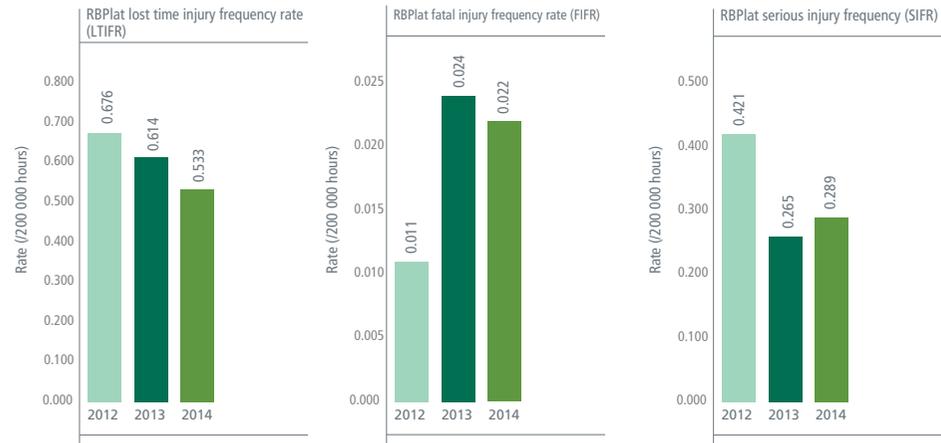
Our disappointments have been the tragic loss of two lives, one at Styldrift I and the other at BRPM in October 2014, six days apart.

See page 128 of the Social and relationship capital section for information on our contribution to community health.

See our governance structure on page 172 of this report.

See the safety, health and environment policy on our website at www.bafokengplatinum.co.za.

SAFETY
continued



Taking action to improve our safety performance against our road to resilience programme

The inclusion of a counselling psychologist in the investigative process allows us to gather more information on what other factors contributed to the basic cause of an incident/accident.

An unusually high frequency of accidents at BRPM in January 2014 resulted in the mine inspectorate issuing four Section 54s and 19 production shifts being affected. Using our investigative process and our continuous evaluation teams to coach and retrain the teams involved in these safety incidents we achieved a significant improvement in BRPM's safety performance in March, April and May of 2014. RBPlat had 3% fewer injury-free days.

Steps we take to keep our people safe include ensuring footwear is in good condition, keeping travelling ways dry and minimising tripping hazards to avoid slipping and falling. Our minor treatment injuries increased by 23%. We completed the installation of the pre-start warning system on all advance strike gully (ASG) and centre gully winches at BRPM, to avoid start-up winch related injuries. Our highest number of injuries is as a result of handling of materials followed by slip, trip and fall injuries.

The role of training in safety

Having previously identified a need to develop the leadership skills of our supervisors, team leaders and miners, we have focused on training in this area during 2014. This training included root cause analysis to help them understand the role human error plays in accidents and incidents.

This training has been focused in our core mining areas where we have seen an improvement in our safety performance. Our focus in 2015 will be on addressing our service areas, as our injury rates have increased in these areas.

In 2015 management of change will be addressed, as past experience has shown us that all fatal accidents are connected to some type of people change.

Our occupational health vision

To achieve our vision of zero occupation-related harm we:

- > recognise that all occupation-related illnesses are preventable
- > make a consistent and sustained effort to ensure that there are no repeat occurrences of occupational diseases
- > apply simple, consistent and non-negotiable health and safety standards across our organisation to prevent occupation-related illnesses.

Our approach to the health and wellness of our workforce

A healthy workforce is an advantage to our business because it means that our employees are fit to work at their full potential and absences due to sickness are reduced. If members of our workforce suffer from poor health it affects their families and the communities in which they live.

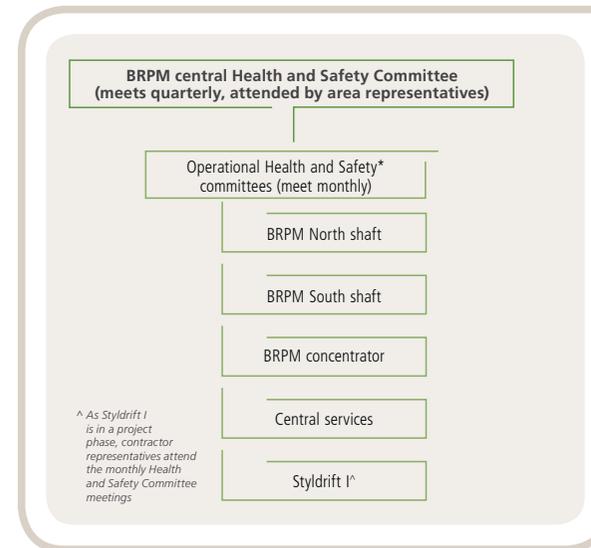
We aim to eliminate occupational diseases by providing a workplace free from health hazards. By providing an effective health care programme to keep our workforce healthy, not only do we avoid the cost of expensive treatment, we also prevent human suffering.

Platinum Health operates the main BRPM clinic and satellite clinics at BRPM's North and South shafts as well as Styldrift I.

All the clinics are equipped with the required medical staff and infrastructure. They deliver quality, first response treatment and cost-effective healthcare services across the healthcare spectrum to our employees.

RBPlat complies with the requirements of the Mine Health and Safety Act in terms of medical surveillance reporting as well as injuries and occupational diseases. We also have a health and wellness strategy in place, together with the relevant policies, processes and procedures. Occupational health and hygiene policies, standards, monitoring and auditing are the responsibility of our Safety, Health, Environment and Risk (SHER) department. Line management is responsible for the implementation of occupational health and hygiene standards in the workplace.

↘ The chairlift at BRPM's North shaft was installed to provide employees with safer and faster transportation into the mine.



* As Styldrift I is in a project phase, contractor representatives attend the monthly Health and Safety Committee meetings

* The membership of each operational health and safety committee consists of:
> A minimum of four employee representatives
> Management representatives equal in number to or fewer than the number of employee representatives



HEALTH AND WELLNESS

Central services health and safety committee members are elected from members of operational committees by fellow members. Styldrift I currently has a separate health and safety committee.

We have identified the main health issues affecting our workforce and we address these specific health needs. We also establish if there are any activities taking place at our mines that could affect the health of neighbouring communities. Should such a situation arise we would immediately take action to address any possible impact on the communities.

To support Platinum Health's wellness programme we have trained 185 workforce members who volunteered as peer educators. They received in-depth training during February and March 2014 on healthy living, chronic illnesses, lifestyle diseases, managing stress and personal finances, substance abuse (particularly alcohol and dagga), HIV/Aids and TB. Not only are the peer educators able to inform their fellow workers on a wide variety of health issues, their training also equips them to encourage changes in behaviour, attitudes and perceptions. They are an important first line of defence in our wellness communication with our workforce. The health risk assessment we conducted following the introduction of the peer educator programme indicated that our workforce are well informed about life style diseases and HIV/Aids.

Evaluating the effectiveness of our approach to occupational hygiene

Noise-induced hearing loss (NIHL) – the most common occupational health issue at RBPlat

According to the World Health Organisation noise-induced hearing loss

(NIHL) is the most common permanent and preventable occupational illness in the world. It is one of the four non-fatal conditions listed among the leading causes of the global burden of diseases. It is certainly the most common occupational health issue in our operations. One of the challenges in identifying hearing loss is that it has a long latency period. The burden of HIV/Aids, how the disease manifests and the impact of the treatment of the disease, also causes hearing loss.

Our industry has committed itself that no shift in hearing loss caused by exposure to noise at work will exceed 10%. We are also committed to ensuring that the noise in our workplace does not exceed 110dBa (A-weighted decibels). The Mine Health and Safety Act accepts 85 decibels as the acceptable safe noise level for exposure during an eight-hour work day without hearing protection. All rock drills used at RBPlat do not exceed noise levels of 105 decibels. It is essential that we have a very good hearing conservation programme in place to ensure our employees are not affected by the noise they are exposed to in their working environment.

Our induction training emphasises to our employees the importance of wearing suitable hearing protection devices. Advances in methods of reducing the noise made by equipment, plus the hearing protection devices we provide employees, are all helping us to achieve this goal.

RBPlat already addresses hearing loss at a 2.5% move in hearing from the base line established when the employee first started work at RBPlat. It is, however, difficult to identify all causes of hearing loss, which can also be caused by activities outside the workplace.

Our NIHL statistics

| | 2014 | 2013 | 2012* |
|---|------|------|-------|
| Employees with NIHL of more than 10% that qualify for compensation | 12 | 13 | 11 |
| Employees with NIHL of more than 10% that do not qualify for compensation | 7 | 14 | 20 |

* In 2012 we hired a number of new enrolled employees and contractors who were found to have NIHL prior to being employed at BRPM

This year we submitted 24 cases to Rand Mutual, of which two are pending. One did not qualify for compensation and two will be resubmitted at the request of Rand Mutual.

If employees' NIHL is due to exposure to noise at work they qualify for compensation. Those whose hearing loss is due to a medical condition, medication or age do not qualify for compensation for NIHL.

Other occupation-related illnesses

The only other occupation-related illness we experienced at RBPlat in 2014 was skin sensitivity to anti-bacterial powder. The skin of two employees reacted to the anti-bacterial powder used in PVC gloves.

We then provided them with gloves without anti-bacterial powder. A follow up showed no re-occurrence.

Silicosis

Miners working in platinum mines in the North West province of South Africa are at low risk of contracting silicosis. We do, however, identify people who have previously worked in other sectors of the mining industry and that have contracted silicosis. This happens during X-rays taken during routine medical surveillance examinations at our medical centre. The results of people who are identified as being affected by silicosis are submitted to the Medical Bureau of Occupational Diseases (MBOD). Following an investigation by the MBOD they receive compensation, which varies

depending on the level of their silicosis. Fifteen cases were submitted to the MBOD in 2014. We still await the Bureau numbers and follow ups from them.

Wellness programmes

TB, which remains one of the highest killer diseases in South Africa, is a concern, both among our workforce and in the communities. Working in a mining environment where ventilation air is reused can increase a person's susceptibility to TB as it is an air-transmittable disease.

Employees wearing the type of noise prevention equipment required in an environment where the noise level is above 85 decibels



HEALTH AND WELLNESS
continued

TB education and awareness campaign

Thirteen of our peer educators represented RBPlat at the commemoration of World TB Day in March 2014. They returned better equipped for their role as peer educators, having increased their knowledge and understanding of the burden that TB imposes on South Africa and its neighbours, and the role the mines can play in minimising the burden through proper management of those diagnosed with TB. We can also prevent new cases through health education and early identification of employees at risk of contracting the disease.

Community outreach

As part of our wellness programme initiatives and our community outreach commitment, we embarked on a TB door to door campaign in the communities living in our four doorstep villages: Mafenya, Chaneng, Robega and Rasimone (collectively known as MACHARORA). This type of programme helps alleviate the workload of the local clinic, which because of a shortage of staff is unable to visit every household to screen people for TB. We partnered with staff members from the Rustenburg branch of the Aurum Institute, which focuses on HIV and TB prevention, treatment and care. We also worked with the community health care workers from the Tapologo Hospice in Robega.

Through this initiative we were able to identify four people who were not aware that they had TB. We immediately enrolled them on a TB treatment programme and all the other members of their households were screened for TB.

The outreach team educated members of the community on the signs and symptoms of TB and also gave them information on HIV and Aids. They were also given information on preventative measures, such as holding hands over the mouth while coughing and reporting to the clinic immediately on noticing any of the signs and symptoms of TB.

TB remains a major public health problem in South Africa. Attempts to control, contain and eliminate TB within the confines of the mining operations have proved to be a failure. The idea of integrating the mine TB services with national and NGO initiatives, coupled with innovative technology and health information systems, is under serious consideration and may prove to be the most successful of all endeavours to achieve the WHO target of zero TB.

Results of testing for TB among our employees

- > 464 employees were tested for TB in 2014. The X-rays taken at the routine medicals indicated the possibility of TB (391 were tested in 2013 and 424 in 2012)
- > 67 of those tested were found to be infected with TB in 2014 (56 in 2013 and 27 in 2012) and are on treatment. This shows a 20% change year-on-year in the number of our employees found to be infected with TB.

TB incidence rate at RBPlat

The TB incidence rate at RBPlat in 2014 was 805/100 000 (2013: 713/100 000). (The TB incidence number is expressed per 100 000 and not as a percentage.) These numbers reflect the employees diagnosed and treated at the BRPM clinic. They do not include employees diagnosed and treated at an external clinic.

HIV counselling and testing and antiretroviral treatment (ART)

- > This year 11 518 employees and contractors were counselled and tested for HIV as part of the initial and periodic medical fitness examinations compared to 9 998 in 2013
- > 489 new employees and contractors tested positive for HIV in 2014. The known HIV positive employees and contractors were 2 279, bringing the total number of employees known to have HIV to 2 768. This shows an increase on previous years (2 349 in 2013 and 2 458 in 2012)
- > The HIV incidence rate in our employees was 4.6% in 2014 and in 2013 it was 3.4%
- > This shows a 1.2% increase in the new HIV incidence rate which requires that we intensify our HIV awareness campaigns and interventions
- > As part of alternative campaigns and interventions, circumcision will be promoted and rolled out
- > 452 employees were on ART in 2014 as at 31 December 2014, of which 312 are using our clinic service on site and 140 are using external service providers (412 in 2013, 430 in 2012)
- > 42 ART cases defaulted from their treatment in 2014. These numbers only reflect the employees registered at the BRPM and Platinum Health clinics.

ART defaulters remain a challenge for a number of reasons, which include stigma and denial. However, the number of people defaulting on ART is not significantly greater than defaulters being treated for other chronic medical conditions.

HIV education and awareness campaign

To intensify our HIV awareness campaign, and continue to educate our workforce on HIV and Aids we held a candlelight memorial service to remember those who have lost their battle with Aids and to encourage and support all those living with HIV to continue taking their ART. One of the purposes of the service was to encourage people not to judge, discriminate against or stigmatise people living with HIV/Aids.

A woman who has been living with HIV for nine years encouraged and advised those who are HIV positive to follow the treatment prescribed for them and to eat healthily. Heads of departments from various sections of BRPM and Styldrift I also addressed the gathering and encouraged people to take care of themselves, and avoid spreading HIV.

↳ Safety briefing at Styldrift I



↙ The Grade R class at Chaneng Primary School enjoys playing on the equipment provided by RBPlat before school starts. Their play area is fenced off to keep them safe



OUR PERFORMANCE AGAINST THE CAPITALS

SOCIAL AND RELATIONSHIP CAPITAL



| | |
|--|-----|
| OUR KEY STAKEHOLDERS OF SOCIAL CAPITAL | 126 |
| OUR SOCIOECONOMIC IMPACT | 126 |
| INFRASTRUCTURE DEVELOPMENT | 128 |
| HEALTH SUPPORT | 128 |
| EDUCATION SUPPORT AND COMMUNITY SKILLS DEVELOPMENT | 130 |
| JOB CREATION AND POVERTY ALLEVIATION | 130 |
| OUR PLANS FOR THE NEXT FIVE YEARS | 131 |
| OUR RELATIONSHIPS | 135 |

PERFORMANCE



ACHIEVEMENTS

- > RBPlat met its SLP commitments for 2010 – 2014
- > R413.4 million invested in our SLPs over the past five years
- > Mining Charter HDSA preferential procurement targets exceeded
- > Our investment in community skills development exceeded our target by 25%



IMPROVEMENTS

- > Major improvement in maths and physical science performance at Charora High School following our education support initiative at the school (see page 130 for details)
- > 30 families in our doorstep communities have new replacement homes that we built for them
- > The commercial community garden we helped establish in Chaneng village is doing well and is providing a sustainable source of income for the community members involved in this project
- > Five schools now have world class low maintenance sports facilities (see page 130 for details)



CHALLENGES

- > Obtaining external authorisation to proceed with projects
- > Sustainability of projects
- > Projects delayed by legislative processes



DISAPPOINTMENTS

- > Leadership issues in the community made engagement with communities very challenging in 2014
- > Some of the vegetable tunnels and accompanying infrastructure, which we provided to homes in Chaneng village, are not being used to provide these families with food and a source of income

Key social and relationship material issues

| Key material issues in 2014 | Key performance indicators that were our focus in 2014 | What we achieved in 2014 | Focus for 2015 |
|---|--|---|--|
| Towards operational excellence | | | |
| Social capital | | | |
| <ul style="list-style-type: none"> > Meeting our social and labour plan (SLP) commitments in terms of infrastructure development, health support, poverty alleviation and job creation, education support and community skills development | <ul style="list-style-type: none"> > Completing our social and labour plan (SLP) commitments in terms of the Mining Charter by the end of 2014 in time within budget | <ul style="list-style-type: none"> > All SLP commitments completed (See page 129 of this section of the report for our total social and labour plan expenditure) | <ul style="list-style-type: none"> > Develop close out report on 2010 – 2014 SLP projects > Develop 2015 – 2019 databook > Delivering on our 2015 – 2019 SLP commitments |
| <ul style="list-style-type: none"> > Meeting our Mining Charter historically disadvantaged South Africans (HDSAs) procurement targets while containing costs | <ul style="list-style-type: none"> > Meeting and exceeding SLP discretionary procurement spend with HDSA suppliers (See page 134 of this section of the report for details) | <ul style="list-style-type: none"> > Achieved (See page 134 of this section of the report for details) > 68.13% of our discretionary procurement was from HDSA* businesses | <ul style="list-style-type: none"> > Continuing to meet our discretionary procurement HDSA targets > Continue with our enterprise development efforts in the local communities |
| <ul style="list-style-type: none"> > Impact on families of injuries in the workplace | <ul style="list-style-type: none"> > Achieve zero harm. We did not achieve this focus (See the Safety, health and wellness section on pages 110 to 112 for detailed information) | <ul style="list-style-type: none"> > Not achieved (See the Safety, health and wellness section on pages 110 to 112 for detailed information) | <ul style="list-style-type: none"> > Zero harm |
| <ul style="list-style-type: none"> > Impact on profitability of increased operating costs resulting in reduced ability to fund socio-economic projects | <ul style="list-style-type: none"> > Continue with CEO and Head of Operations engagements with production teams | <ul style="list-style-type: none"> > See page 103 of the Human capital section of this report for details of our performance in this regard | <ul style="list-style-type: none"> > Enhance operational efficiency and manage costs in all areas over which we have control and continue to fund socio-economic projects |
| Relationship capital | | | |
| <ul style="list-style-type: none"> > Support good relations with unions and line management > Ongoing improvement of stakeholder engagement processes | <ul style="list-style-type: none"> > Stakeholder engagement framework > Head of Operations' newsletters > Employee newsletters > Improve employee accessibility to information through development of employee portal | <ul style="list-style-type: none"> > Ongoing implementation of stakeholder engagement framework > 36 issues of Head of Operations' newsletter published > Two issues of <i>Lebone</i>, our employees' newsletter, published > Introduced monthly CEO email newsletter > Site map for employee portal developed through workshop sessions, design and development work in progress | <ul style="list-style-type: none"> > Ongoing implementation of stakeholder engagement framework > Extend CEO communication engagements to include those not involved in production > Effective recording of engagement and feedback > Completion of employee portal |
| <ul style="list-style-type: none"> > Lack of progress with community engagement meetings due to breakdown of community leadership structures > Ongoing communication with communities | <ul style="list-style-type: none"> > Ongoing engagement with communities regarding key issues they have raised as material to them > Community newsletters > Resolving status of community liaison officers (CLO) | <ul style="list-style-type: none"> > Despite lack of progress with community leadership, the efforts we put into engaging, establishing relationships and delivering on our commitments to the community have allowed us to maintain our relationships with the MACHARORA communities through scheduled monthly consultative forums. At the first meeting terms of reference and a governance policy were circulated for input and consideration > Improved communication through community newsletters > CLOs met separately with Kgosana from RBN and a Rustenburg Local Municipality councillor and it was decided that the CLO contracts should be terminated | <ul style="list-style-type: none"> > Adoption of terms of reference for MACHARORA consultative forum > Offer leadership training to community leaders as a lack of training in this area has been identified as contributing to collapse of leadership structures > Assist with resolution of community leadership difficulties > Strengthen relationships with media and neighbouring mines |
| <ul style="list-style-type: none"> > Ongoing improvements of stakeholder engagement processes | <ul style="list-style-type: none"> > Engaging with new Department: Mineral Resources (DMR) > Continue to engage and cooperate with local authorities > Engaging with government at national and provincial level and municipalities and community structures | <ul style="list-style-type: none"> > Contact made with Minister and other DMR officials > Local relationships working well in terms of SLPs, safety, the environment and working in partnership to support delivery of integrated development plans and RBN Master plan | <ul style="list-style-type: none"> > Policy development to better guide our stakeholder engagement > Continue to engage and cooperate with local authorities > Develop and implement a more structured relationship-building exercise at national government level and with the DMR, in particular |

* These key performance indicators have been assured (See page 187 for the assurance statement)

SOCIAL AND RELATIONSHIP CAPITAL

CONTINUED



COMMUNITIES

DEPARTMENT: MINERAL RESOURCES

INVESTOR COMMUNITY

JOINT VENTURE PARTNERS

ROYAL BAFOKENG NATION AND STRUCTURES

RUSTENBURG LOCAL MUNICIPALITY

Our key stakeholders of Social capital

Key stakeholders in terms of social capital are the communities in which we operate, the Department: Mineral Resources (DMR), and the Rustenburg Local Municipality. The key material issue for these stakeholders is RBPlat's delivery against its SLP commitments, which is described in this section of our integrated report.

Engagement plays a key role in the successful implementation of our SLP and the establishment of successful relationships with these stakeholders. Issues within the community leadership structures have made engagement challenging this year and we have not been able to hold our monthly community meetings. Fortunately, the regular engagement we established over the past four years has stood us in good stead and relationships with our doorstep communities remained stable this year. We also continued to have regular contact with the community on an informal basis. These communities live in four villages: Mafenya, Chaneng, Robega and Rasimone. Together they are informally known as MACHARORA. The Robega village is on state owned land and the other three villages are on RBN land.

Our community engagement team identified that the community leaders would benefit from development of their leadership skills and we plan to offer leadership skills training to community leaders in 2015.

Our socioeconomic impact

Our SLPs, which are an important part of our Mining Charter Scorecard commitments and a pre-requisite for retaining our mining rights, drive the major part of our community investment.

The Mining Charter requires that we conduct a needs analysis by means of a community consultative and collaborative process. Our needs analysis not only included consulting with our local communities but also included consultation with the Royal Bafokeng Nation (RBN), the local government and the Rustenburg Municipality to ensure our projects either complemented or integrated with their plans. The RBN has a 30-year Master Plan aimed at creating an environment in which people can live with

dignity and have access to health, education and recreation facilities and employment opportunities that will allow them to maximise their abilities and talents. Local governments and municipalities have integrated development plans, which provide an overall framework for development aimed at improving the quality of life for all the people living in an area. Following this process we drew up our SLPs for the five-year period 2010 – 2014, which focus on the MACHARORA communities.

In terms of the Mineral and Petroleum Resource Development Act and the Mining Charter requirements, our SLP projects need to focus on five key areas:

- > Basic infrastructure
- > Health support
- > Education
- > Poverty alleviation and job creation
- > Community skills development

During the period covered by this SLP changes were made to the RBN Master plan which meant it was not possible to carry out some of our projects. We consulted with the communities and the RBN on suitable replacement projects and submitted Section 102 applications to obtain DMR approval for these changes.

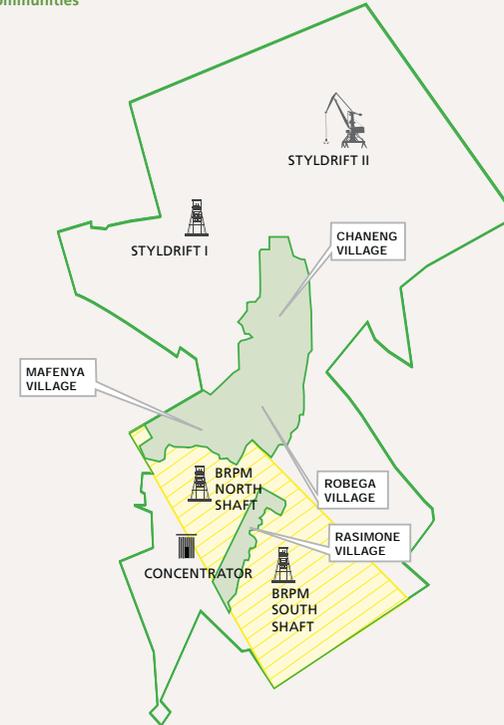
We completed all the projects we committed to in our 2010 – 2014 SLP ahead of time and, in consultation with the communities, included some additional projects over and above our original commitments.

Approximately 350 local community members were employed on our projects during this period. Collectively, they were employed for over 35 000 days.

In addition, 172 RBPlat employees contributed another 13 349 working days to the construction of these projects, the cost for which has not been included in our SLP budgets.

For more information on the RBN Master plan see <http://www.bafokeng.com/future/masterplan>.

RBPlat's doorstep communities



A maths class in progress at Charora High School in the new maths classroom provided by RBPlat



SOCIAL AND RELATIONSHIP CAPITAL

CONTINUED

Six percent of our SLP investment is in community skills development. Details of what we have invested in and what we have achieved with this programme can be found on page 129 and in the Training and development section of this report on pages 106 to 108. The programme includes:

- > ABET training for both community members and our own employees
- > gap year learners needing to improve their maths and science marks in order to earn a place at a tertiary institution
- > providing bursaries for tertiary education
- > learnerships
- > skills training, which includes training women rock drill operators.

Infrastructure development

Our investment in infrastructure includes establishing temporary Kgotla offices in the Rasimone and Chaneng villages, while we await approval of the plans by the RBN for more permanent structures. These offices play an important role in village communication and communication between the mine and the communities.

We upgraded the police stations in Phokeng and Robega and also provided community centre facilities at the Robega police station.

In 2010 BRPM was approached by members of the community who claimed that some of their houses were cracking due to mine activity. We established that the houses were not cracking because of mining activity, but because they had poor foundations and had been badly constructed. In keeping with our *More than mining* philosophy, we decided to provide the affected community members with safe homes. The MACHARORA Kgotla submitted a list of the affected houses and every year we build some houses to replace these unsafe homes. So far we have

built 25 new houses in Rasimone village and five in Chaneng.

We have built roads in both the Chaneng and Robega villages, including an access road to the Association for the Blind's vegetable garden in Chaneng. We also built a walkway so that the children in Mafenya village could walk home safely.

The Pathology centre in Phokeng had originally been designed as a mortuary facility to store fewer than 20 bodies, which is now totally inadequate for the area's needs. RBPlat was asked to assist with upgrading and extending the building so that it would meet requirements for some time in the future. We upgraded the technical facilities, renovated the existing building and extended it.

Health support

The population growth in MACHARORA has meant that the clinic in Chaneng which provides primary healthcare to the villages was not coping with the number of people visiting it. To assist, we are paying the salaries of two additional professional nurses. We also donated a fully equipped ambulance, medical equipment, wheelchairs and furniture to the clinic in 2012.

In addition, as part of RBPlat's community outreach commitment, on 25 to 28 March 2014 we embarked on a TB door-to-door campaign in the MACHARORA communities. We partnered with staff members from the Aurum Institute from Rustenburg for this campaign. The Aurum Institute is an organisation which focuses on HIV and TB prevention, treatment and care. We also worked with the Community Health Care Workers from Tapologo Hospice in Robega on this programme.

A review of our delivery against our 2010 – 2014 SLP

We invested

R413.4 million* between 2010 and 2014 on basic infrastructure, health, education, poverty alleviation, job creation and community skills development

R133.0 million total SLP expenditure for 2014 (R105.2 million in 2013)

We spent

R25.8 million on infrastructure development

R2.5 million on community enterprise development

R22.8 million on health support

R280.2 million on SLP human resource development

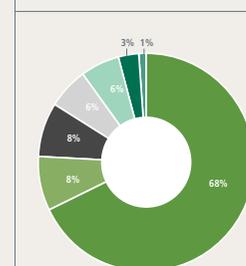
R32.3 million on education support

R12.8 million on community skills development

R31.3 million on job creation and poverty alleviation

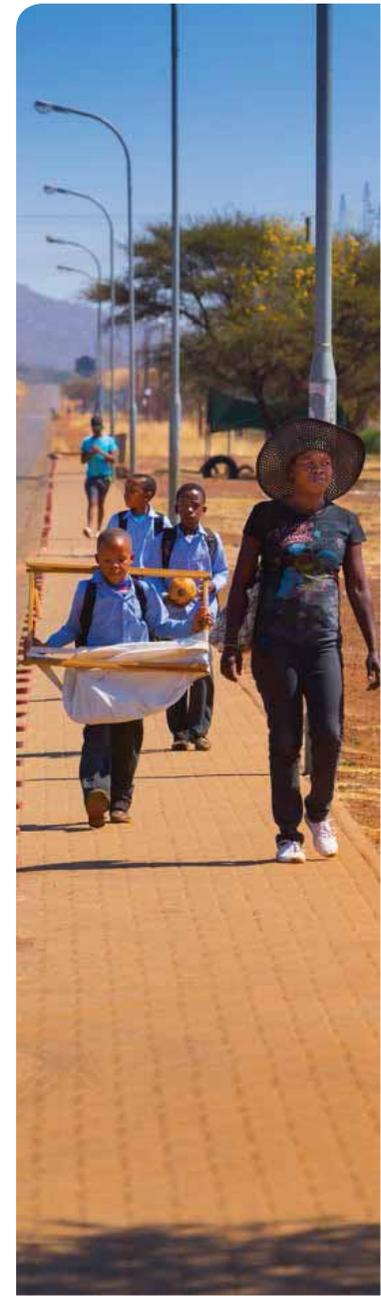
* Including discretionary spend

SLP delivery 2010 – 2014



- SLP HRD
- Poverty alleviation and job creation
- Community infrastructure
- Community skills development
- Education support
- Health support
- Discretionary funds

The walkway we built in Mafenya village means the children are safer because they don't have to walk in the road on their way to and from school



SOCIAL AND RELATIONSHIP CAPITAL

CONTINUED

Education support and community skills development

RBPlat is particularly committed to its education projects and skills development of community members and its own employees. This is because by providing them with education and development opportunities we are giving them better opportunities in life. We particularly want to help local children receive the maths and science education they need to be able to have a career in the fields of engineering, science or finance.

It is important that children receive the best possible teaching from the outset. The Chaneng Primary School had no classroom space for a Grade R class, so we constructed a classroom for them and also provided playground equipment. The children can now start their schooling in an environment conducive to learning.

At Charora High School the facilities in the maths and science classrooms urgently needed attention. Both were upgraded and the school now has a state-of-the-art science laboratory. To go with the upgraded classrooms RBPlat, working with the Royal Bafokeng Institute, which is responsible for education in RBN schools, sought out the best maths and science teachers they could find.

We are delighted that since the upgrading of their classrooms and the introduction of two very skilled teachers there have been improvements in maths and science results. The Grade 11 learners, who have been taught by the new teachers for two years, have shown the greatest improvement in both maths and science.

We have upgraded the Rasimone Intermediate School. We also support Thuto Thebe (Education is a shield), the education fund established by the Queen Mother of the RBN. Its purpose is to assist learners in and beyond the borders of the Bafokeng Nation and ensure that young South Africans are well armed with education, so they may go forward to spearhead a self-sufficient South African nation in the future.

In support of the value of physical exercise and sporting skills

The RBN, through Royal Bafokeng Sports (RBS), focuses on using the positive influence of sport on society. We received an appeal from the Principal of Chaneng Primary School for assistance with the upgrading of their sports facilities. We consulted with the schools in our communities regarding their requirements and provided the five schools in MACHARORA with world class sports facilities. Each school has a FIFA approved artificial turf football field, a FIBA approved netball/basketball court, male and female change rooms, two pavilions, two boreholes and, where appropriate, we fenced them. We also provided transport for their sports teams and RBS undertook to support a school football league.

Artificial surfaces were used for both the football fields and the netball courts to reduce upkeep.

Job creation and poverty alleviation

Our job creation and poverty alleviation has focused on agriculture. Research has shown that the agricultural sector is able to create long-term jobs in small, medium and micro enterprises (SMMEs). The Rustenburg Municipality has prioritised SMME support in this sector.

Promoting food security and poverty alleviation

We have helped community members grow vegetables that they can use to feed their families and sell to earn an income, turned a start-up vegetable growing project into a commercial enterprise and are helping subsistence farmers become commercial farmers.

We identified 75 households in the villages to participate in a project that supplied each household with a tunnel for growing vegetables, a roof tank with gutters to collect rain water, two 5 000 litre buried storage tanks with a silt trap to filter the rain water, and channels to collect surface water run-off and a hand pump. Each villager was provided with training on how to use all the equipment.

Agricultural enterprise development

In 2011 BRPM, supported by an agricultural company, helped start a commercial vegetable garden using vegetable tunnels for the Association of the Blind. Today the garden, which is in Chaneng village, has a permanent workforce of eight community members who plant seedlings and monitor the irrigation and condition of the vegetables. When the vegetables are ready for harvesting the garden hires an additional four workers from the local community to assist. The garden supplies beetroot, spring onions, spinach, chillies, red, green and yellow peppers to a restaurant at Sun City, Fruit and Veg City in Rustenburg, Rasimone Primary School and the Johannesburg Market.

RBPlat was asked by the communities to help the local livestock farmers to find sustainable solutions to the challenges they face, which include not having sufficient grazing available for the number of animals they own. We assisted by developing a database of the livestock, installing a spray race system and spraying, tagging and treating 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. In 2014 we introduced a livestock feeding programme in line with commercial farming methodologies.

We were also asked by the Department of Agriculture and Rural Development to assist with an agricultural project in Taung in the North West province. We cleared 40 hectares of land and prepared it for planting, installed a pump and a pipeline and fenced the area.

In support of the Rustenburg Local Municipality's prioritisation of SMME support, we have developed a light industry centre with the aim of providing an incubation facility for SMMEs. The centre will provide infrastructure and offer support and training to agriculturally active households in the MACHARORA communities.



For more information on our community skills development programmes see pages 106 to 108 of the Training and development section of this report.

Mathematics

27.15% improvement in the overall pass rate in Grade 10

34.85% increase in the overall pass rate in Grade 11

Physical Science

17% improvement in Grade 10 marks

14% improvement in Grade 12 overall pass rate

67% improvement in the overall pass rate in Grade 11

15% improvement in the average pass rate

The school told us that the foundation laid by the new teachers in 2013 is beginning to achieve a notable shift in the learners' performance and hopefully, if this trend continues, they can expect some good results at the end of 2015 when the Grade 11 learners write matric exams

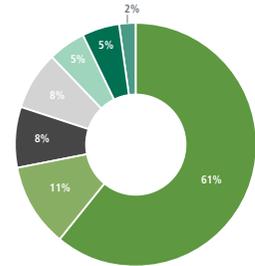
The start of the day in the Grade R classroom at Chaneng Primary School constructed and equipped by RBPlat



SOCIAL AND RELATIONSHIP CAPITAL

CONTINUED

SLP commitments 2015 – 2019



- SLP HRD
- Poverty alleviation and job creation
- Community infrastructure
- Community skills development
- Education support
- Health support
- Discretionary funds

Our plans for the next five years

We planned and received approval of our SLPs for 2015 – 2019 through consultative engagement with community leadership, the Royal Bafokeng Administrators (RBA) in terms of supporting and integrating with the Nation's Master plan and the Rustenburg Local Municipality regarding supporting and integrating with its integrated development plan.

We await approval of these plans from the DMR.

Basic infrastructure

We will:

- > continue replacing the unsafe homes of villagers in MACHARORA with safe homes and repairing homes
- > build paved roads and a pedestrian walkway
- > upgrade the Rasimone/Mafenya cemetery.

Health

We will:

- > complete the forensic pathology facility in Phokeng
- > continue to support the Chaneng clinic with additional nursing staff
- > conduct a feasibility study into the construction of a health centre for the communities, which will be followed by the construction of the centre for which we will also provide support. We will be partnering with the Department: Health and neighbouring mines for the health centre project.

Education

We will:

- > continue with our school support programme to help local children receive the maths and science education they need to be able to have a career in the fields of engineering and science and to encourage more children to take maths and science for matric
- > invest in upgrading school infrastructure in our communities
- > continue to support Thuto Thebe
- > upgrade various schools by providing infrastructure and converting classrooms.

Poverty alleviation and job creation

We will:

- > complete and open the facilities of the light industry hub described previously

- > continue with the MACHARORA livestock support programme
- > complete the Taung farming project.

RBPlat has also budgeted for poverty alleviation and job creation projects in our labour sending areas. These are still to be finalised.

Community skills development

Our aim is to:

- > provide leadership development training to community leaders
- > continue with our training of community members as operators of the mechanised equipment used in Styl drift I
- > invest further in our apprenticeship programme.

Procuring from local community businesses

Procuring from local black-empowered businesses helps alleviate poverty and can create employment in the region in which we operate. Over the past five years we have been able to meet, and where possible exceed, our preferential procurement targets in terms of the Mining Charter Scorecard and procure as much as possible from black-empowered businesses, but in particular local black-owned businesses. Procuring from local suppliers does, however, often come at a price premium because as small businesses they do not have the purchasing power or resources that would make them more competitively priced.

To assist local enterprises RBPlat works with Royal Bafokeng Enterprise Development (RBED), which acts as a liaison between RBPlat and local small businesses. We appointed a Black Empowerment and Enterprise Development Manager in 2014, whose role is to assist these enterprises with their development and help local black-empowered businesses manage tender processes, contract negotiations and pricing.

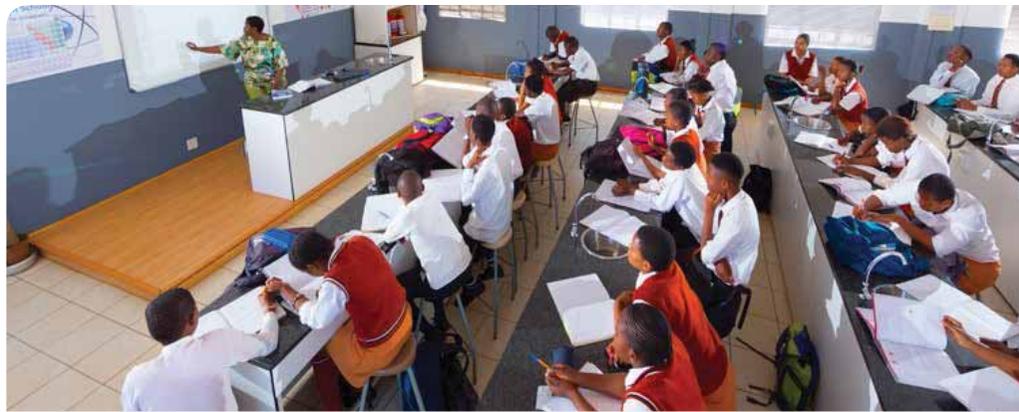
- ↘ The football field we installed at Charora High School is also used during lifestyle lessons



- ↘ Charora High School Grade 11 pupils enjoy a game of football during the break



- ↘ Teacher Maggy Motshogoa, whose salary is funded by RBPlat, teaching the Grade 10 physical science class at Charora High School in the new science lab provided by RBPlat. Despite the size of the class (around 50 children) Maggy has achieved a 67% improvement in the overall pass rate of this class since she started teaching at Charora High School



SOCIAL AND RELATIONSHIP CAPITAL

CONTINUED



Discretionary procurement from HDSAs

We spent

R5.9 billion

on discretionary procurement from HDSA businesses over the past four years

2011

R1.3 billion

2013

R1.4 billion

2012

R1.3 billion

2014

R1.9 billion

- > RBPlat has exceeded Mining Charter targets for discretionary procurement from HDSAs since 2011
- > 64.67% of discretionary procurement was from HDSA businesses in 2013
- > 68.13% of our discretionary procurement was from HDSA businesses (R1.9 billion) in 2014

The purpose of our enterprise development programme is to identify opportunities to assist emerging and established local entrepreneurs with making their business more sustainable by increasing their capabilities and competitiveness.

RBPlat's supply chain management hosted an open day for suppliers in 2014. Its purpose was to update suppliers on our procedures and the process they need to follow in order to access HDSA procurement opportunities. RBED also attended the open day.

Capital goods

In 2014 RBPlat acquired 63.36% of its capital goods from HDSA suppliers, which amounted to R970 million. (The Mining Charter targets for capital goods

started out at 5% of discretionary procurement in 2010, increasing to 40% by 2014.)

Services

In 2014 we acquired 71.22% of our services from HDSA suppliers, which exceeded the Mining Charter target by 1.22%. (The Mining Charter targets for services started out at 30% of discretionary procurement in 2010, increasing to 70% by 2014.)

Consumables

In 2014 we acquired 79.68% of our consumables from HDSA suppliers, which exceeded the Mining Charter target by 29.68%. (The Mining Charter targets for consumables started out at 10% of discretionary procurement in 2010, increasing to 50% by 2014.)

Our relationships

All our stakeholder relationships impact directly and indirectly on our business and its reputation. Because of the importance of stakeholder engagement and responsiveness to RBPlat it has the highest risk ranking.

Every aspect of our business interacts with stakeholders who are relevant to that particular part of our business, on issues that apply specifically to it.

We have identified and discussed these relationships in the relevant sections of this report. To assist you we have directed you to the specific sections of the report where you can find more information on our relationships with specific stakeholders in terms of the capitals, our Chief Executive Officer's review, Transparency and accountability and the Group material issues.

The girls at Charora High School enjoy a game of netball



A detailed table of our discretionary procurement spend can be found in our website at www.bafokengplatinum.co.za.

Our stakeholder relationships

| | Investor community | Providers of debt | Employees and unions | Government and regulators | Communities | Suppliers | Customers | Associated stakeholders | Business and joint venture partners |
|-------------------------------------|---|--|--|--|---|--|--|---|---|
| Stakeholders | <ul style="list-style-type: none"> > Royal Bafokeng Holdings (RBH), Anglo American Platinum, institutional investors, retail investors and sell-side analysts | <ul style="list-style-type: none"> > South African banks | <p>Employees:</p> <ul style="list-style-type: none"> > BRPM and Stydrift I enrolled employees, BRPM contractors and Stydrift contractors <p>Unions:</p> <ul style="list-style-type: none"> > National Union of Mineworkers (NUM) | <ul style="list-style-type: none"> > Departments: Environmental Affairs, Human Settlements, Labour, Mineral Resources, Water and Sanitation > Royal Bafokeng Administration (RBA) > Rustenburg Local Municipality > JSE Limited | <ul style="list-style-type: none"> > Royal Bafokeng Nation (RBN), the Robega, Chaneng, Rasimone and Mafenyha villages | <ul style="list-style-type: none"> > Major suppliers, such as Eskom and Magalies Water and mining and plant-related suppliers, SMME suppliers and sub-contractors | <ul style="list-style-type: none"> > Anglo American Platinum Limited | <p>International and industry bodies:</p> <ul style="list-style-type: none"> > International Platinum Group Metals Association (IPA) <p>Local industry bodies:</p> <ul style="list-style-type: none"> > Chamber of Mines of South Africa, South African Institute of Mining and Metallurgy > CEO's Forum > The media > NGOs | <ul style="list-style-type: none"> > Anglo American Platinum, including Rustenburg Platinum Mine, Impala Platinum Limited and neighbouring mines |
| Most material issues in 2014 | <ul style="list-style-type: none"> > The most material issues this year were the capital raising programme and progress on the Stydrift I project | <ul style="list-style-type: none"> > Business profitability > Risk management > Progress of Stydrift I | <ul style="list-style-type: none"> > New wage agreement for enrolled employees > Employee home ownership scheme > Aligning contractor wage agreement with enrolled employees and all volume contractors on medical aids | <ul style="list-style-type: none"> > Employee home ownership scheme > Amendments to the Minerals and Petroleum Resources Development Act (MPRDA) > Safety issues – fatalities and Section 54s > Water use licences > Labour relations > Compliance with SLPs – completion and handover of projects > Royal Bafokeng Institute's (RBI) relationship with Department: Education regarding upgrading maths and science teaching in community schools > RBA's relationships with Department: Traditional Affairs and Cooperative Governance > RBA's impact on our ability to deliver our SLP projects > Alignment with Integrated Development Programme (IDP), employee home ownership scheme, rates, taxes and municipal services exemption > Compliance with JSE Listings Requirements | <ul style="list-style-type: none"> > Delivery of social and labour plan projects > Breakdown of formal community engagement as a result of leadership issues in the community | <ul style="list-style-type: none"> > Continuity of supply of water and electricity > Meeting and exceeding Mining Charter HDSA preferential procurement targets > Enterprise development in local communities > Contract terms and pricing | <ul style="list-style-type: none"> > Meeting terms of agreement | <ul style="list-style-type: none"> > Keeping abreast of market and industry developments > Reputation management > Input into submissions regarding amendments to the MPRDA > Input into platinum industry labour relations stability | <ul style="list-style-type: none"> > Success of capital raising programme > Implats royalty agreements > Partnering with neighbours on community projects |
| For information |  See pages 64 and 88 |  See pages 40 and 80 |  See pages 94 and 95 |  See pages 94 to 95, 110 to 111, 124 to 125 and 144 to 145 |  See pages 124 to 125 |  See pages 62 to 64, 134 and 151 to 152 |  CEO's review See pages 57 and 58 |  CEO's review, See pages 56 to 57 | |

↳ To manage the diversity on our sites RBPlat has developed a long-term biodiversity monitoring programme which includes an alien plant control programme, a fire management plan, the promotion of the sustainable use of natural resources in the area and improving our understanding of the biodiversity of the area

OUR PERFORMANCE AGAINST THE CAPITALS

NATURAL CAPITAL



| | |
|--|-----|
| SUMMARY OF MINERAL RESOURCES AND RESERVES | 140 |
| OUR KEY NATURAL CAPITAL STAKEHOLDERS | 146 |
| OUR APPROACH TO ENVIRONMENTAL MANAGEMENT | 148 |
| EVALUATING THE EFFECTIVENESS OF OUR APPROACH | 149 |

PERFORMANCE

ACHIEVEMENTS



- > Construction of water treatment plant on track
- > Maintained our ISO 14001 certification of BRPM
- > Obtained three environmental authorisations

IN SUPPORT OF UN GLOBAL COMPACT PRINCIPLES 7, 8 and 9

Environment

As a signatory of the UN Global Compact (UNGC), RBPlat is committed to

Principle 7: Businesses should support a precautionary approach to environmental challenges (See page 146)

Principle 8: Undertake initiatives to promote greater environmental responsibility (See page 148)

Principle 9: Encourage the development and diffusion of environmentally friendly technologies (See page 156 regarding product stewardship)

DISAPPOINTMENTS



- > Our paper recycling project did not materialise as the service provider was only appointed in the last quarter of 2014
- > An MPRDA Section 93 notice was issued by DMR to Styldrift 1 to address three minor environmental contraventions

CHALLENGES



- > Ongoing challenge of achieving a mutual understanding between communities/interested and affected parties and mining companies of the purpose of holding public participation meetings
- > Reducing our carbon and water intensities

SUMMARY OF MINERAL RESOURCES AND RESERVES



RBPlat's detailed resources and reserves statement can be found at www.bafokengplatinum.co.za

The mineral resources and mineral reserves of RBPlat are classified, verified and reported according to the prescribed South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC). The resources and reserves are stated as RBPlat's attributable interest (67%) of Royal Bafokeng Platinum and include those of Boschkoppie 104 JQ, Styldrift 90 JQ and portions 10, 14 and 17 of Frischgewaagd 96 JQ. They have been prepared under the guidance of competent persons from RBPlat, in accordance with the principles and guidelines of the South African Code of Mineral Resources and Mineral Reserves (SAMREC Code, 2007, amended in July 2009). The remnant in situ mineral portfolio is summarised below.

Inclusive mineral resources, 67% interest of total resource and reserve classification

| Mineral resources | | 2014 | 2013 | % change |
|---------------------|-----|--------|--------|----------|
| Tonnage | Mt | 243.12 | 243.01 | 0.04 |
| 4E grade | g/t | 6.12 | 6.17 | (0.81) |
| Contained 4E ounces | Moz | 47.83 | 48.20 | 0.77 |

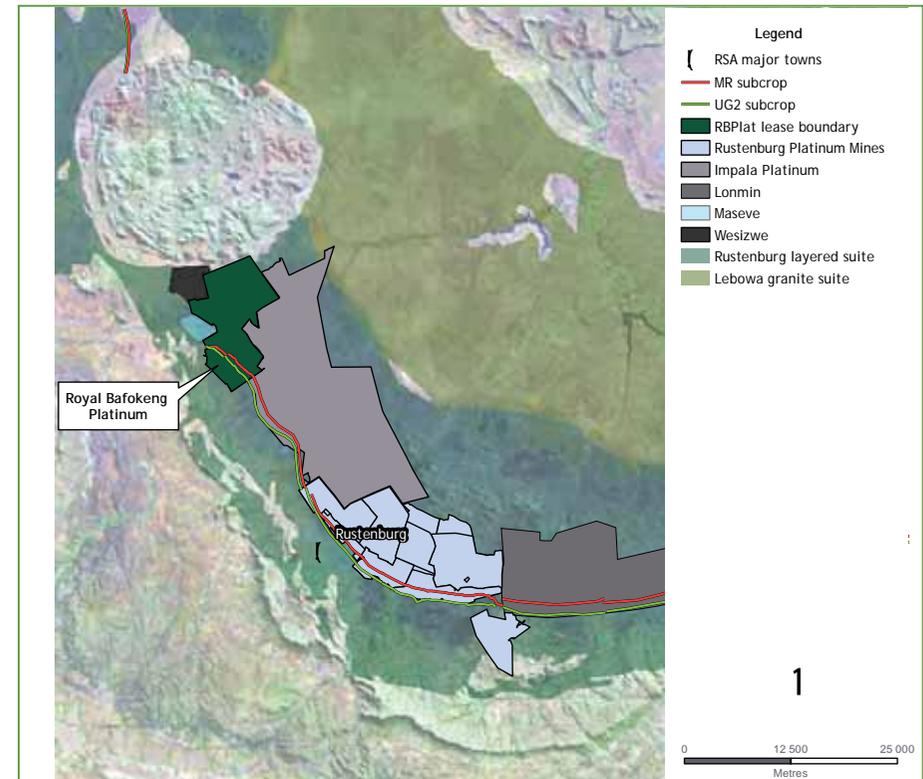
| Mineral reserves | | 2014 | 2013 | % change |
|---------------------|-----|-------|-------|----------|
| Tonnage | Mt | 80.21 | 80.54 | (0.4) |
| 4E grade | g/t | 4.13 | 4.11 | 0.5 |
| Contained 4E ounces | Moz | 10.66 | 10.65 | 0.1 |

Mineral resource classification in accordance with the SAMREC coding

| Mineral resources | SAMREC measure | 2014 % | 2013 % | % change |
|-------------------|----------------|--------|--------|----------|
| Merensky | Measured | 50 | 45 | 11 |
| | Indicated | 30 | 35 | (14) |
| | Inferred | 20 | 20 | - |
| UG2 | Measured | 47 | 38 | 24 |
| | Indicated | 37 | 40 | (8) |
| | Inferred | 15 | 22 | (32) |

Geological setting

RBPlat mining operations and projects are positioned immediately south of the Pilanesberg Alkaline Complex within the Rustenburg Layered Suite (RLS) of the Western Limb in the Bushveld Igneous Complex (BIC). The BIC comprises four major zones and subsequent layered sub-zones and horizons, each with its own chemistry and characteristics. Multiple economic commodities are mined within the complex along the layering, including the platinum group metals (PGMs), chrome (Cr), vanadium and base metal by-products. RBPlat mines the economic layers of the RLS Critical Zone namely the Merensky reef and the second Upper Group Chrome seam (UG2 reef) for PGMs.



Location of RBPlat operations and projects

Inclusive mineral resources, 67% attributable to RBPlat, 31 December 2014

| Resource classification | | Tonnes Mt | | 4E grade g/t | | Contained 4E Moz | |
|-------------------------|--------------|---------------|---------------|--------------|-------------|------------------|--------------|
| | | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Merensky | Measured | 53.73 | 47.65 | 7.50 | 7.51 | 12.96 | 11.50 |
| | Indicated | 34.12 | 39.28 | 6.97 | 6.98 | 7.64 | 8.82 |
| | Inferred | 20.44 | 20.83 | 7.76 | 7.80 | 5.10 | 5.23 |
| | Total | 108.29 | 107.75 | 7.38 | 7.37 | 25.70 | 25.55 |
| UG2 | Measured | 62.30 | 49.82 | 5.22 | 5.32 | 10.45 | 8.52 |
| | Indicated | 51.47 | 55.32 | 5.00 | 5.11 | 8.27 | 9.09 |
| | Inferred | 21.06 | 30.12 | 5.03 | 5.21 | 3.41 | 5.05 |
| | Total | 134.83 | 135.26 | 5.11 | 5.21 | 22.13 | 22.65 |
| Total | Measured | 116.03 | 97.47 | 6.28 | 6.39 | 23.41 | 20.02 |
| | Indicated | 85.59 | 94.59 | 5.78 | 5.89 | 15.91 | 17.91 |
| | Inferred | 41.50 | 50.95 | 6.38 | 6.27 | 8.51 | 10.27 |
| | Total | 243.12 | 243.01 | 6.12 | 6.17 | 47.83 | 48.20 |

SUMMARY OF MINERAL RESOURCES AND RESERVES

CONTINUED

Keynotes

The Merensky reef resources inclusive of mineral reserves increased by 0.54Mt and 0.15Moz due to the following factors, each of which contributed less than 0.5% change to the 4E metal content compared to 2013:

- > Increase in resource cut from 1.13m to 1.15m
- > Increase in 4E grade of 0.11%.

The UG2 reef resources inclusive of mineral reserves decreased by 0.43Mt and 0.52Moz due to the following factors, each of which contributed less than 2% change to the 4E metal content compared to 2013:

- > Depletion
- > Decrease in 4E grade of 2%
- > Increase in geological loss of 0.69%.

Exclusive mineral resources, 67% attributable to RBPlat, 31 December 2014

| Resource classification | | Tonnes Mt | | 4E grade g/t | | Contained 4E Moz | |
|-------------------------|--------------|---------------|---------------|--------------|-------------|------------------|--------------|
| | | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Merensky | Measured | 26.21 | 20.94 | 7.91 | 8.06 | 6.67 | 5.43 |
| | Indicated | 22.19 | 25.90 | 7.00 | 7.10 | 4.99 | 5.91 |
| | Inferred | 20.44 | 20.83 | 7.76 | 7.80 | 5.10 | 5.23 |
| | Total | 68.84 | 67.68 | 7.57 | 7.62 | 16.76 | 16.57 |
| UG2 | Measured | 35.60 | 23.33 | 5.08 | 5.20 | 5.81 | 3.90 |
| | Indicated | 43.51 | 47.52 | 4.99 | 5.15 | 6.98 | 7.87 |
| | Inferred | 21.06 | 30.12 | 5.03 | 5.21 | 3.41 | 5.05 |
| | Total | 100.17 | 100.97 | 5.03 | 5.18 | 16.20 | 16.82 |
| Total | Measured | 61.81 | 44.28 | 6.28 | 6.55 | 12.48 | 9.33 |
| | Indicated | 65.70 | 73.43 | 5.67 | 5.84 | 11.97 | 13.79 |
| | Inferred | 41.50 | 50.95 | 6.38 | 6.27 | 8.51 | 10.27 |
| | Total | 169.01 | 168.65 | 6.07 | 6.16 | 32.96 | 33.39 |

Keynotes

The Merensky reef resource exclusive of mineral reserves increased by 1.16Mt and 0.19Moz due to the following:

- > Increase in resource cut from 1.09m to 1.11m.

The UG2 reef resource exclusive of mineral reserves decreased by 0.80Mt and 0,61Moz due to the following:

- > An increase of 2.9% in geological losses
- > Decrease in the 4E grade from the updated resource estimate.

Mineral reserves, 67% attributable to RBPlat, 31 December 2014

| Reserve classification | | Tonnes Mt | | 4E grade g/t | | Contained 4E Moz | |
|------------------------|--------------|--------------|--------------|--------------|-------------|------------------|--------------|
| | | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Merensky | Proven | 29.30 | 27.39 | 4.48 | 4.46 | 4.22 | 3.93 |
| | Probable | 13.77 | 15.13 | 4.21 | 4.19 | 1.86 | 2.04 |
| | Total | 43.07 | 42.52 | 4.39 | 4.37 | 6.08 | 5.97 |
| UG2 | Proven | 29.50 | 29.46 | 3.87 | 3.88 | 3.67 | 3.67 |
| | Probable | 7.65 | 8.56 | 3.71 | 3.65 | 0.91 | 1.00 |
| | Total | 37.14 | 38.03 | 3.83 | 3.83 | 4.58 | 4.68 |
| Total | Proven | 58.80 | 56.85 | 4.17 | 4.16 | 7.89 | 7.60 |
| | Probable | 21.41 | 23.69 | 4.03 | 4.00 | 2.77 | 3.04 |
| | Total | 80.21 | 80.54 | 4.13 | 4.11 | 10.66 | 10.65 |

RBPlat exploration department conducting down hole geophysics in the Styldrift II project area



Key environmental material issues

| Key material issues | Key performance indicators that were our focus in 2014 | What we achieved in 2014 | Focus for 2015 |
|--|--|---|--|
| Towards operational excellence | | | |
| <ul style="list-style-type: none"> > Water use management (this relates to the Group key material issue of availability of utilities) | <ul style="list-style-type: none"> > BRPM – commence with construction of the first phase of the water treatment plant and continue to measure total water usage > Styldrift I and BRPM to obtain approval of the amendments to the water use licences (WUL) > Amendments to the BRPM integrated water and waste management plan (IWWMP) | <ul style="list-style-type: none"> > First phase of the water treatment plant we are constructing will be commissioned in the first quarter of 2015 > RBPlat total water usage* increased by 6% year-on-year > The Styldrift I WUL amendment applications were re-submitted to Department: Water and Sanitation (DWS). We maintain ongoing engagements with them. We still await approval > The BRPM WUL amendment was also submitted to the DWS. We await approval > The BRPM IWWMP is not finalised | <ul style="list-style-type: none"> > Commissioning of first phase of water treatment plant in first quarter of 2015, which will reduce our dependence on Magalies Water > Continue to engage with DWS for the WUL amendments > Finalise the BRPM IWWMP and submit to DWS |
| <ul style="list-style-type: none"> > Management of energy use (electricity and fuel) | <ul style="list-style-type: none"> > Styldrift I and BRPM to measure total energy consumption | <ul style="list-style-type: none"> > Decline in kWh/tonne delivered > Steady performance in kWh/tonne treated > Total energy consumption* increased by 8% year-on-year | <ul style="list-style-type: none"> > Reviewing energy saving initiatives already implemented with the aim of further optimisation and also implementing new projects identified |
| <ul style="list-style-type: none"> > Reducing our carbon intensity per tonne of concentrate produced | <ul style="list-style-type: none"> > Achieving a reduction in our carbon intensity and measuring our greenhouse gas emissions (GHG) (Scope 1 and 2) and total energy consumption | <ul style="list-style-type: none"> > Slight decline in CO₂e tonnes/ROM tonne delivered to the concentrator > GHG emissions (Scope 1 and 2*) increased by 14% and 12% respectively | <ul style="list-style-type: none"> > Reducing our carbon intensity per tonne of concentrate produced and per tonne ore delivered |
| <ul style="list-style-type: none"> > Impact of additional concentrating capacity and the further development of Styldrift I | <ul style="list-style-type: none"> > Assessing the impact of establishing additional concentrator capacity and achieve environmental authorisations for the second phase of the plant upgrade | <ul style="list-style-type: none"> > Environmental authorisation was not required to upgrade the existing BRPM concentrator as the upgrade was already included in the approved Styldrift I environmental management programme issued by the DMR in 2008. The plant upgrade is in progress | <ul style="list-style-type: none"> > Assess the environmental impact of additional 100ktpm standalone UG2 plant. Initiate the environmental impact assessment (EIA) application process |
| <ul style="list-style-type: none"> > Consultation with interested and affected parties regarding environmental impact assessments and management programmes | <ul style="list-style-type: none"> > Finalise outstanding applications and environmental management programme (EMPR) amendments and roll out the stakeholder engagement framework | <ul style="list-style-type: none"> > Three EIA and EMPR amendment approvals were received > A public participation meeting was held with interested and affected parties on 9 April 2014 to share information on proposed new projects | <ul style="list-style-type: none"> > Obtain outstanding approvals for EIA applications and EMPR amendments and communicate with communities and interested and affected parties in this regard |

* These key performance indicators have been assured (See page 187 of the assurance statement)

NATURAL CAPITAL

CONTINUED



COMMUNITIES

DEPARTMENT:
ENVIRONMENTAL
AFFAIRS

DEPARTMENT: WATER
AND SANITATION

DEPARTMENT: MINERAL
RESOURCES

EMPLOYEES

ESKOM

INVESTOR
COMMUNITY

JOINT VENTURE
PARTNERS

MAGALIES WATER

NORTH WEST
DEPARTMENT OF
RURAL ENVIRONMENT
AND AGRICULTURAL
DEPARTMENT

Key stakeholders of natural capital in relation to environmental management

The communities in which we operate and our workforce are key stakeholders of RBPlat in terms of its approach to environmental management. Our social licence to operate depends on our relationship with the communities in which we operate. We are committed to preventing environmental pollution and ensuring that our operations do not negatively impact on the environment in which our workforce and the communities live and work.

In terms of our environmental management our engagement with the community includes public participation meetings regarding environmental impact assessments and environmental management programmes. We also address environmental issues through our regular community meetings.

One public participation meeting was held this year to provide interested and affected parties with information on our proposed new projects. Please refer to page 149 for details of these projects.

Through the regular community meetings we were informed that our concentrator crusher plant was causing noise and vibration in Rasimone village. In conjunction with the Centre for Asset Integrity Management of the University of Pretoria, a technical solution was implemented to address the problem.

The Centre will establish the effectiveness of the solution and regularly monitor its continued effectiveness.

We regularly engage with the Departments: Water and Sanitation (DWS), Mineral Resources (DMR) and Environmental Affairs (DEA) in connection with the environmental management of our operations. This allows us to ensure compliance with legislation, share our environmental plans and programmes with them and to better understand their requirements and any concerns they may have.

RBPlat keeps its shareholders, potential investors and providers of debt informed on its environmental performance through its integrated report and presentations that its management makes to these stakeholders.

We engage with our employees through meetings, induction training, awareness training, newsletters and environmental talk topics. Our aim is to ensure that they understand the importance of protecting the environment, the people living in it and the fact that the natural resources available to us and in particular water, are limited. We also ensure they understand our commitments in terms of our environmental management programme reports (EMPR), compliance with environmental legislation and our ISO 14001 environmental management system.

The Fraser Alexander team measuring the levels of the return water dam at BRPM



An integrated approach to our environmental responsibilities

Project planning

- > Feasibility studies and environmental impact assessment (EIA), and social impact assessments (SIA)

Project construction

- > Management of environmental impacts: air quality, water quality and quantity, waste management, biodiversity management and hazardous substance management

Operation

- > Management of environmental impacts: air quality, water quality and quantity management, waste management, biodiversity management, hazardous substance management and concurrent rehabilitation

Closure

- > Rehabilitation and land reclamation

Post closure

- > Ongoing environmental monitoring

Our approach to environmental management

The environmental activities and areas of focus throughout our mining lifecycle

Our approach to environmental management is based on international best practice, legal compliance and maintaining our environmental and social licence to operate. Key aspects of our environmental management include:

> **Governance**

- Management accountability is central to our integrated approach. Our Board of directors and our Chief Executive Officer, assisted by the Board's Social and Ethics Committee, are accountable for RBPlat's environmental management and our impact on climate change. The Social and Ethics Committee, which is supported by our Sustainability Committee, also provides overall direction on our sustainability.

The Senior Safety, Health, Environment and Risk (SHER) Manager reports on environmental matters at the Social and Ethics Committee. The Head: Corporate Sustainability reports to the Sustainability Committee and Social and Ethics Committee on corporate sustainability matters.

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

> **Compliance and control**

Our environmental team is responsible for ensuring that RBPlat's environmental policies and procedures are aligned with all legal and regulatory requirements. The team is also responsible for the auditing of the implementation of environmental policies, standards and procedures in our operations.

External independent environment audits are also conducted regularly to ensure compliance with the environmental procedures, standards, policies, environmental management programme reports (EMPR) commitments, permit conditions and legal and other requirements to which we subscribe. Line management is accountable for the effective implementation of the environmental management system (EMS).

We review our environmental risks and opportunities annually and when the need arises. Management plans are in place for all our significant environmental risks.

We measure and monitor our water usage (potable and industrial water, including our recycled water), energy consumption, surface and ground water quality, dust fall out levels, ambient dust and noise levels, particulate matter (pm10), as well as ground vibration. We submit our monitoring results to the relevant authorities as per our permit condition requirements.

> **Strategy**

Our Group-wide environmental strategy was revised in 2014. This strategy is an integral part of the safety, health and environmental (SHE) management system we use to manage our environmental risks, aspects and impacts.

> **Management systems**

At BRPM our ISO 14001 EMS is audited for re-certification every year by independent external parties as part of our business strategy. Once stopping production begins at Styldrift I we will apply for ISO 14001 certification for the mine. We are currently developing the EMS for Styldrift I.

Evaluating the effectiveness of our approach

We retained our ISO 14001 EMS certification for BRPM. We were disappointed that during a DMR inspection at Styldrift I on 19 June 2014 a Section 93 notice was issued in terms of the MPRDA. The inspectors identified three minor contraventions: the bund wall at one of the hydrocarbon storage

areas was too small; oil filters were incorrectly disposed of on bare ground next to a waste rock dump and in one area the inspectors found that we were not effectively minimising the effects of liberated dust, which led to air pollution. All three of these issues have since been rectified.

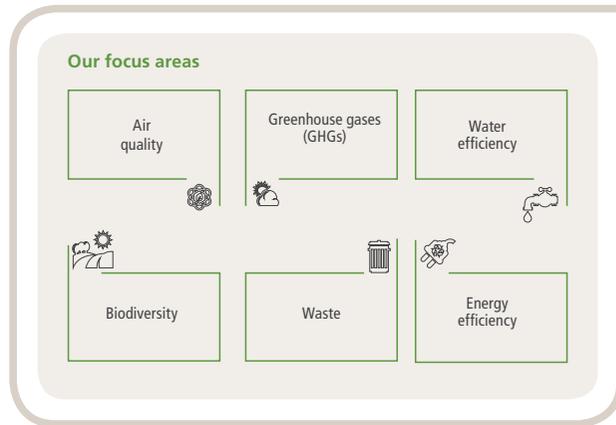
The following EIAs and EMPRs were submitted and approved by the relevant authorities:

- > Addendum to Styldrift I original EMP for the placement of three ventilation shaft fans on surface
- > The transportation of ore via an overland conveyor belt from the Styldrift Mine Complex to the BRPM concentrator
- > Construction of the BRPM light industrial hub.

We held a public participation meeting with interested and affected parties on 9 April 2014 to introduce them to the following projects:

- > Incorporation of Frischgewaagd Prospecting Rights into the existing Styldrift Mining Right. This project only requires a Section 102 application in terms of the MPRDA
- > Construction of a tailings storage facility (TSF) next to the existing BRPM TSF. This project requires authorisations in terms of the National Environmental Management Act (NEMA), the National Water Act, and MPRDA Section 102
- > Relocation of an existing power line to accommodate the TSF. This project requires authorisation in terms of NEMA
- > Construction of a conveyor belt between the Styldrift Mine Complex and the BRPM concentrator. This project only required approval in terms of the NEMA as it was already approved in terms of MPRDA
- > Construction of storage facilities for fuels and other chemicals which are considered dangerous goods and the rehabilitation of the Styldrift I access road river crossing. These projects require approval in terms of the NEMA.

See page 172 of the governance report for a diagram showing RBPlat's governance framework.



Our approach to climate change

Climate change remains an important longer-term risk for our business. RBPlat has used the information gained from a climate change vulnerability risk assessment of our operation conducted by KPMG in its risk management model to ensure we reduce our exposure to these risks.

Climate change risks are complex as they include operational risks such as business continuity, employee health and safety, environmental aspects, regulatory aspects, community needs and their perceptions of the impact of the mining industry on their environment.

The highest risks to our operations were identified as flooding and extreme storms which could cause business interruptions.

Our operations are located in an arid water-scarce area where prolonged drought conditions could limit production growth or prevent us from operating. A reduction in the availability of potable water from Magalies Water could also interrupt our business, have health impacts and create tension between RBPlat and the communities in which we operate.

We have taken steps to reduce our dependence on Magalies Water by building a water treatment plant at BRPM. See the water management section on page 152 for details.

Understanding our carbon footprint

- > 12.7% increase in our carbon intensity in 2014
- > 7.8% decrease in carbon intensity per employee year-on-year
- > 1.5% increase year-on-year in emissions intensity in relation to the ROM tonnes delivered to the concentrator
- > 6.3% decrease in the revenue metric (carbon intensity per rand of revenue).

Our carbon footprint has been assessed by an external party every year for the past five years. We have used this information to help us improve our carbon intensity, however, the information is assessed at the end of each financial year. In order to better manage our carbon intensity we need to have more current information available to us. This will allow us to have the information we need to take immediate action to reduce our carbon footprint. To achieve this we are acquiring the necessary systems and equipment to measure our carbon footprint throughout the year.

To reduce our carbon intensity we need to improve our efficiency in terms of the amount of fuel and electricity we use to produce a tonne of concentrate.

Of course, we also have a social responsibility to make every effort to reduce our carbon intensity.

Managing our emissions

There was a 12.7% increase in RBPlat's total CO₂e tonnes.

Scope 1

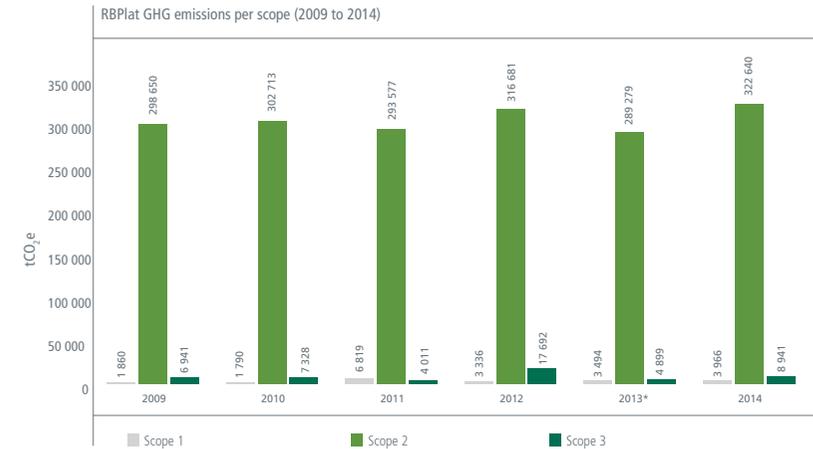
- > 14% increase in Scope 1 emissions (emissions from the consumption of petrol and diesel fuel). This was expected, as activity at Styldrift I increased so did the consumption of diesel by heavy off-road vehicles working on the project's development.

Scope 2

- > 12% increase in Scope 2 emissions (produced during the production of the electricity we purchase from Eskom). The grid emissions factor for electricity has increased during the reporting period from 0.98kgCO₂e/kWh to 1.01kgCO₂e/kWh

Scope 3

- > 83% increase in Scope 3 emissions. The increase in Scope 3 emissions at BRPM is due to ongoing reclamation activities and is also attributable to a restating of the 2013 waste data due to both data collection challenges and the method for calculating GHG emissions associated with waste generation.



* The restatement of numbers for 2013 is as a result of improvements in our calculation methodology

Energy consumption

| Type of energy | 2014 | GJ | 2013* | GJ | 2012 | GJ | % change |
|---|----------------|------------------|----------------|------------------|----------------|------------------|----------|
| Electricity consumption (MWh) BRPM | 285 288 | 1 027 037 | 271 184 | 976 262 | 285 362 | 1 027 303 | 5 |
| Electricity consumption (MWh) Styldrift | 32 668 | 117 605 | 22 590 | 81 324 | 19 377 | 69 757 | 45 |
| Total electricity consumption (MWh) RBPlat | 317 956 | 1 144 642 | 293 774 | 1 057 586 | 304 739 | 1 097 060 | 8 |
| Diesel (kl) RBPlat | 937 | 36 | 771 | 29.9 | 405 | 16 | 21 |
| Petrol (kl) RBPlat | 44 | 2 | 82 | 2.8 | 22 | 1 | (46) |
| Total energy use in GJ | | 1 144 679 | | 1 057 619 | | 1 097 077 | 8 |

* The restatement of numbers for 2013 is as a result of improvements in our calculation methodology

Managing our limited resources

Energy management

BRPM's electricity consumption increased by 5% year-on-year. The concentrator's electricity consumption in 2013 was considerably reduced by a plant shutdown. Styldrift's electricity consumption increased by 45% in line with the increase in project activities.

During 2014:

- > We completed the second phase of installing automatic control on the main ventilation fans vanes at both BRPM shafts
- > We shut down ventilation fans over weekends to reduce electricity usage

- > Maintenance of our main compressed air system to reduce leakage is ongoing
- > We continued with the extension of our underground compressed air control system to lower levels
- > We automated the auxiliary pumps and cooling tower fans for the compressor projects.

NATURAL CAPITAL

CONTINUED

RBPlats carbon intensity¹

| Metric | Unit | Quantity in unit 2013 | Carbon intensity/unit in 2013 | Quantity in unit 2014 | Carbon intensity/unit in 2014 | Relative % change (2013 to 2014) |
|--------------------------------------|--------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|----------------------------------|
| Tonnes milled | tCO ₂ e/'000 tonnes | 2 010 | 0.134 | 2 112 | 0.138 | 3.3 |
| ROM tonnes delivered to concentrator | tCO ₂ e/'000 tonnes | 2 310 | 0.116 | 2 471 | 0.118 | 1.5 |
| 4E ounces in concentrate | tCO ₂ e/'000 oz | 251 | 1.071 | 258 | 1.131 | 5.6 |
| Platinum in concentrate (oz) | tCO ₂ e/'000 oz | 164 | 1.639 | 168 | 1.737 | 6.0 |
| Revenue ('000) | tCO ₂ e/'000 ZAR | 3 251 | 0.083 | 3 768 | 0.077 | (6.3) |
| Number of employees | tCO ₂ e/FTE | 7 539 | 35.65 | 8 873 | 32.88 | (7.8) |
| Scope 1 and 2 emissions | tCO ₂ e/yr | 292 773 | - | 326 606 | - | - |

¹ The figures in this table only include those associated with mining operations at the BRPM JV site

We will be reviewing all our energy saving initiatives in 2015, in partnership with energy specialists with a view to further optimising what we have already achieved by taking advantage of new technology that has since become available and introducing any new initiatives we identify.

In 2015 we will be building intercept dams to catch fissure water at 2 level of BRPM's North shaft, from where we only have to pump this water approximately 100 metres to the surface, instead of having to use additional electricity to pump water approximately 500 metres, if it is allowed to drop down to the lower levels of the mine.

We have included energy management awareness as part of the mine induction and refresher programme when employees return from leave, for both our enrolled employees and contractors.

Water management

Our operations are in a water-scarce region where the increasing demand for fresh water has led to a shortage of water in some parts of the North West province. Our management of water resources includes:

- > reducing our potable water consumption by improving water use efficiencies and water recycling
- > preventing the contamination of ground and surface water resources
- > securing the availability of sufficient water for our current and future mining operations.

No water sources, except Magalies Water, are significantly affected by withdrawal of water for RBPlat's operations.

RBPlat has secured an adequate water allocation for our current and future mining requirements at BRPM and Styldrift I.

The first phase of the water treatment plant we are constructing at BRPM will be commissioned in the first quarter of 2015. Phase I will provide us with four megalitres of treated industrial water for use in the concentrator.

Preventing contamination

Work previously done on our clean and dirty water infrastructure at BRPM has ensured that we divert clean rainwater away from our operations and contain dirty water. The infrastructure in place at Styldrift I also ensures that rainwater is effectively diverted away from the operation.

Water efficiency

| Year | 2012 | 2013 | 2014 | % change year-on-year |
|---|---------|----------|----------|-----------------------|
| Potable water – BRPM (MI) | 2 090.6 | 2 026.1 | 2 126.7 | 5.0 |
| Potable water – Styldrift (MI) | 74.3 | 63.0 | 88.05 | 39.8 |
| Potable water – RBPlat (MI) | 2 164.9 | 2 089.1 | 2 214.75 | 6.0 |
| Recycled water (MI) | 1 706 | 1 194.53 | 1 317.84 | 10.3 |
| BRPM tonnes milled (kt) | 2 214 | 2 010 | 2 112 | 5.0 |
| Efficiency | | | | |
| Potable water – BRPM (kl/tonnes milled) | 0.944 | 1.008 | 1.007 | (0.1) |
| Potable water – RBPlat (kl/tonnes milled) | 0.978 | 1.039 | 1.049 | 1.0 |
| Recycled water (kl/tonnes milled) | 0.770 | 0.594 | 0.624 | 5.1 |

We operate a closed loop system at BRPM. We use recycled water from the return water dams in our concentrator and the underground mine shaft areas reuse water from the Eriksson dams. We have also established a closed loop system at Styldrift I.

The explosives we use during our mining activities have the potential to deposit nitrates in the water if incorrectly managed. We monitor the levels of nitrates in our industrial water. Our explosives team is implementing stringent management measures for the handling and use of our explosives. We report the quality of our process water to the DWS as per our water use licence requirements. Water use licence audits are conducted by external independent parties and these audit reports are sent to the DWS.

BRPM's water consumption increase of 5% is in line with the increase in tonnes milled. Styldrift I water consumption increased by 39.8% due to the increase in mine activities. Water recycled by RBPlat increased by 10.3%. Phase I of water treatment plant which will treat excess water on the site for use in the BRPM concentrator to be commissioned in first quarter of 2015.

Since we automated and expanded our potable water metering and management system we have a much better understanding of how and where we use water and are in a much better position to control our water usage.

Potential environmental impacts

RBPlat identifies and mitigates the negative environmental impacts of its activities by conducting an annual impact assessment with objectives and targets set and implemented to address significant environmental impacts.

Air quality

Dust fall out is monitored on a monthly basis using the 22 dust buckets located within the RBPlat mining area as well as

the surrounding communities.

The dust buckets are collected by the Environmental department and analysed by appointed service providers who compare the results with SANS 1929:2005 dust fall-out standards. None of the dust fall-out buckets outside the mine exceeded the standard limit.

A PM10 monitoring station is located at BRPM's central offices. Although the frequency of the monitoring did not meet the standard, the results were below the prescribed limit.

Ambient noise is also monitored and analysed by external independent parties and is within the prescribed limits.

Biodiversity impacts

Biodiversity assessments conducted in 2003/2004 and 2009 identified eight distinct biodiversity management units at BRPM and delineated biodiversity management plans. Baseline biodiversity and landscape function studies were conducted as part of the environmental impact assessment for Styldrift I.

Phase I of the water treatment plant at BRPM under construction



The aim of our biodiversity management plans is to protect and enhance the local ecology. We are committed to rehabilitating and restoring the land both during the life of our mines, as well as after mining activities have ceased.

To manage the diversity on our sites we have developed a long-term biodiversity monitoring programme which includes:

- > an alien plant control programme
- > a fire management plan
- > the promotion of the sustainable use of natural resources within the area
- > improving our understanding of the biodiversity in the area.

We maintain firebreaks to reduce the loss of biodiversity during fires. We plant indigenous trees on our property and in schools in our local communities during Arbour Month.

The primary human activities which could adversely impact the biodiversity at our mine and projects include: digging quarries in sensitive/intact areas, infrastructure construction, the disturbance caused by the presence of humans, altered or inappropriate fire regimes, the destruction of slow-moving fauna by vehicles, noise, dust, airborne and gaseous emissions, the fragmentation of habitats by roads, habitat loss, the disturbance of vegetation, invasion of a site by alien vegetation and a deterioration in water quality. These activities are continually monitored to avoid adverse impacts on the biodiversity.

Closure liability assessments are conducted annually by independent external parties for both BRPM and Styldrift I and financial provisioning is made for the environmental rehabilitation.

An environmental trust fund document has been compiled and submitted to the DMR, in accordance with the DMR's requirements. BRPM has an interim closure plan in place. The final closure plans will be prepared five years prior to closure of the mine. As the Styldrift I project is not yet operational no closure plan has as yet been prepared.

Effluents and waste

Effluent

Our operations are zero-effluent discharge operations. In terms of our licence conditions no discharges are permitted. As mentioned previously, we operate a closed loop system. Our mining and metallurgical operations generate hazardous and non-hazardous

waste, which must be correctly disposed of to prevent any negative impacts on the environment. Our environmental strategy and policies set stringent standards for the management of waste and mine residues (tailings and waste rock).

The tailings from our concentrator operations are disposed of at the BRPM tailings dam and waste rock is dumped at the waste rock dumps situated at BRPM's North shaft, South shaft and at Styldrift I shaft.

We prioritise the maintenance of the integrity of our tailings dam, which is designed to handle a 100-year flood. We have processes in place to ensure we continually check the structural capacity of these dams.

Some of the waste rock dump is reclaimed for further beneficiation and is used in the civil construction sector in and around the area.

General/domestic waste

- > 106% increase in amount of waste sent to licensed landfill by BRPM as a result of improved sorting of waste at our salvage yards. This was also as a result of increased clean up activities in our operations
- > Overall waste production and disposal increased by 56.6% due to the increase in Styldrift's waste production and reclaiming activities at BRPM.

The aim of our waste management plan is to actively manage the amount of waste we produce by reusing and recycling whenever possible. We dispose responsibly of the waste we generate and minimise the amount of waste we send to the landfill. The waste from Styldrift I project will increase over the next few years as activity increases. Already the increased activity in 2014 has resulted in the volume of waste produced by Styldrift I increasing 73.8% year-on-year.

Our supply chain management identified and appointed a black-owned recycling company as part of RBPlat's enterprise development programme to start providing our operations with paper recycling services in 2015 and this should decrease the amount of waste landfilled.

Medical waste

Appointed contractors are responsible for collecting and transporting the medical waste to the approved site. Medical waste from our BRPM clinic is incinerated at the approved Roodepoort

medical waste incinerator and we have been issued with certificates of safe disposal.

Industrial waste

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

Explosives waste

Our Explosives Coordinator is responsible for the use and management of explosives on site. As required by the Explosives Act (Act No 26 of 1956) our explosives waste (empty boxes, cartons and packaging which has previously contained blasting material) is destroyed daily by controlled burning in the demarcated destruction bay on site.

Hazardous waste

Our hazardous waste produced at both BRPM and Styldrift I is collected, transported and disposed of by appointed service providers at Holfontein, an approved hazardous waste site, which issues us with safe disposal certificates. RBPlat does not import, export or treat waste deemed hazardous under the Basel Convention Annexures I, II, III and VII.

Waste production and disposal

| Type of waste | 2014 Tonnes | 2013 Tonnes | 2012 Tonnes | % change year-on-year |
|--------------------------------|----------------|----------------|----------------|-----------------------|
| BRPM | | | | |
| Landfill waste | 4 306 | 2 090* | 5 645.0 | 106.0 |
| Incinerated medical waste | 2.0 | 1.2 | 2.4 | 66.7 |
| Recycled industrial waste | 1 750 | 1 735.4 | 2 130.0 | 0.8 |
| Hazardous waste | 212 | 209.0 | 146.0 | 1.4 |
| Total BRPM waste | 6 270.0 | 4 035.6 | 7 923.4 | 55.4 |
| Styldrift I project | | | | |
| Landfill waste | 273 | 171.0 | 65.0 | 59.6 |
| Recycled waste | 216 | 94.9 | 17.3 | 127.6 |
| Hazardous waste | 14.9 | 24 | - | (37.9) |
| Total Styldrift I waste | 503.9 | 289.9 | 82.3 | 73.8 |
| Total RBPlat waste | 6 773.9 | 4 325.5 | 8 005.7 | 56.6 |

* This number has been restated as the December 2013 figures were previously omitted

Materials used by RBPlat for the past two years

| Material | RBPlat | | % change year-on-year | |
|---------------------------------|--------|-----------|-----------------------|------|
| | Units | 2014 | | 2013 |
| Acetylene | kg | 5 609 | 4 988 | 12 |
| Explosives | kg | 5 273 075 | 5 011 900 | 5 |
| Fire extinguishers | kg | 1 900* | 918 | 107 |
| Refrigerants | kg | 12 | - | - |
| Company-owned vehicles – Petrol | litres | 44 186 | 82 128 | (46) |
| Company-owned vehicles – Diesel | litres | 936 766 | 772 410 | 21 |

* The increased use of fire extinguishers was as a result of three industrial fires

NATURAL CAPITAL

CONTINUED

Product responsibility

RBPlat's mining lifecycle includes exploration, project development, mine construction, operation and concentrate production. Our final product is a concentrate which is sold to a single customer, Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum (Amplats), through a concentrate offtake agreement. The concentrate must meet certain specifications in terms of the offtake agreement in relation to the PGM moisture and chrome content for each tonne of concentrate. These product specifications are assessed through specific and proven procedures agreed to by RBPlat and RPM.

Our metals

The platinum group metals (PGMs) – platinum, palladium, rhodium, osmium ruthenium and iridium – occur together in nature alongside gold, nickel, copper, cobalt and chrome. Many of the unique properties of PGMs make them indispensable to modern technology and industry and their markets are many and varied, from the automotive industry to the medical field. The markets for our products are the same as those for all platinum producers (see our Operating context section on page 16).

Product uses

As a vital component in autocatalytic converters, PGMs play a significant role in reducing air pollution by limiting the discharge of carbon monoxide, hydrocarbons, nitrous oxides and particulates. Approximately 56% of global PGM production is used in autocatalytic converters.

The South African government is interested in exploring the use of stationary fuel cells to produce electricity in remote rural areas where the use of this technology could be more cost-effective than installing the infrastructure necessary to bring Eskom power to these areas. This type of electrification would bring with it positive socio-economic benefits for communities.

Fuel cell minigrid electrification technology is an attractive cost effective alternative to grid electrification in remote areas. Fuel cells offer a more efficient low carbon option than using diesel generators to supply rural communities.

Amplats, in partnership with Ballard Power Systems, is conducting a field trial using methanol fuel cell technology, which is the first of its kind in the world, to supply primary power to 34 households in the Naledi Trust community. The system consists of three platinum based 5Kw fuel cells, each with a methanol reformer integrated into a power generator system that includes inverters, controls, a battery bank and a methanol tank.

Establishing a fuel cell industry offers South Africa the opportunity to develop a new high-tech manufacturing sector that could create thousands of new jobs. It would also contribute to the local beneficiation of platinum and the production of a range of fuel cell products that could be exported to Africa and elsewhere.

Amplats is also developing a fuel cell powered locomotive, dozer and loader. In addition it is supporting the London Hydrogen Network Expansion Project and will be taking delivery of a fuel cell powered motor car in London early next year.

Product stewardship

We systematically address the safety, health and environmental issues relating to our products at all stages of the product lifecycle. The refiners and marketers of our PGMs have specific measures in place to protect the health and safety of those using or delivering our products. Mineral safety development sheets are provided with all mining products and directed at industrial users.

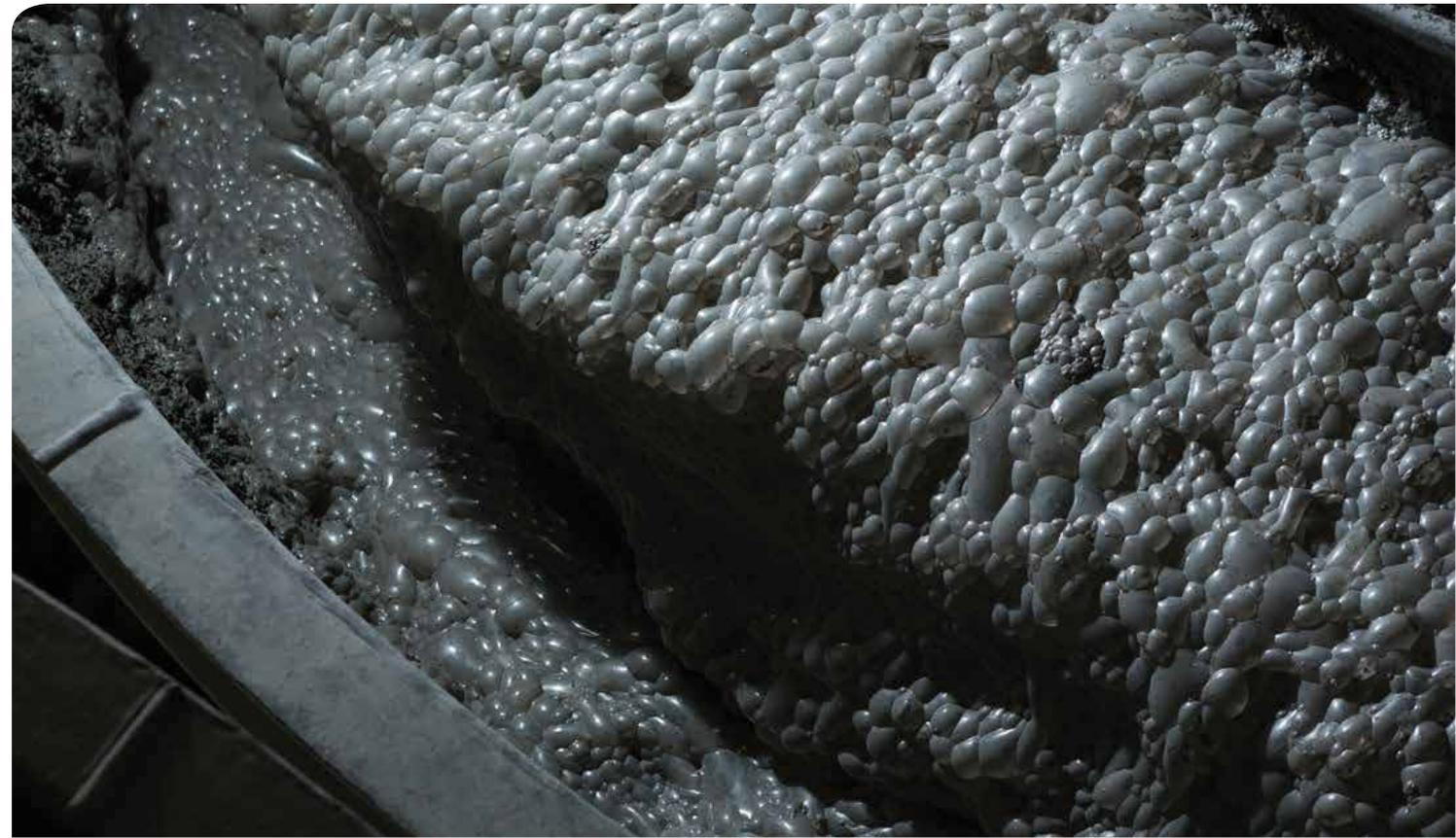
Our products are not delivered directly to customers. We are committed to minimising the dispersion of metals back into the biosphere and reducing the environmental and health risks associated with this.

We aim to ensure the health, safety and environmental risks associated with the use, recovery, recycling and disposal of our products are properly understood by customers and mitigated. Since our metals are sold into a global marketplace, we believe that meeting our product stewardship commitment is best done in collaboration with key stakeholders. Much of our engagement on product stewardship is done via our membership of the International Platinum Group Metals Association (IPA).

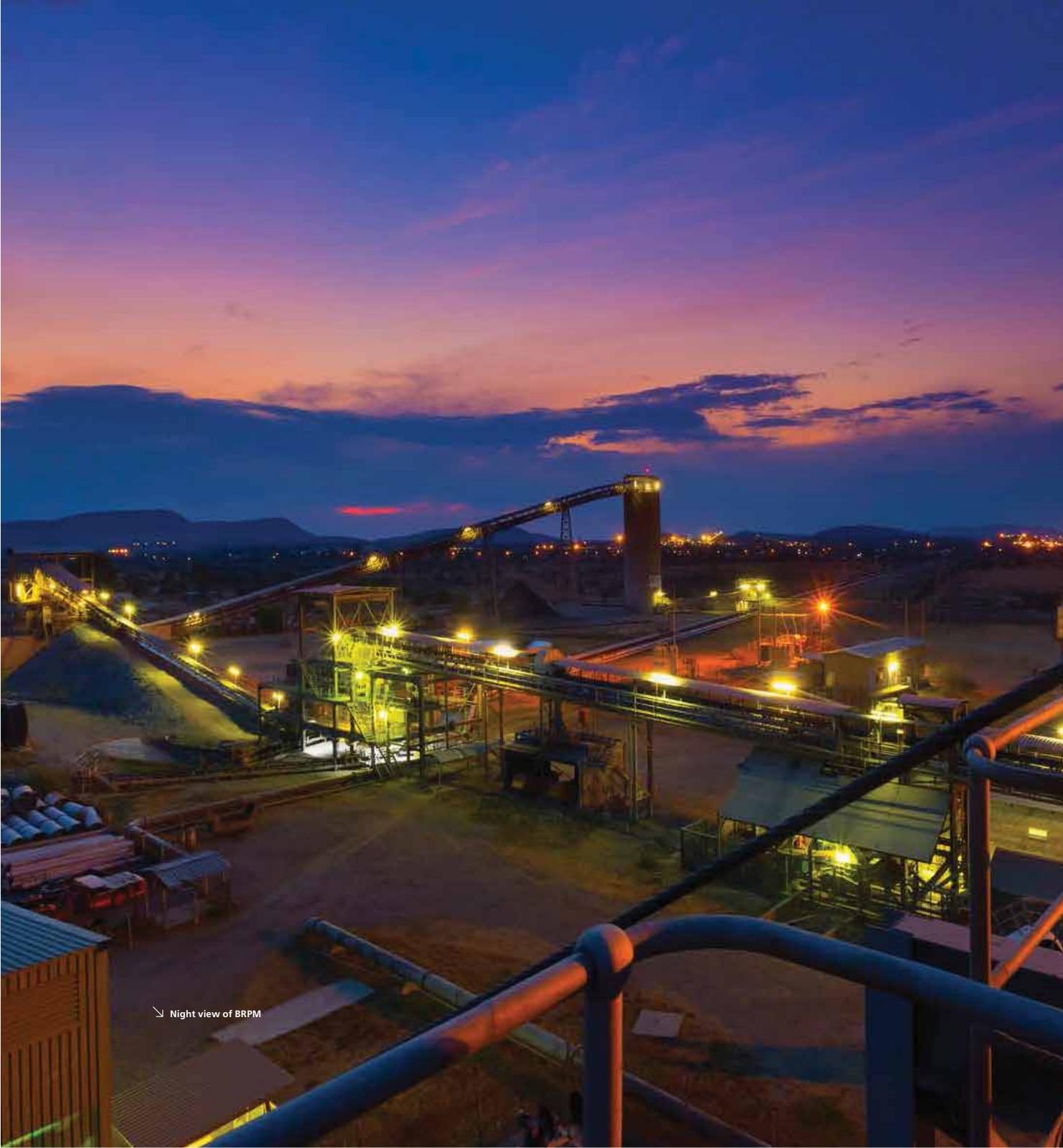
The refiners and marketers of our PGMs recognise the responsibility they have as suppliers of PGMs to build value chains that minimise the negative and enhance the positive impacts of PGMs over their lifecycles.

The metals produced from our concentrate are sold into the global marketplace by Anglo American Platinum, which meets its product stewardship commitments in collaboration with key stakeholders including government, industry associations, the scientific community and civil society organisations. There have been no incidents of non-compliance with regulations and voluntary codes concerning our products and we have not received any fines for non-compliance with laws and regulations concerning the provision and use of our products and services.

↳ The flotation process in the RBPlat concentrator



http://www.angloplatinum.com/business/products/what_is_platinum.asp



↙ Night view of BRPM

OUR PERFORMANCE AGAINST THE CAPITALS

INTELLECTUAL CAPITAL



- The key elements of our intellectual capital are:
- > our ability to establish successful relationships with our stakeholders
 - > using technology and innovation to achieve long-term sustainability
 - > the skills and experience of our production team
 - > our investment in our people and the communities in which we operate
 - > our ability to adapt to a changing business environment, achieve cost efficiencies and the courage to make tough decisions
 - > the strategies, policies, procedures and codes that govern how we do business
 - > robust and fit for purpose computer systems
 - > our ability to deliver on projects

INTELLECTUAL CAPITAL

CONTINUED

We recognise that intellectual capital is a real business asset, however, measuring it can be difficult. We see it as stemming from three sources:

- > Products and intellectual property
- > Human capital
- > The knowledge and expertise that resides in the way things are done in a business, which includes systems, procedures and protocols.

We have chosen to focus on the knowledge and expertise behind the way we do things in RBPlat in this section of our report.

Stakeholder relationships

The ability to establish and maintain successful relationships is a key business asset, which is difficult to measure. Relationships, both internal and external, play a key part in a company's ability to succeed. The value we place on relationships with our stakeholders is highlighted in each section of this report. Stakeholder engagement has been an important part of what we do since RBPlat started operating. To formalise these processes and identify gaps and weaknesses we developed a stakeholder engagement framework in 2013, which was approved by our

Board. We began implementing the framework in 2014.

Face-to-face communication is a key part of communication in a mining environment and to strengthen this we have invested, and will continue to invest, in developing the communication skills of our team leaders.

It is a challenge to engage with a large workforce that has limited access to technology. We constantly research new solutions and in 2015, as part of our implementation of an employee portal, we will be experimenting with sending information to our employees' smartphones.

Using technology and innovation to achieve long-term sustainability

The challenge for RBPlat is to harness innovation and technology to constantly improve the way in which our mines are developed and operated for long-term sustainability.

Several RBPlat objectives will drive future innovation and technology change, including:

- > lowering production costs
- > enhancing the productivity of workers and equipment

- > opening up new reserves and extending the life of the existing ore bodies
- > continuing to meet regulatory and stakeholder requirements in areas such as health and safety, environmental impacts and land use.

Some of the technology and innovation projects presently underway at RBPlat:

- > *Mechanisation of the mining process:*
The large scale adoption of mechanised mining techniques at Styldrift is a key aspect of what sets the mine apart from other large underground platinum mine operations. The relatively confined spaces in which underground mobile machinery operates in this environment ensure that the human-machine interface remains a high risk aspect on mines where such operations are carried out. To this end, the industry is striving towards the development and implementation of effective collision avoidance systems. Such systems have the potential to reduce and even eliminate collisions between personnel and machines (which inevitably cause serious injuries) and between the vehicles themselves.

The desire for safe, efficient production is leading the industry towards the integration of the power and drivetrain controls of the original equipment manufacturers (OEM's) machine and sensor systems which third party companies have developed to implement proximity detection protocols.

When combined with high speed underground data network infrastructure such as that currently being installed at Styldrift, this integration also enables the convergence of these technologies with software based maintenance and fleet management systems. These systems have previously been focused on large open-cast or underground block caving operations and have not yet been successfully implemented in underground low profile mines such as Styldrift. This places Styldrift at the forefront of the journey towards a safe and productive mining environment and will ensure its resilience into the future.

The system will focus on the integration of machine health monitoring with the planned maintenance system and the monitoring of productivity parameters.

Software packages running simple algorithms will analyse the data produced and advise management of events which are reducing production efficiency and consequently, where opportunities exist to improve performance.

> Automation:

The number of decision making events that are required on a daily basis in such a large operation as Styldrift means that the probability of an incorrect option being chosen somewhere in the production process is relatively high. Whilst standard operating procedures and training in them are vital to minimising this probability, so too is the embedding of operational best practice within the operating systems of the machinery in use on the mine.

All electrically driven fixed machinery installations at Styldrift are operated by localised programmable logic controller-based software and will be connected to an integrated monitoring system via the high speed underground data network. The primary systems that will be operated and monitored in this fashion are:

- man, material and ore hoisting
- ore conveying
- utility supply systems (water, power, ventilation and the pumping of return water).

For more information on employee engagement see page 103 of the Human capital section of this report.

Load haul dump operations at work in Styldrift I, a mechanised mine



The skills and experience of our production team

We depend on the skills and experience of our production team to mine safely, achieve our production targets and contain costs. The team has been particularly successful in achieving both production targets and cost containment in 2014. Our focus this year has been on developing leadership skills, with a particular emphasis on communication skills. We trained leaders to have the correct conversations regarding performance and keeping safe. The depth of skills and experience in our production team was also demonstrated on the departure of the General Manager at Styldrift I and our Chief Operating Officer, when we were able to fill their roles from within.

Our investment in our people and the communities in which we operate

We need to be able to plan the size, the workforce we require and the type of skills we require. Our production achievements in 2014 reflect the abilities of our team to ensure our workforce is suitably resourced in terms of both numbers and skills.

We are committed to drawing our human resource requirements from our local communities and, of course, the Mining Charter also requires us to invest in the development of skills in these communities. We want to avoid making an investment that achieves very little in terms of effectively upskilling these communities, so we make every effort to ensure that our investment in community skills development is effective. A review of our achievements so far in this regard is very encouraging. We have learnt a great deal over the past five years and, hopefully, putting these learnings into practice over the next five years (the period covered by our next social and labour plan) will allow us to accelerate our progress in this regard. Information on what we have achieved so far can be found on pages 128 to 132 of Social and relationship capital.

Our ability to adapt to a changing business environment, achieve cost efficiencies and have the courage to make tough decisions

2014 has been a tough year for the platinum mining industry. Without the ability to adapt to a changing business environment during this period we would not have achieved what we did in terms of labour stability, production and cost efficiencies. Our decision to invest in our people by building homes, which allows them to purchase homes in a suburban setting for the first time in their lives and to own an asset that will give them capital growth, was a tough one in these times, but we believe it was a wise one. A stroll through Waterfall Hills Estate where the families of our employees are living in a safe environment, and our labour stability, is proof of the wisdom of making this tough decision. Refer to page 103 of Human capital for details of this project.

Cost management has been embedded in our business and while we could not achieve the large scale cost savings of 2013, we managed to operate below mining inflation in 2014. We have improved our performance systems to include cost drivers alongside production and safety performance targets.

↘ The installation of the new Outotec Larox® filter, which is part of the expansion of the RBPlat concentrator, in progress



The strategies, policies, procedures and codes that govern how we do business

Strategy

The strategic objectives we developed when we first took over the management of the BRPM JV have stood the test of time and they still continue to work for our business. The time and intellectual thinking that we invested in their development has paid off. To ensure they remain valid we constantly review them to ensure they are the right strategies for our business in a constantly changing environment. See the CEO's Strategic review on pages 56 to 57 for a review of our performance against these strategies.

Policies and procedures

As we explained in 2013, over the past four years we have developed our own policies and procedures, migrated and optimised our information communication and technology (ICT) infrastructure and the mine technical system and set up our own supply chain capability and implemented a shared services function within the business.

During 2014 we revised and updated a number of our policies and frameworks including our:

- > sustainability framework
- > environmental policy
- > fraud and corruption prevention policy.

We focused on incorporating all our supply chain processes under one functional area to ensure that processes and policies are in place to integrate all procurement into the supply chain function.

We also reviewed and revised our ICT framework and controls, after reviews by our external and internal auditors identified that while overall, good governance and control are being practised with regard to RBPlat's ICT systems it has not been formally recorded and some gaps existed in terms of governance and control. Creating a more formalised ICT governance framework will form part of bringing our governance framework to its next level of maturity in 2015.

Risk management

The ability of a business to identify and manage its risks is key to its sustainability. RBPlat has adopted an enterprise risk management approach (ERM) which provides us with an integrated approach to the management of our business risks within a complex and ever-changing environment. Our ERM strategy, framework and policy area is closely aligned with our business strategies. This year we introduced a risk appetite policy to our risk management policy suite, which includes a SHE policy, a sustainability policy, a fraud and corruption prevention policy and a Code of Ethics. For details of our approach to risk management see pages 40 to 51 of this report.

Robust and fit for purpose computer systems

We continued with our journey to further optimise our ICT systems during 2014, which is an important part of providing our business with integrated information. We also need to make sure our data is accurate and credible. This year we began implementing improved business planning and

consolidation (BPC) software which will make it possible for us to access business information and help us to monitor and manage our performance on a daily basis. It will also allow us to spend more time on analysis, planning and decision-making rather than the time-consuming effort of consolidating business information from various sources. The BPC implementation project forms part of RBPlat's ICT strategy and systems development plan. It also supports the cost containment strategy adopted in 2013. We will continue to build on and improve our reporting systems with the aim of further integrating information so that we can make informed business decisions as quickly as possible.

Our ability to deliver on projects

The future sustainability of RBPlat depends on our ability to achieve our organic growth plans. The right level of owner involvement is the key to project success. In order to be able to deliver our key projects on time, within budget and according to plan we are investing in improving our management, technical and supervisory skills. This year we had the disappoinment of the Styldrift I project falling behind schedule. We have used this as an opportunity to learn and improve our project performance in future.

TRANSPARENCY AND ACCOUNTABILITY



| | |
|--|-----|
| CHAIRMAN'S CORPORATE GOVERNANCE REVIEW | 166 |
| CORPORATE GOVERNANCE | 168 |
| SOCIAL AND ETHICS COMMITTEE REPORT | 180 |
| ETHICS | 181 |
| RBPLAT'S APPROACH TO REMUNERATION | 182 |
| INDEPENDENT ASSURANCE REPORT | 187 |

In support of United Nations Global Compact Principle 10

Anti-corruption

Globally, corruption is recognised as a major hindrance to sustainable development. It impedes economic growth, distorts competition and represents serious legal and reputational risks. It has a major impact on poor communities and corrodes the very fabric of society.

As a signatory of the UN Global Compact (UNGC), RBPlat is committed to incorporating the UNGC principles in our Board's decision-making processes. In terms of corporate governance and risk management we are working to ensure that we apply Principle 10, which states that businesses should work against corruption in all its forms, including extortion and bribery. The prevention of fraud and corruption is good business practice. We have taken a number of steps to mitigate fraud and corruption risks in our business and our operating environment and continually review their effectiveness. For more information refer to Ethics section on page 181.

CHAIRMAN'S CORPORATE GOVERNANCE REVIEW

As Chairman of RBPlat I am responsible for the leadership of the Board and for fostering a culture of openness and constructive debate that allows for all views to be heard. It is also my responsibility to ensure there is sufficient time available for discussion of all the items on our agenda and that the Board hears from an appropriate range of senior management.

Following our successful capital raising programme in March/April 2014, which raised the R1.5 billion equity capital we require for the completion of the Styldrift I project, the Board needed to ensure that we had a strategy in place that would ensure our investors' funds are appropriately invested until such time as we start drawing down on these funds. A list of criteria for rating financial institutions was used to ensure that the funds were only invested with appropriate reputable financial institutions. The Board also agreed that the funds raised would be placed in low risk and interest bearing investments. Our limits of authority policy is also part of the governance structures we have in place to protect RBPlat against any misuse of funds.

By continuing with the embedding of its enterprise risk management (ERM) framework, RBPlat made significant progress on its ERM maturity curve. The three lines of defence model adopted by RBPlat was further enhanced by the approval of its first combined assurance plan.

This year we reviewed and revised frameworks, policies and controls already in place and developed and implemented new ones where necessary. The aim of this exercise was to optimise the standards of corporate governance in RBPlat.

One such case was the governance and control of our information and communications technology (ICT). Having taken over the management of our ICT systems in 2012 and begun the process of optimising them in 2013, the next step was to review the robustness of our ICT governance framework and controls. Reviews conducted by our external and internal auditors identified that while, overall, good governance and control is being practised with regard to RBPlat's ICT systems it has not been formally recorded and some gaps existed in terms of governance and control. An ICT security policy was approved by the Audit and Risk Committee and the Board in 2014. An updated ICT strategy, governance framework and policy have been tabled at the Audit and Risk Committee and once the

committee is satisfied that the framework and policy will provide the necessary structure and controls, it will be presented to the Board for approval and implementation.

In terms of Board governance we continue to conduct internal evaluations of the performance of both the Board and its committees and of the directors standing for re-election. During 2014 we conducted rigorous evaluations through probing questionnaires. We last enlisted the services of an independent external consultant to assess both the overall performance of the Board and that of individual directors in 2012. As new directors joined the Board late in 2014 we decided to postpone an independent review until 2016 in order to give them time to settle into their roles.

By appointing strong, independent directors to its Board and separating and clearly defining the roles and responsibilities of the Chairman and the Chief Executive Officer, RBPlat believes it has equipped its Board to make the right decisions in the right way.

We said farewell to three Board members during 2014. They were Nico Muller, who was appointed Chief Operating Officer and joined the Board as an executive director in March 2009, and David Noko and Francis Petersen, who both joined the Board as independent non-executive directors in June 2010. I would like to thank Nico for the valuable contribution he made towards our achieving operational excellence during his time with us. I would also like to thank David and Francis for their valuable and incisive contribution to our debates and decisions during their membership of the Board.

We welcomed four new members to the Board in 2014, David Wilson, who joined us as a non-executive director in April, Mark Moffett and Louisa Stephens, who joined us as independent non-executive directors in September and Thoko Mokgosi-Mwantembe, who joined us as an independent non-executive director in November 2014. Our new directors bring a range of skills and experience including corporate finance, mergers and acquisitions, information and communications technology (ICT) skills, and additional

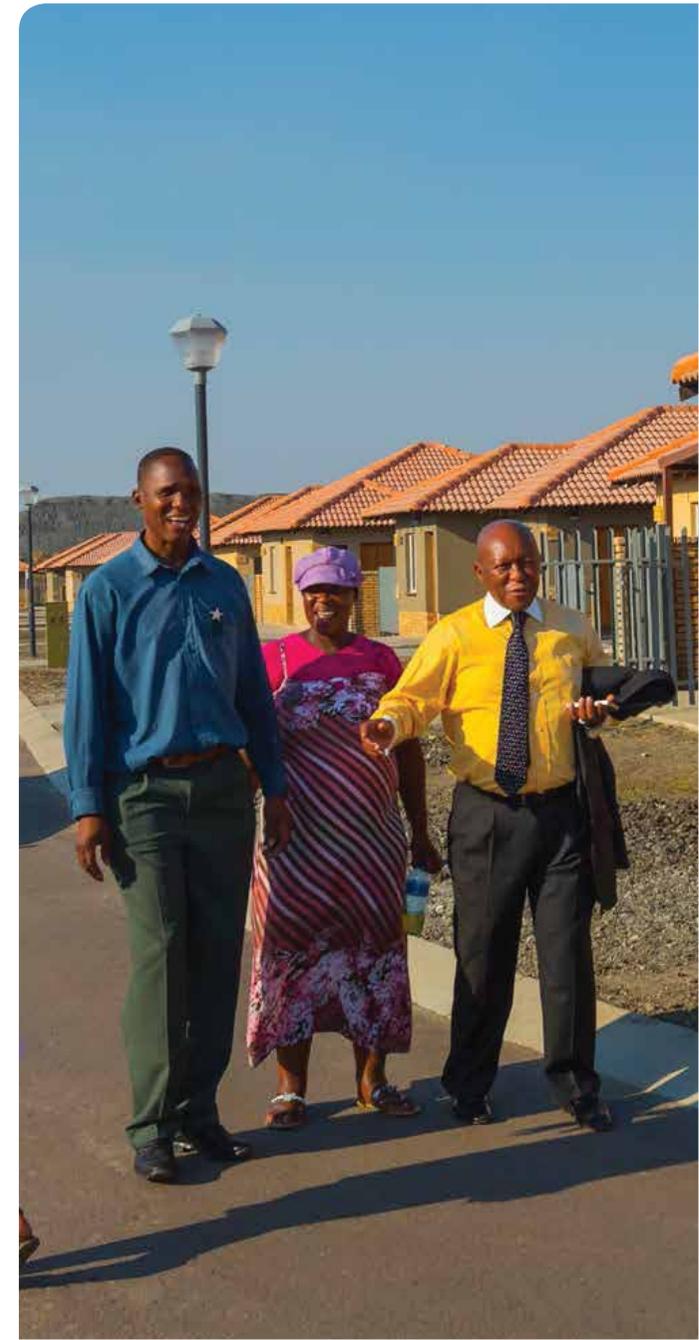
mining experience, to our deliberations. They will no doubt be invaluable to our future decision-making and our ability to respond rapidly to changes in the environment that will ensure the sustainability of our business.

I am committed to ensuring not only that RBPlat complies with all the relevant codes and regulations, but that our entire management team is committed to achieving the best possible results for our stakeholders in the most responsible way.



Adv Kgomo Moroka SC
Independent Chairman

Our CEO Steve Phiri chats with residents of our new employee home ownership scheme



For details of the rights offer see page 64 of the Financial capital section.
For details of the management and optimisation of our ICT management systems see page 163 of the Intellectual capital section of this report.

CORPORATE GOVERNANCE

KEY MATERIAL ISSUES

-  Human capital – See page 95 for information on our plans to improve employee access to information
-  Relationship – See pages 136 to 137 for information on the Board's delegation of some stakeholder relationship work
-  Governance – See page 179 for information on our application of King III
-  ICT/Intellectual capital – See page 163 for information on ICT governance review
-  Social and relationship capital – See pages 128 to 132 for information on our SLPs
-  Risk – See Risk management on pages 40 to 51 for more information on risk tolerance levels and fraud
-  Financial capital – See page 71 for information on the accounting treatment of housing asset
-  Board focus
-  Remuneration and Nomination Committee focus
-  Social and Ethics Committee focus
-  Audit and Risk Committee focus

Corporate governance material issues

| Strategy | Key material issues in 2014 | Key focus areas in 2014 | Progress in 2014 | Focus for 2015 |
|--------------------------------|--|---|---|---|
| Towards operational excellence | Stakeholder relations with all our stakeholders but with a particular focus on the stakeholders identified on the following page in terms of the economic, environmental and social aspects of our business | <ul style="list-style-type: none"> Manage and monitor stakeholder relationships and the Board's reporting on the economic, environmental and social aspects of our business | <ul style="list-style-type: none"> Board members attended the release of RBPlat's year-end and interim results and our Annual General Meeting. Our senior executives and Investor Relations Manager conduct roadshows to engage with investors and potential investors both in South Africa and internationally Both our Chief Executive Officer and Executive: Corporate Affairs engaged with relevant members of government RBPlat's reporting to its stakeholders through its integrated report achieved recognition for the quality and transparency of its reporting when it was placed first in the EY Excellence in Integrated Reporting Awards 2014 and first in the Mid Cap Section of the Chartered Secretaries of Southern Africa and JSE Limited Awards To make Company information and policies and procedures more readily available to our employees we are establishing an employee web portal and increasing the flow of information through a range of communication channels | <ul style="list-style-type: none"> Continue to engage with the investor community both locally and internationally to ensure we keep them informed on RBPlat and obtain feedback from investors Continue to forge a mutual understanding of the challenges the industry and government face Maintain and improve on the quality of our integrated reporting Complete the employee web portal and continue work on installing information centres in the mine for those who do not have access to communication technology |
| | Leadership role of the Board in taking responsibility for the good governance of the Group | <ul style="list-style-type: none"> Adopt a combined assurance plan in 2014 | <ul style="list-style-type: none"> Streamlining and improving governance ICT governance framework and policy tabled and is being reworked | <ul style="list-style-type: none"> Continue to review and enhance governance structures, policies, processes and procedures Finalise, approve and implement ICT governance framework and policy |
| | Uphold the highest standards of ethics, transparency, risk management, corporate citizenship and good governance throughout the Group | <ul style="list-style-type: none"> Further embed risk management in the organisation Employee home ownership scheme risk management Maturity of fraud and corruption risk prevention and detection mechanisms Supply chain governance | <ul style="list-style-type: none"> New fraud and corruption prevention policy approved by Board Ethics and fraud awareness campaign Legal compliance policy approved by the Board Risk appetite and tolerance policy and framework approve | <ul style="list-style-type: none"> Combined assurance plan implementation Risk tolerance levels to be established |
| | Ensure the Group complies with all relevant laws, regulations and codes of best practice | <ul style="list-style-type: none"> Regulatory and legal requirements in terms of governance and management of employee home ownership scheme as well as safety, health and environment | <ul style="list-style-type: none"> The necessary structures in terms of the regulatory requirements have been designed and implementation is under way | <ul style="list-style-type: none"> Recommend structures to the Board for approval that will allow for effective management of the employee home ownership scheme in line with regulatory and investor requirements |
| | Create value in the short, medium and long term by overseeing, approving, monitoring and reviewing corporate strategy, major plans of action, Group policies and systems, annual budgets and business plans | <ul style="list-style-type: none"> Investment approach for funds resulting from our capital raising programme in March 2014 | <ul style="list-style-type: none"> Strategy in place to ensure our investors' funds are appropriately invested until such time as we start drawing down on these funds | <ul style="list-style-type: none"> Ensure investment approach is appropriate for the management of rights offer funds until such time as draw down commences |
| | Competencies and performance evaluation of the Board and its members | <ul style="list-style-type: none"> Review and optimise the composition of the Board and its committees and review the Board Charter as well as the committees' terms of reference Comprehensive Board and committee evaluation process | <ul style="list-style-type: none"> Newly appointed directors have added important corporate finance ICT skills to the composition of the Board | <ul style="list-style-type: none"> Annual review of Board Charter and committees' terms of reference Comprehensive Board and committee evaluation process and possible evaluation by external specialists |
| | Process for determining remuneration | <ul style="list-style-type: none"> Implementation of new long-term incentive scheme Aligning performance criteria with incentive plans both short-and long-term | <ul style="list-style-type: none"> Implementation of new long-term incentive scheme as approved by shareholders | <ul style="list-style-type: none"> Year one of new five-year rolling performance incentive scheme, for which vesting begins in the third year |
| | Ensuring all possible economic, environmental and social impacts are considered during decision making at all levels in the organisation | <ul style="list-style-type: none"> Agree the overall housing strategy for the organisation and the impact on the business Implementation of sustainability framework Three-year risk management plan | <ul style="list-style-type: none"> Agreed and implemented the overall housing strategy Workshops conducted throughout operations to introduce and start implementation of sustainability framework Continued to implement the risk management plan | <ul style="list-style-type: none"> Continue to implement employee housing strategy Embedding of sustainability framework |
| | Ensuring the Group's integrated report addresses all material issues and fairly presents the integrated performance of the organisation and its impacts | <ul style="list-style-type: none"> Review reporting structures and processes to improve reporting on all aspects of sustainable development | <ul style="list-style-type: none"> Improved existing process with identification of material issues being driven from bottom up in the organisation | <ul style="list-style-type: none"> Continue to evolve and refine our material issue identification process |



COMMUNITIES

EMPLOYEES

GOVERNMENT

INDUSTRY SPECIALISTS

INVESTOR
COMMUNITY

JOINT VENTURE
PARTNERS

PROVIDERS OF DEBT

REGULATORS

SHAREHOLDERS

TRADE UNIONS

The role of stakeholder consultation in the Board's identification and management of social impacts, risks and opportunities

The stakeholder consultation that takes place both internally and externally throughout our organisation, whether it be from community forums at operational level, interaction with government at many different levels, engaging with specialists to benefit from their expertise in understanding market conditions that could affect our business, two-way communication with our employees, which provides important insights into employees' views, or interaction with stakeholders and providers of debt, all provides us with information and an understanding that plays a critical role in the Board's identification and management of both our impact or possible impact on our stakeholders and vice versa.

The Board's responsibility to ensure our investors and potential investors are kept well informed and their requests for information are responded to promptly and honestly is supported by the efforts of the CEO, the CFO and the Investor Relations Manager to whom the Board has delegated this responsibility.

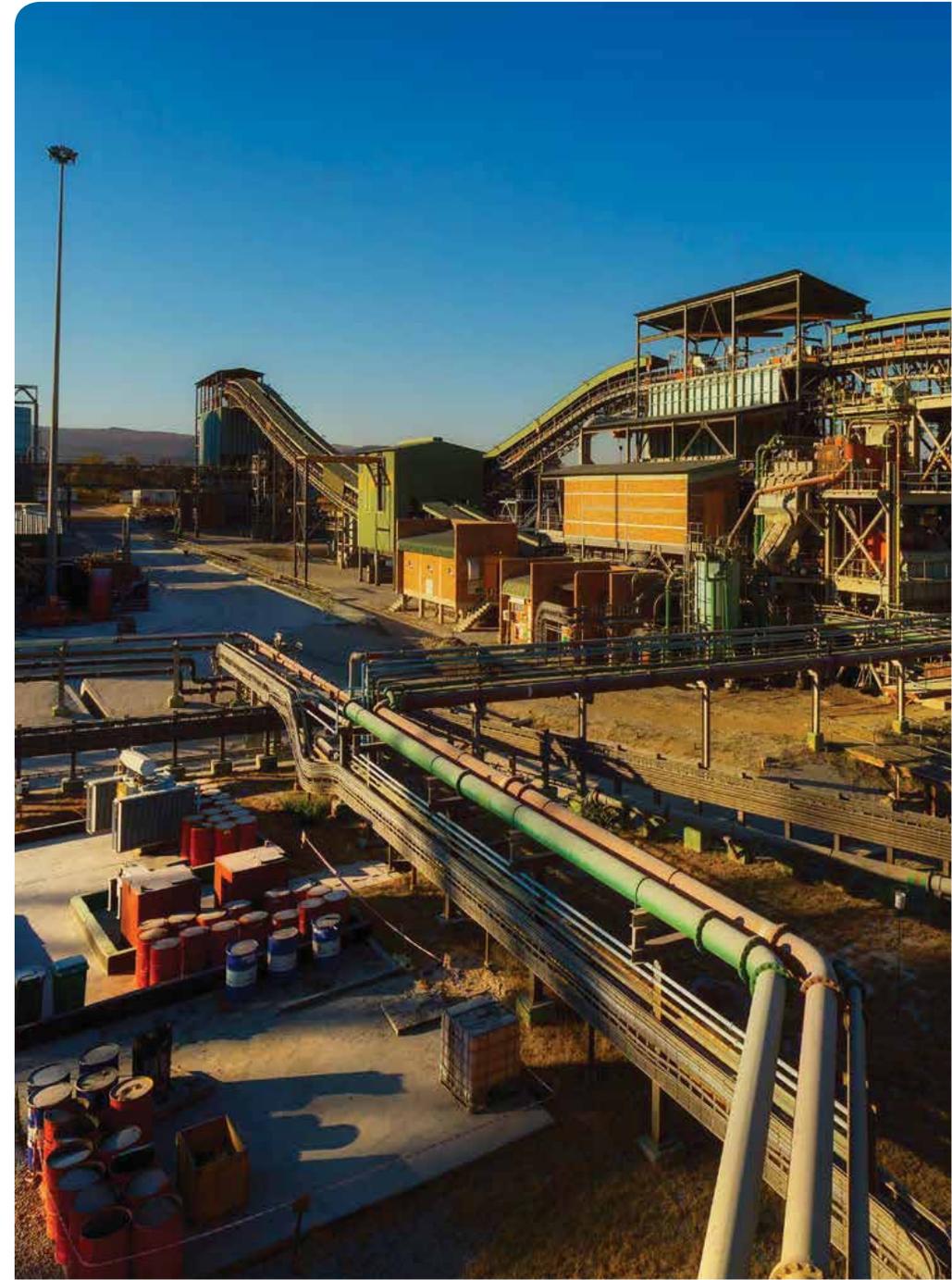
The Executive: Corporate Affairs is responsible for the Board's relationship with government and regulators and he has been entrusted with the Company's formal communication channels with its employees.

The Board relies on the information it receives from market and industry specialists to assist it in making business decisions.

The Board has delegated responsibility for RBPlat's engagement with its providers of debt to our CFO. He and his team regularly engage with the service providers to keep them updated on RBPlat and our industry.

Communication with our joint venture partners takes place through our representation on the Joint Venture management committee and additional meetings and interactions which are held as necessary during the course of the year.

The conveyor system at the BRPM concentrator



Our approach to governance

To ensure we consistently practise effective corporate governance throughout the Group, our Board applies the principles of King III. In terms of the King III principles the Board must consider the concerns and priorities of

its wider stakeholder environment in its strategic guidance and decision-making processes. As we have already mentioned we also incorporate the principles of the UN Global Compact in our Board's decision-making processes.

RBPlat's efforts towards sustainable and transparent business practices are reflected in our inclusion as a constituent of the JSE Socially Responsible Investment (SRI) Index for the past three years.

Visit www.bafokengplatinum.co.za for a copy of our Board Charter.

Read more about our application of King III on page 179.

Our governance framework

Board governance structure



Management governance structure



Operational governance structure



Operational management structure



Leadership and effectiveness

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

The Board plays an important role in setting ethical standards of conduct.

Each of the Group's subsidiary companies has a separate board of directors, however, the main Board and its committees oversee all significant aspects and transactions of the subsidiaries. The subsidiaries are also governed by the limits of authority set by the Board, which are set out in our authority policy.

All the Board committees operate under Board-approved mandates and terms of reference, which are reviewed annually to keep them aligned with current best practice. All our Board committees are chaired by independent non-executive directors who attend our annual general meeting to respond to any shareholder queries. The mandates, charter and terms of reference governing the Board and its committees are available from the RBPlat Secretariat or the Company website.

The Audit and Risk and the Social and Ethics committees are statutory committees in terms of the Companies Act and operate as recommended by King III. Shareholders are required to elect the members of the Audit and Risk Committee at the Company's annual general meeting. While the Social and Ethics Committee is a statutory

committee its members are appointed every year by the Board at its first meeting following the annual general meeting.

Delegated authorities

The Board has a formal schedule of matters reserved for its consideration and decision which include, among others approving:

- > strategy
- > business plans and budgets
- > significant acquisition and disposal of assets
- > executive directors' appointment and remuneration
- > review and approval of significant Group-wide policies and frameworks
- > dividend policy
- > the integrated annual report
- > capital expenditure for investment
- > granting of varying authority levels.

Its delegation of certain matters to its committees is described in the terms of reference of these committees. The roles and responsibilities of the Board's committees, which include the Audit and Risk, Social and Ethics and Remuneration and Nomination committees are set out in the Governance section of our website. In addition, the Board has appointed an Executive: Risk and Assurance to whom it has delegated responsibility for risk management and sustainability. In turn the Head: Corporate Sustainability and the Head: Risk Management and Compliance report to the Executive: Risk and Assurance on these matters. The Board has delegated some of its responsibilities in terms of stakeholder engagement to the Executive: Corporate Affairs who is responsible for stakeholder engagement and the implementation of our stakeholder engagement framework.

The RBPlat's concentrator, which is being upgraded to 350ktpm



Delegation of authority in RBPlat



The roles and responsibilities of the Board and its committees can be found on our website at www.bafokengplatinum.co.za



Our Board and its committees

Our Board met seven times this year. The Audit and Risk, Remuneration and Nomination and Social and Ethics committees met four times this year.

| Name of director | Status | Date appointed | Length of service | Board attendance | Audit and Risk Committee attendance | Remuneration and Nomination Committee attendance | Social and Ethics Committee attendance | Directors to be elected or re-elected |
|--|-------------|----------------|-------------------|------------------|-------------------------------------|--|--|---------------------------------------|
| Chairman of Board – Non-executive | | | | | | | | |
| Kgomotso Moroka ⁽¹⁾ | Independent | 1.6.2010 | 4 years 7 months | 7/7 | | 4/4 | | |
| Executive directors | | | | | | | | |
| Steve Phiri (CEO) | Executive | 1.4.2010 | 4 years 9 months | 7/7 | | | | Re-elected |
| Martin Prinsloo (CFO) | Executive | 2.3.2009 | 5 years 9 months | 7/7 | | | | Re-elected |
| Nico Muller (COO) ⁽²⁾ | Executive | 2.3.2009 | 5 years 10 months | 6/7 | | | | |
| Non-executive directors | | | | | | | | |
| Linda de Beer ³ | Independent | 1.6.2010 | 4 years 7 months | 7/7 | 4/4 | | | |
| Robin Mills | Independent | 20.9.2010 | 4 years 3 months | 7/7 | 4/4 | | 4/4 | Re-elected |
| Mark Moffett ⁷ | Independent | 22.9.2014 | 3 months | 2/2 | 1/1 | | | Elected |
| Lucas Ndala | | 28.5.2013 | 1 year 7 months | 5/7 | | 4/4 | | |
| Thoko Mkgosi-Mwantembe ⁴ | Independent | 5.11.2014 | 2 months | 1/1 | | | | Elected |
| David Noko ⁵ | Independent | 1.6.2010 | 4 years 3 months | 4/5 | 2/3 | 3/3 | | |
| Francis Petersen ⁵ | Independent | 1.6.2010 | 4 years 3 months | 4/5 | 3/3 | | 3/3 | |
| Mike Rogers ⁶ | Independent | 7.12.2009 | 5 years 1 month | 7/7 | | 4/4 | 4/4 | |
| Louisa Stephens ⁷ | Independent | 22.9.2014 | 3 months | 2/2 | 1/1 | | | Elected |
| David Wilson ⁸ | | 24.4.2014 | 7 months | 4/4 | | | | Elected |

1. Chairman of the Nomination Committee and a member of the Remuneration Committee
2. Resigned 1 September 2014
3. Chairman of Audit and Risk Committee and appointed to the Remuneration and Nomination Committee on 19 November 2014
4. Chairman elect of Remuneration Committee with effect from 1 May 2015 and appointed to the Social and Ethics Committee on 19 November 2014
5. Resigned 15 September 2014
6. Chairman of Social and Ethics Committee and Interim Chairman of Remuneration Committee
7. Appointed to the Board on 22 September 2014 and to the Audit and Risk Committee on 10 November 2014
8. Appointed to the Social and Ethics Committee on 19 November 2014

When we appoint new directors they receive informal and formal induction related to the Group and their duties as directors of RBPlat. We also provide our directors with ongoing support and resources that allow them to develop and refresh their skills and knowledge regarding their roles as directors of RBPlat, which include any changes to legislation or regulations and briefings on market developments. The directors have unrestricted access to executive and general management in order to acquire any knowledge or information relevant to the discharge of their duties.

Directors' conflicts of interest

In terms of the Companies Act, JSE Listings Requirements, King III and the Board Charter, a director of a company must avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Group. The Board has established procedures to enable the directors and prescribed officers of RBPlat to notify the Company of any actual or potential conflict situations and to declare any significant interest in the Company or its contractors.

Rotation of directors

In terms of the Company's Memorandum of Incorporation, one third of our directors are required to retire from office at every annual general meeting. We select the retiring directors based on their tenure since they were previously elected or re-elected to the Board.

Management committees

Executive Committee

The membership of our Executive Committee, which meets at least once a month, and a description of their individual profiles can be found on page 54.

The committee assists the Chief Executive Officer in the performance of his duties by:

- > developing strategy, operational plans, policies, procedures and budgets for consideration by the Board
- > overseeing implementation of key strategies and Board decisions
- > taking responsibility for the operational activities of the Group
- > assessing and controlling risk
- > prioritising and allocating resources.

The Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture Management Committee (Manco)

Members

Steve Phiri (Chairman)*

Martin Prinsloo*

Neil Carr*

Vicky Tlhabanelo*

Gary Humphries*

Vinogaren Pillay*

Franscelene Naidoo*

* represents Royal Bafokeng Resources (RBR)

* represents Rustenburg Platinum Mines (RPM)

The BRPM Joint Venture (JV) Management Committee is responsible for the management of the BRPM JV. The committee has wide-ranging powers in terms of the JV, including the power to acquire and dispose of BRPM JV assets, borrow money, establish pension funds and other employee benefit schemes and institute legal proceedings, subject to the Board's approval. Royal Bafokeng Resources (RBR) (a wholly owned subsidiary of RBPlat) is allowed five of the eight appointments to this committee. Some committee decisions require unanimous approval depending on the transactions to be undertaken.

The Audit and Risk Committee report on pages 195 to 196 and the Social and Ethics Committee report on page 180 provide feedback on the activities of these committees during 2014.

In addition to the business addressed by the Remuneration and Nomination Committee that formed part of the Board's agendas, the Remuneration Committee's agendas included:

- > Review proposed non-executive directors' fees, based on benchmarking exercise
- > Consider the impact of the rights offer on employee share scheme
- > Consider amendment to share schemes for Board and shareholder approval
- > 2014 performance assessments and remuneration reviews
- > 2014 performance incentives in light of short- and long-term incentives
- > Consider and approve share option awards to new and promoted employees
- > Consider the Remuneration Philosophy of the organisation
- > Review relevant sections of disclosures in the integrated report
- > Review approach to 2014 wage negotiations and approve mandate
- > Consider approach to 2014 Board evaluation
- > Talent management programme
- > The Nomination Committee's agendas included:
 - Review directors up for re-election
 - Any director vacancies and appointments
 - Review committee membership and Board composition
 - Evaluation programme and results
 - Induction and training of new and existing directors.

Company Secretary

The RBPlat Company Secretary is responsible for administering the proceedings and affairs of the directorate, the Company and, where appropriate, owners of securities in the Company, in accordance with the relevant laws. The Company Secretary is available to assist all our directors with advice on their responsibilities, their professional development and any other relevant assistance they may require.

Lester Jooste is the duly appointed Company Secretary of RBPlat. He is not a director of RBPlat or any of its subsidiaries and on that basis the Board is comfortable that he maintains an arm's length relationship with the executive team, the Board and the individual directors in terms of Section 3.84(j) of the JSE Listings Requirements. There is no interference by the Board with regard to his performance pertaining to corporate governance.

Lester Jooste has worked in the company secretariat environment for 14 years, which includes 11 years with listed entities, and is an associate of the Institute of Chartered Secretaries. He has never been censured by the JSE or penalised or fined for any misconduct. The Board, having assessed his abilities based on his qualifications, experience and the level of competence he has demonstrated as RBPlat's Company Secretary over the past four years, as required in terms of Section 3.84(i) of the JSE Listings Requirements, agreed that Lester Jooste is sufficiently qualified, competent and experienced to act as RBPlat's Company Secretary. The Board endorsed and confirmed his appointment as Company Secretary at its meeting held in February 2014 and will again consider his suitability as Company Secretary in 2015.

↳ The thickener tanks at RBPlat's concentrator



Reporting in terms of Section 3.84 of the JSE Listings Requirements on Board governance processes

| | |
|--|---|
| <p>3.84(a) There must be a policy detailing the procedures for the appointment to the board. Appointments must be formal and transparent and a matter for the board as a whole, assisted where appropriate by a nomination committee. If a nomination committee is appointed, such committee must only constitute non-executive directors and the majority must be independent. The committee must be chaired by the chairman of the board.</p> | <p>RBPlat's directors are appointed by means of a transparent and formal procedure, governed by the mandate and terms of reference of our Remuneration and Nomination Committee and the Board Charter. As of February 2014 the majority of the members of our Nomination Committee are independent non-executive directors and the Chairman of the Board chairs the committee. We comply with the definitions of non-executive director and independent director in terms of paragraph 3.84(f)(ii).</p> |
| <p>3.84(b) There must be a policy evidencing a clear balance of power and authority at board level to ensure that no one director has unfettered powers.</p> | <p>Our Board Charter demonstrates that there is a clear balance of power and authority at Board level and that no one director has unfettered powers. Decisions, if not unanimous, are taken by a simple majority with one vote per director. The Chairman does not have a casting vote.</p> |
| <p>3.84(c) Issuers must have a CEO and a chairman and these positions must not be held by the same person. The chairman must either be an independent director or the issuer must appoint a lead independent director as defined in the King Code.</p> | <p>The CEO and Chairman positions in RBPlat are held by different people and RBPlat's Chairman is an independent non-executive director.</p> |
| <p>3.84(d) Issuers must appoint an audit committee in compliance with the Companies Act and as recommended by the King Code. Issuers must appoint a remuneration committee in compliance with the JSE Listings Requirements and as recommended by the King Code. Where appropriate, issuers must appoint a risk and nomination committee. The composition of such committees, a brief description of their mandates, the number of meetings held and any other relevant information must be disclosed in the annual report.</p> | <p>RBPlat has a combined Audit and Risk Committee, which currently has four members all of whom are independent non-executive directors. As previously indicated RBPlat has appointed a combined Remuneration and Nomination Committee. The committee has three members, all of whom, as at the end of February 2014, were independent non-executive directors. The Chairman of the Board is a member of the combined committees and Chairman of the Nomination Committee. Brief descriptions of the mandates of these committees and the number of meetings held during the year are available on page 175 of this report.</p> |
| <p>3.84(e) Brief CV of each director standing for election or re-election must accompany relevant notice of meeting.</p> | <p>Brief curricula vitae of our directors are to be found on pages 52 and 53 of this report which also contains the Notice of our Annual General Meeting.</p> |
| <p>3.84(f) Capacity of directors in relation to executive, non-executive and independent must be categorised and disclosed in the relevant documentation.</p> | <p>The curricula vitae mentioned at 3.84(e) also contain information as to whether a director is independent, non-executive or executive. The composition of our committees is in accordance with the requirements of the Companies Act and the King Code.</p> |
| <p>3.84(g) Issuers must have a full time executive financial director.</p> | <p>RBPlat has a full time Chief Financial Officer who is an executive director of the Company. He does not hold any other position nor does he have any other commitments that could be considered as full or part time employment.</p> |
| <p>3.84(h) The audit committee must consider on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director and report thereon in the annual report.</p> | <p>Our Audit and Risk Committee annually considers and satisfies itself of the appropriateness of the expertise and experience of the Chief Financial Officer and the finance function and has reported on its findings in its Audit and Risk Committee report on pages 195 to 196 of our annual financial statements.</p> |
| <p>3.84(i) The provision deals with the competence, qualifications and experience of the company secretary and the board of directors' responsibility in relation thereto.</p> | <p>We refer you to page 177 of this report where the Company Secretary's competence, qualifications and experience are set out as is the Board's assessment of his abilities to carry out his responsibilities.</p> |
| <p>3.84(j) The provision deals with the arm's length relationship between the board of directors and the company secretary and the board of directors' responsibility in relation thereto.</p> | <p>We also refer you to page 177 of this report where it is stated that the Board is comfortable that the Company Secretary maintains an arm's length relationship with the executive team, the Board and the individual directors.</p> |

See pages 40 to 45 of the Risk management section for details of internal controls and enterprise risk management
The membership of the Board committees is set out on page 175 of this report.

The Board Charter and the terms of reference of all our committees are available in full on our website at www.bafokengplatinum.co.za

Our progress since 2012 with the application of King III

RBPlat strives to fully adopt the King III principles and as such every year we consider the 75 corporate principles set out in King III. We have provided an update below of our actions in terms of the principles we listed in 2012 as not yet fully applied by RBPlat. (This list deals only with outstanding matters.) A comprehensive assessment of all of the 75 principles can be found on our website at www.bafokengplatinum.co.za.

| King III principle | Past, current and future actions |
|--|---|
| Ethics framework | <p>2012 Revised ethics policy approved by Board An ethics framework and the measurement thereof to be established in 2013 as part of the risk management process</p> <p>2013 An ethics framework and a monitoring and measurement system are now in place (see the Ethics section on page 181)</p> <p>2014 Implemented our framework and monitoring and measuring system and revised our fraud and corruption prevention policy. KPMG conducted an ethics climate survey in RBPlat. We ran fraud risk workshops in all operational and functional areas and conducted proactive fraud risk reviews during which we identified any issues that needed addressing. We also ran a fraud awareness campaign</p> <p>2015 We will broaden the application of RBPlat's fraud and corruption policy and framework to all stakeholders including our external stakeholders (e.g. suppliers). We will also be using our systems to achieve real-time application of our policy and framework</p> |
| Succession planning | <p>2012 Succession plan for senior management agreed and its implementation was considered.</p> <p>2013 A succession plan for senior management has been agreed and a talent management plan which identifies talent for succession planning up to the CEO will be implemented in 2014</p> <p>2014 A talent management plan which identifies talent for succession planning up to the CEO was implemented in 2014</p> <p>2015 Board succession</p> |
| Risk management framework and implementation plan | <p>2012 A comprehensive enterprise risk management policy and framework and risk management strategy and implementation plan was approved by the Board in 2012. We also appointed an Executive: Risk and Assurance to lead the risk management and assurance development and implementation in conjunction with the CEO and the Audit and Risk Committee</p> <p>2013 A risk management policy, framework and risk management strategy and implementation plan have been adopted and are being implemented and risk management programmes are being embedded in the organisation</p> <p>2014 We cascaded our risk management policy, framework and risk management strategy, further down into our business and closed the gap between strategic risk and operational risk Changed the approach of internal audit to a risk-based one and integrated the internal audit processes with the reporting processes of our external auditors and specialist independent assurance to achieve combined assurance providers We reviewed the insurance risk of the business and aligned it with the risk profile of the business. Our risk and sustainability functions were realigned. This included appointing a Head: Risk and Compliance and Head: Corporate Sustainability</p> <p>2015 Develop the Company's risk appetite, determine its risk tolerance at business unit level and risk limits at key performance indicator level and set the targets for 2016 Review three-year risk management framework, policy and process</p> |
| ICT governance | <p>2012 RBPlat's ICT strategy and governance framework were developed and adopted by the Board in November 2012 and implementation commenced</p> <p>2013 An ICT strategy and governance framework have been developed and adopted and implementation has begun, including the appointment of a Chief Information Officer</p> <p>2014 Internal and external auditors conducted reviews of our ICT systems governance and identified some gaps in terms of governance and control. An updated ICT strategy, governance framework and policy were approved for implementation in 2015</p> <p>2015 Updated ICT strategy, governance framework and policy to be considered, approved and implemented</p> |
| Legal compliance framework | <p>2012 The Executive: Risk and Assurance revised the framework and policy, to be tabled in early 2013 for the Board to consider. A legal compliance policy and framework is in place</p> <p>2013 Our legal compliance framework and policy have been adopted and will be implemented in 2014. They form part of our risk management process</p> <p>2014 Legal compliance policy and framework implemented</p> <p>2015 Ongoing review and assessment</p> |
| Governing stakeholder relationships and corporate citizenship | <p>2012 RBPlat's stakeholder engagement framework has been adopted by the Board. Reporting into the Board still needs to be enhanced</p> <p>2013 Our revised stakeholder engagement framework has been adopted and a Sustainability Committee has been formed at operational level to oversee the implementation of all sustainability matters, including stakeholder engagement</p> <p>2014 Implementation of the framework is ongoing</p> <p>2015 Review, assessment and the adapting of our stakeholder framework where required is ongoing</p> |

See Risk management on pages 40 to 47 for more information on our risk management activities during 2014.
See Intellectual capital section on page 163 for more information on ICT.

SOCIAL AND ETHICS COMMITTEE REPORT

My responsibility as Chairman of RBPlat's Social and Ethics Committee is to report on the matters within this committee's mandate for the period ended 31 December 2014, in accordance with the requirements of the Companies Act (71 of 2008, as amended).

- ☐ In summary the committee's duties include:
- > monitoring the social, economic, employment and environmental activities of the Group
 - > assisting the Board in assessing certain aspects of governance applicable to the committees function or mandate
 - > bringing matters relating to these activities to the attention of the Board when appropriate
 - > ensuring RBPlat is and remains a socially committed corporate citizen
 - > reporting annually to stakeholders.

The committee met four times during the year. At each meeting we reviewed the quarterly reporting presented to us on:

- > safety and occupational hygiene
- > occupational health and wellness
- > environmental stewardship and climate change
- > human resource development, employment equity and transformation
- > social development
- > stakeholder engagement
- > Mining Charter and legislative compliance
- > asset protection and security
- > ethics and ethics hotline cases
- > enterprise risk management: risk profiles.

As part of our duties we reviewed the Group's environmental liability assessment. We considered the Group's standing with regard to the international labour protocol on decent work and working conditions. The committee also reviewed RBPlat's

employee relations and its contribution to the education and development of its employees and the communities in which it operates. We also considered the risks and opportunities associated with both.

In February 2014 we reviewed the findings and recommendations of the sustainable development assurance of the Group's Integrated Report. We also reviewed the sustainable development disclosures in this report and recommended it for approval by the Board.

The many aspects relating to the employee home ownership scheme were an important subject of our deliberations during the year.

We reviewed and approved changes to the environmental and climate change policy and also reviewed the health and safety policy during 2014.

During our July meeting we were updated on the impact the Global Reporting Initiative's (GRI) new reporting guidelines, G4, would have on our reporting in 2014 and the progress RBPlat had already made with its materiality identification process. We were also updated on the roll-out of the Sustainability and Stakeholder Engagement Framework at operational level.

The Social and Ethics Committee and the Audit and Risk Committee have joint sessions twice a year.

The following topics are addressed:

- > Enterprise risk management
- > Group and mine risk profiles and registers
- > Risk management related policies and framework

- > Sustainability-related policies and framework
- > Integrated assurance process, scope and findings
- > Ethics status report and policies
- > Fraud risk profile
- > Group insurance programme.

Conclusion

RBPlat continues to meet its environmental, social and governance responsibilities, which is recognised by it qualifying as a constituent of the JSE Socially Responsible Investment (SRI) Index for the third year running. The Group also has suitable policies and frameworks in place to sustain its commitment to social and economic development, fair labour practices, environmental responsibility and good corporate citizenship.

There has been no material non-compliance with legislation or regulations or non-adherence with codes of best practice in terms of the areas within the committee's mandate during 2014.

This committee is accountable to the Board and reports, through its Chairman, to shareholders at the Company's annual general meeting on matters within its mandate.

Mike Rogers
Chairman

ETHICS

We believe in ethical business conduct and have a zero tolerance approach to corrupt behaviour.

RBPlat requires all its representatives to act in good faith and in a manner that promotes our aspiration to be a good corporate citizen. The issue of corporate ethics receives attention from the highest level of management within RBPlat, with our Chief Executive Officer being ultimately responsible for implementing our Code of Ethics. We also require all our suppliers to acknowledge and confirm in all supply contracts that they have read and understood our Code of Ethics and agree to be guided by it in terms of their actions and behaviour.

The Board, Audit and Risk and Social and Ethics committees monitor compliance with our Code of Ethics through quarterly report they receive from the Executive: Risk and Assurance, which includes feedback from our whistle-blower hotline and our internal audit department.

We identified potential gaps in ethical behaviour through an ethics climate survey in 2014, which we needed to address. The programme we began implementing in 2014 to address these gaps will continue in 2015. The aim of the programme is to develop an increased understanding and awareness of potential unethical behaviour among our employees and to encourage the use of the confidential whistle-blowing hotline available to our employees, suppliers and other stakeholders should they believe they have witnessed unethical behaviour.

The Board approved new fraud and corruption prevention plans which includes aspects of training and awareness. We have also established a process to monitor and report on ethics in RBPlat and there has been a significant improvement in understanding and prevention.

Fraud and corruption risks are included in our risk assessment process, which includes all our business units. During 2014 we provided our heads of department with awareness training on our fraud and corruption prevention policy and procedures and we conducted a fraud awareness campaign which addressed everyone working in our operations.

Incidents of fraud and corruption that are reported or detected through management controls are formally investigated by the Executive: Risk and Assurance and/or our Security Manager,

depending on the incident's severity. Where control weaknesses are identified we implement control enhancement measures. Where an investigation proves that our fraud and corruption policy has been transgressed we follow a formal disciplinary process, which could lead to dismissal and/or criminal charges being instituted.

Our fraud and corruption prevention policy was updated during 2014 following incidents where the policy was unclear. This policy has been distributed to all heads of department and our first level of management is aware of its provisions and is responsible for cascading it down their management line. Related issues are discussed at Exco meetings as and when they arise. All members of management are required to declare their interests, irrespective of whether or not there is an existing conflict of interest. This information forms the foundation of future fraud prevention activities.

RBPlat has grievance and corrective action procedures in place to ensure that any corrupt behaviour that we become aware of is dealt with accordingly.

No requests for information were made to RBPlat during 2014 in terms of the Promotion of Access to Information Act.

During the year under review RBPlat was not subject to any penalties, fines or criminal prosecutions.

RBPlat does not support any political parties or politicians with either financial or in-kind contributions.

Our Code of Ethics

Our Code of Ethics, which was revised in 2014 to bring it in line with international best practice and the new fraud and corruption prevention policy, explains that we do not tolerate acts of bribery or fraud by our employees, contractors, suppliers, joint venture partners and other business partners. We take immediate action (which may include dismissal and legal action) against any organisation or person committing bribery or fraud and have systems in place to prevent these misdemeanours. We are also committed to fair trade and purchasing in an ethical manner.

☐ For more information on the mandate and terms of reference of the committee and its membership see our website at www.bafokengplatinum.co.za



RBPLAT'S APPROACH TO REMUNERATION

Our philosophy

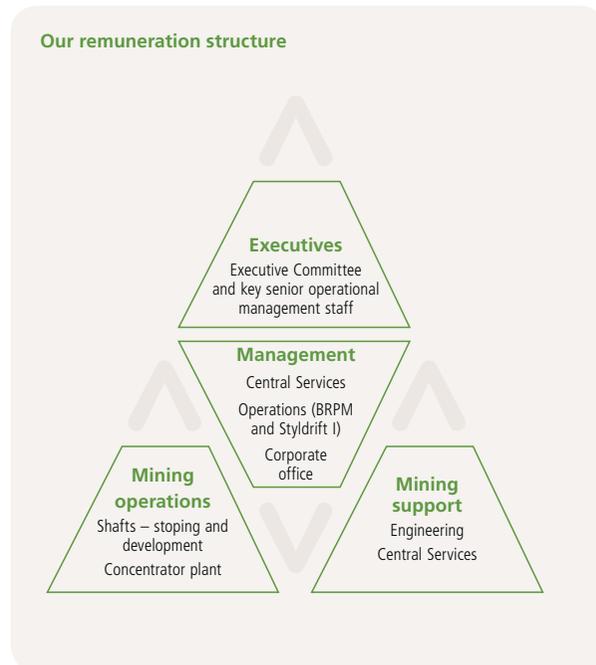
RBPlat's remuneration philosophy is aimed at delivering a competitive, differentiated and flexible pay structure that will attract, reward and retain high quality individuals. We believe that remuneration should match performance and are committed to ensuring that our pay levels remain competitive, while managing employment costs. RBPlat compares its pay levels with the general market and the mining sector through surveys every second year.

The performance of our executives against agreed financial performance measures and scorecards determines the rewards they receive. In this context we are committed to:

- > maintaining pay levels on a total cost to employer basis that reflect an individual's worth to RBPlat
- > a performance management system that allows us to differentiate between individual and/or team performance
- > incentives that recognise and reward, where appropriate, both operational performance and strategic achievements.

Our remuneration structure

Our remuneration structure has four segments: executives, management, mining support and mining operations



Details of our remuneration structure

| Executives (Exco) | Management (D2 and above) | Mining operations (D1 and below) | Mining support (D1 and below) |
|--|---|---|--|
| <p>Total guaranteed package (TGP)</p> <ul style="list-style-type: none"> > Based on mining industry and peer group benchmarks (market median) > Reviewed annually against market and individual performance > Area of responsibility > Benchmarking to select peer group <p>Annual performance bonus</p> <ul style="list-style-type: none"> > Percentage of TGP based on performance > Company (50%): Includes safety, production, costs, sustainability, project performance, and governance > Individual targets (50%): Includes leadership direction and team work <p>Bonus share plan scheme</p> <ul style="list-style-type: none"> > Percentage of annual performance bonus > Vest on third anniversary > Vesting condition: continuous employment <p>Forfeitable share scheme</p> <ul style="list-style-type: none"> > Up to three times TGP > Sliding vesting scale based on future performance vs peers and total shareholder return > Vest on third, fourth and fifth anniversary <p>Share options scheme</p> <ul style="list-style-type: none"> > Upon joining Company, promotion or discretionary RemCo award > Four to six times annual TGP (dependent on level and responsibility) | <p>Total guaranteed package (TGP)</p> <ul style="list-style-type: none"> > Based on mining industry benchmarks > Reviewed annually against market and individual performance > Area of responsibility > Consideration for retention purposes <p>Annual performance bonus</p> <ul style="list-style-type: none"> > % of TGP based on performance > Company and/or operational targets include: safety, production, costs, project performance, sustainability and governance > Individual targets <p>Bonus share plan scheme</p> <ul style="list-style-type: none"> > Percentage of annual performance bonus > Vest on third anniversary > Vesting condition: continuous employment <p>Share options</p> <ul style="list-style-type: none"> > Upon joining Company, promotion or discretionary RemCo award > 0.5 to 2.5 times annual TGP (dependent on level and responsibility) | <p>Wages and benefits</p> <ul style="list-style-type: none"> > Wage agreement (bargaining unit) > Various benefits including housing, medical aid, etc <p>Monthly performance bonus</p> <ul style="list-style-type: none"> > Monthly production bonus based on safety performance and production volumes <p>Mahube ESOP</p> <ul style="list-style-type: none"> > Units allocated annually > Pre-determined dividend paid as per trust deed > A third of the units vest annually > Final vesting in 2015 (five-year scheme) | <p>Wages and benefits</p> <ul style="list-style-type: none"> > Wage agreement (bargaining unit) > Various benefits including housing, medical aid, etc <p>Performance bonus</p> <ul style="list-style-type: none"> > Six monthly bonus based on production, safety and individual performance > Bonus entry level performance of 93% of business plan, then sliding scale <p>Mahube ESOP</p> <ul style="list-style-type: none"> > Units allocated annually > Pre-determined dividend paid as per trust deed > A third of the units vest annually > Final vesting in 2015 (five-year scheme) |

Details of our remuneration structure

The structure of our remuneration ensures that the achievement of both the Group's short-term operational and long-term strategic objectives are incentivised.

Basic salary and guaranteed packages (basic salary plus benefits)

Details of the basic salary and guaranteed packages (basic salary plus benefits) paid to each of the executive directors and prescribed officers and directors of major subsidiaries during the 2014 financial year are set out in Note 30 on page 232 of the consolidated annual financial statements.

The remuneration of our top three earners who are not directors, as recommended by King III and which has substantially been incorporated into the Companies Act with the required prescribed officers' disclosure has been included in Note 30 on page 232.

A general increase was applied to executive guaranteed packages with effect 1 January 2014, except where there were changes in responsibility and span of control.

RBPLAT'S APPROACH TO REMUNERATION

CONTINUED

Pay mix

In line with our belief that remuneration should match performance, our pay mix policy supports the philosophy that the performance-based pay of senior executives should form a greater portion of their expected total compensation as opposed to guaranteed salary. In addition, the orientation of the performance-based pay of the most senior executives should

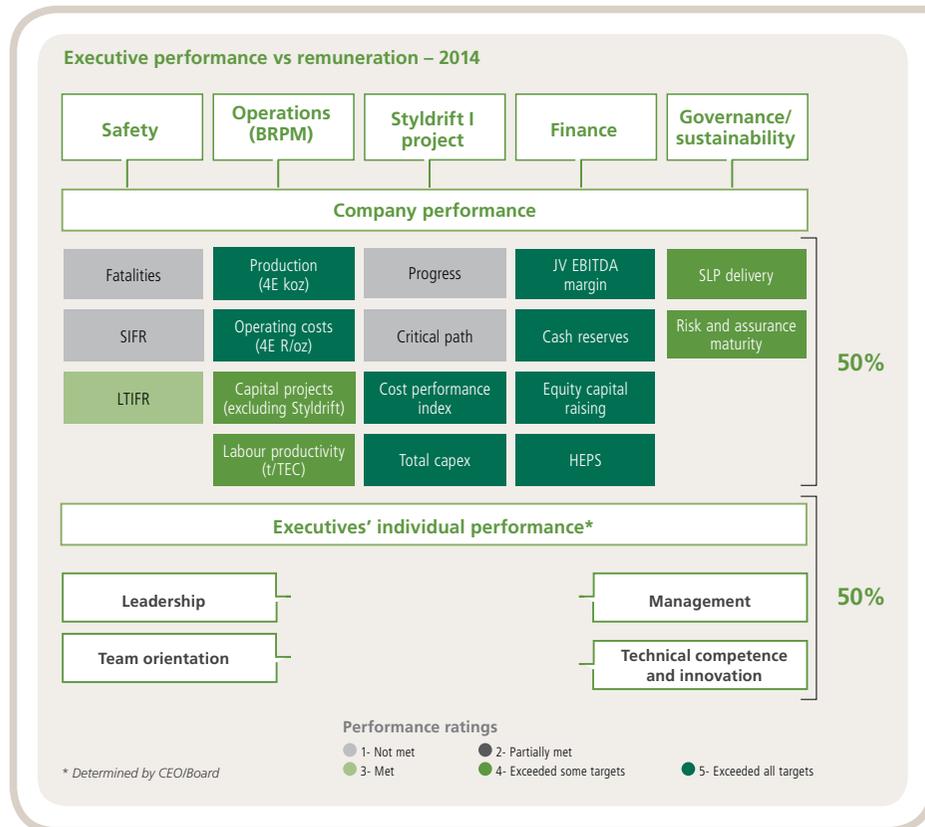
be weighted more towards rewarding long-term sustainable performance through long-term and/or share-based incentives than towards rewarding operational performance through annual cash incentives.

Our pay mix of fixed and variable pay is designed to meet RBPlat's operational needs and strategic objectives, based on stretched targets that are verifiable and relevant.

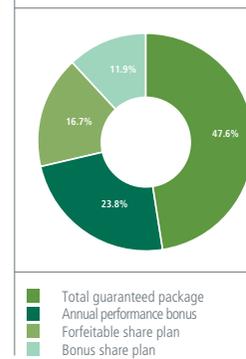
The proportions of the pay mix of executive directors and executives is set out below. It should be noted that the target reward used in these diagrams is defined as the present value of the future reward outcome of an offer, given the targeted future performance of the individual and the company and/or its share price.

Measurement of executive performance

At RBPlat executive performance is assessed on company performance (50%) and individual performance (50%). This assessment forms the basis of all short-term and long-term executive incentives including increases, bonuses and long term incentives. 2014 performance is reflected in the table below.



Executive director



Long-term share-based incentives

Share options

In terms of the Royal Bafokeng Platinum Limited Share Option Plan executives and senior management are granted share options when they join the Company. The characteristics of this scheme are:

- > A once-off grant made at the date of joining the Company
- > Option price based on the weighted average trading price on the day prior to the grant date
- > Vesting in equal thirds on the third, fourth and fifth anniversaries of the grant date, with an exercise horizon of 10 years from grant date.

The Remuneration Committee can make discretionary grants as and when required.

Bonus share plan

In terms of the Bonus share plan (BSP), there is a 50% matching of executive bonuses with restricted shares, provided he/she received a cash bonus based on performance for the particular year under review. The shares vest three years after their grant, as long as the executive is still employed by the Company.

Although a bonus (and the matching restricted shares) is earned through the combination of individual, team and Company operational performance, the matching restricted shares do not offer any reward or motivation for the longer-term sustainable performance of the Company. They are a form of deferred bonus for previous performance and not necessarily aligned to long-term shareholder value performance.

Grants of restricted shares made under the BSP to executive directors and prescribed officers during the 2014 financial year, details of vesting/exercise, and a summary of holdings are disclosed in Note 30 on pages 232 to 235 of the consolidated annual financial statements.

Forfeitable share plan

The purpose of the forfeitable share plan is to attract, retain, motivate and reward executives and senior managers who are able to influence the performance of RBPlat and its subsidiaries on a basis that aligns their interests with those of the Company's stakeholders.

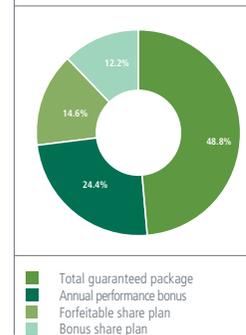
Executives and selected managers of the Company and its subsidiaries are offered a number of forfeitable shares annually. These offers are governed by RBPlat's reward strategy (pay mix) in which the target reward of long-term incentivisation is set.

The weighted implementation of the bonus share plan and the forfeitable share plan allows RBPlat to remain competitive in terms of long-term incentives, reward long-term sustainable Company performance, serve as a retention tool, and ensure that executives and management share a significant level of personal risk/reward with the Company's shareholders.

Annual conditional awards of forfeitable shares were made in April 2014 for the first time. They will vest in year three, four and five, to the extent that the Company has met specified performance criteria over the intervening period. The exact percentage vesting is determined by the Remuneration Committee. Essentially, the value per share that vests is the full value of the share (there is no strike price). However, the number of shares that will vest will depend on whether the Company's performance over the intervening three-year period has been on target, or an over or under performance against the target/s set at the award date.

The Remuneration Committee will determine the performance criteria for each award. However, for the first award and until further notice for subsequent awards, the methodology of vesting will target the Company's comparative (market capitalisation weighted) total shareholder return (TSR) in relation to the other constituent companies in the JSE Platinum Index.

Executives



Executive Committee members' service contracts

None of the executive directors have extended employment contracts or special termination benefits. There are restraints of trade in place for all executives.

Service contracts of executive directors and members of the Executive Committee are subject to a three months' notice period.

Non-executive directors' compensation

Non-executive directors' terms of appointment

Non-executive directors' remuneration is reviewed every two years and is determined after a benchmarking exercise undertaken by the Chief Executive Officer and the approval by the shareholders at the annual general meeting of the proposed compensation. In arriving at the proposed compensation, we consider market norms and practices, as well as the additional responsibilities placed on Board members by new legislation and corporate governance principles.

Non-executive directors receive an appointment letter from the Chairman outlining their duties and responsibilities. The Company does not grant options or shares to non-executive directors. Non-executive directors receive an annual fee for their contribution. This annual fee comprises a base retainer fee and, where applicable, a committee membership fee. Hourly fees are also paid to non-executive directors for any ad hoc work that may be required of them.

We have provided the details of the emoluments paid to non-executive directors in 2014 in Note 29 on page 231 in the consolidated annual financial statements.

Employee share ownership plan (ESOP)

RBPlat employees have the opportunity to participate in the Company's performance through the Royal Bafokeng Platinum Mahube Trust. Now in its fourth year, the Trust was originally established to ensure that employees who had previously participated in the Anglo American Platinum Limited Kotula employee share participation scheme received equivalent benefits. It was set up differently from most employee share participation schemes, the most important differences being that it has manufactured guaranteed dividends and the management of RBPlat committed to providing funds for the administration of the Trust. This has reduced the financial burden on the Trust and ensured that maximum benefits are delivered to the beneficiaries.

The Trust paid a total dividend of R858 414 to the beneficiaries in 2014 and a further R1 378 007 was contributed to the administration of the Trust.

Allocation of units

Units are allocated to the beneficiaries of the Mahube Trust annually, as a measure of their participation interest in the Trust's assets. To qualify for the allocation an individual needs to be an employee of RBPlat on 31 March of the year in question and should not be eligible to participate in any other RBPlat share scheme(s). At the Trust's inception in November 2010, when the value of the Bafokeng Rasimone Management Services (BRMS) employees' participation in Kotula was transferred to the Mahube Trust in the form of 5 656 171 units, 1 656 171 of these units were allocated to the beneficiaries. In 2011, 2012, 2013 and 2014 the Trust allocated equally to all eligible beneficiaries 1 000 000 units annually.

In addition to the 1 000 000 units allocated each year, the units forfeited by bad leavers are also allocated to the remaining beneficiaries.

Capital distribution (vesting)

The Mahube Trust holds 375 942 RBPlat ordinary shares and 563 914 RBPlat "A" ordinary shares. In 2014 the second tranche of shares vested. The proceeds of the vesting were paid to the beneficiaries in 2014. Additional information regarding the schemes can also be found in the consolidated annual financial statements on pages 202 to 250.

INDEPENDENT ASSURANCE REPORT TO THE MANAGEMENT AND STAKEHOLDERS OF ROYAL BAFOKENG PLATINUM LIMITED

Introduction

Gilden Assurance was commissioned by Royal Bafokeng Platinum Limited (RBPlat) to conduct an independent third party assurance engagement in relation to the sustainability information in its Integrated Report (the report) for the financial year that ended in December 2014.

Gilden Assurance is an independent and licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from a team of associates. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with 17 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) assurance standard and was conducted to meet the AA1000AS Type II moderate level requirements.

Respective responsibilities and Gilden Assurance's Independence

RBPlat is responsible for preparing the report and for the collection and presentation of sustainability information within the report. Gilden Assurance's responsibility is to the management of RBPlat alone and in accordance with the terms of reference agreed with RBPlat.

Gilden Assurance applies a strict independence policy and confirms its impartiality to RBPlat in delivering the assurance engagement. This assurance engagement is the second consecutive assurance engagement conducted for RBPlat, the previous one being for the 2013 Integrated Report.

Assurance objectives

The objective of the assurance process was to provide the management of RBPlat and RBPlat's stakeholders with an independent moderate level assurance opinion on whether the report meets the following objectives:

- > Adherence to the AA1000APS (2008) AccountAbility principles of inclusivity, materiality and responsiveness
- > Fair reporting on a selection of operational key performance indicators (KPIs) as indicated in the material issues tables of the report.

Human capital

- Fatal injury frequency rate (FIFR)
- Lost time injury frequency rate (LTIFR)
- Number of days without an injury
- HDSA percentage discretionary procurement spend
- Total social and labour plan expenditure
- Total employees training spend as a percentage of payroll
- Number of production days lost due to labour action
- Skilled employee turnover by category
- Total number of employees, contractors and community members who received part time ABET
- Percentage of HDSA managers in core and support functions
- Number and percentage of people trained in terms of SLP commitments
- Number of woman at mining
- Number of new noise-induced hearing loss (NIHL) cases, greater than 10% PLH
- Number of employees and contractors undergoing HCT
- Number of employees enrolled into the RBPlat ART programme
- Number of ART default cases
- Number of employees and contractors who are on TB treatment at BRPM clinic
- TB incidence rate
- Number of sales agreements signed under RBPlat's employee home ownership scheme

Natural capital

- Total water used
- Total energy consumption
- Greenhouse gas emissions: Scope 1 and 2 (CO₂e)

Work performed by Gilden Assurance

Gilden Assurance performed the assurance engagement in accordance with the AccountAbility AA1000AS (2008) Type II requirements. The following suitable assessment criteria was used in undertaking the work:

- > AA1000APS (2008) (AccountAbility Principles Standard) published criteria for inclusivity, materiality and responsiveness respectively
- > RBPlat's operational Sustainability Data Reporting Procedure that specifies definitions, reporting processes, controls and responsibilities.

Our assurance methodology included:

- > Interviews with relevant functional managers at head office and operations to understand and test the processes in place for adherence to the AA1000APS stakeholder engagement principles and disclosure of the selected KPIs in the assurance scope
- > Site visits to both its BRPM and Styldrift operations, which involved testing, on a sample basis, the measurement, collection, aggregation and reporting processes in place
- > Inspection and corroboration of evidence in support of satisfying the assurance criteria at the operations as well as at RBPlat's head office
- > 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.

GLOSSARY OF TERMS AND ACRONYMS

CONTINUED

| | | | | | | | |
|---------------------------|---|--|---|---|---|-----------|--|
| 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 sampling and assumed but not verified 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) | 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 for a project 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) | Number of employees currently on antiretroviral treatment (ART) | The number of employees that have been identified to be HIV positive as indicated by the HIV test results and where the CD4 count is 350 or below | TARP | Trigger action response plan. Major accidents are usually preceded by indications of trouble (triggers). A TARP identifies these preceding indicators and specifies appropriate action to be taken when they occur |
| In situ | The original, natural state of the ore body before mining or processing of the ore takes place | 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) | Number of fatalities | 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 | Tramming | A wagon, running on tracks, used to move material in a mine |
| ISO 14001 | The International Standards Organisation’s standard for environmental management systems | | | OEM | Original equipment manufacturer | UN | United Nations |
| ISO 9001 | The International Standards Organisation’s standard for quality management systems | | | OHSAS 18001 | OHSAS 18001 is 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 | UNGC | United Nations Global Compact |
| koz | Thousand ounces | | | PAYE | Pay-as-you-earn | Workforce | Workforce includes both enrolled employees and volume contract workers |
| kt | Thousand tonnes | | | Pd | Palladium | | |
| ktpm | Thousand tonnes per month | | | PGE | Platinum group elements | | |
| LTI | Lost time injury. A lost time injury is 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 | Mt | Million tonnes | PGM | Platinum group metals, six elemental metals of the platinum group nearly always found in association with each other. Some texts refer to PGE. These metals are platinum, palladium, rhodium, ruthenium, iridium and osmium | | |
| LTIFR | Lost time injury frequency rate. The number of lost time injuries per 200 000 hours worked (LTI/hrs worked x 200 000) | Net asset value | Total assets less all liabilities, including deferred taxation, which equates to shareholders’ equity | pM10 | Particulate matter less than 10 micrometers in diameter | | |
| MACHARORA | Made up of the four villages of Mafenya, Chaneng, Robega and Rasimone, surrounding our operations | Net asset value as a percentage of market capitalisation | Shareholders’ equity expressed as a percentage of market capitalisation | Pt | Platinum | | |
| Mahube Trust | Royal Bafokeng Platinum Mahube Trust | Ni | Nickel | Section 54 stoppage | In terms of section 54 of the Mine Health and Safety Act No 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 any 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 | | |
| 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) | NOx | Oxides of nitrogen (nitric oxide and nitrogen dioxide) which are produced from the reaction of nitrogen and oxygen gas during combustion, especially at high temperatures | SIFR | Serious injury frequency rate. The number of serious injuries that have occurred in every 200 000 hours worked | | |
| Milling | A process to reduce broken ore to a size at which concentrating can be undertaken | NUM | National Union of Mineworkers | Social and labour plans (SLPs) | The Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002) (MPRDA) requires the submission of the social and labour plan as a pre-requisite 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 | | |
| Moz | Million ounces | 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 | | | | |
| 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 with a high level of confidence. It is based on 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) | Number of employees counselled | The number of employees that received HIV counselling before deciding if they will accept the HIV test (HIV counselling is compulsory for all employees during initial and periodic medical surveillance examination) | | | | |



ANNUAL FINANCIAL STATEMENTS

CONTENTS

| | |
|--|-----|
| Statement of responsibility by the Board of Directors | 194 |
| Certificate of the Company Secretary | 194 |
| Audit and Risk Committee report | 195 |
| Directors' report for Group and Company | 197 |
| Independent Auditor's report to the members of Royal Bafokeng Platinum Limited | 201 |
| Consolidated statement of financial position | 202 |
| Consolidated statement of comprehensive income | 203 |
| Consolidated statement of changes in equity | 204 |
| Consolidated statement of cash flows | 205 |
| Summary of the significant accounting policies | 206 |
| Notes to the consolidated annual financial statements | 220 |
| Company statement of financial position | 244 |
| Company statement of comprehensive income | 245 |
| Company statement of changes in equity | 246 |
| Company statement of cash flows | 247 |
| Notes to the Company annual financial statements | 248 |
| | |
| Non-IFRS measures | 251 |
| Shareholder statistics | 252 |
| Notice of annual general meeting | 253 |
| Company administration | 260 |
| Form of proxy (loose) | |

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

for the year ended 31 December 2014

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the Royal Bafokeng Platinum Group. The financial statements presented on pages 202 to 250 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council as issued by the International Accounting Standards Board (IASB) and IFRIC interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the Companies Act 71 of 2008 of South Africa and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and IFRS that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Group at year end.

The directors have responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group to enable the directors to ensure that the financial statements comply with relevant legislation.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Company or any entity within the Group will not be a going concern in the foreseeable future. These financial statements support the viability of the Company and of the Group.

Board approval of financial statements

The annual financial statements for the year ended 31 December 2014 are set out on pages 202 to 250. The preparation thereof was supervised by the Chief Financial Officer, Martin Prinsloo who is a qualified Chartered Accountant CA(SA) and approved by the Board of directors on 27 February 2015 and are signed on its behalf by:



KD Moroka SC
Chairman



SD Phiri
Chief Executive Officer

CERTIFICATE OF THE COMPANY SECRETARY

for the year ended 31 December 2014

I, the undersigned, certify that to the best of my knowledge and in my capacity as the Company Secretary, the Company has lodged all such returns with the Companies Intellectual and Property Commission in compliance with the Companies Act 71 of 2008.



LC Jooste
Company Secretary

27 February 2015

AUDIT AND RISK COMMITTEE REPORT

for the year ended 31 December 2014

I am pleased to present the report for the financial year ended 31 December 2014 of RBPlat's independent Audit and Risk Committee. The Committee's duties and objectives, as mandated by the Board, allow it to discharge its statutory and other Board-delegated duties in accordance with its terms of reference, which are available on the Company's website at www.bafokengplatinum.co.za.

Composition, meetings and assessment

The Committee's membership, as at 31 December 2014, consisted of four independent non-executive directors. Following the resignation of Mr David Noko and Prof Francis Petersen from the Board on 15 September 2014, and their consequent withdrawal as committee members, Mr Mark Moffett and Ms Louisa Stephens were appointed to the Committee on 10 November 2014. Mr Robin Mills remains a member of the Committee, which I chair.

The Committee held four meetings in 2014 and also holds closed sessions with key relevant parties and, from time to time, we hold members only in-camera sessions to allow us to conduct confidential assessments and discussions.

The Committee's terms of reference prescribe that the effectiveness of the Committee, its Chairman and members should be assessed annually. The outcome of the 2014 evaluation was positive.

Role and responsibilities

The Committee has executed its responsibilities in keeping with the recommendations of King III, the JSE Listings Requirements and the Companies Act 71 of 2008 (the Companies Act), as well as the additional responsibilities prescribed by our terms of reference, as endorsed by the Board of directors. Our key areas of responsibilities are to:

- > perform our statutory duties as prescribed by the Companies Act
- > oversee the integrated reporting process and assess the disclosures made to all stakeholders in conjunction with the Social and Ethics Committee, which includes the Annual Financial Statements for the year under review
- > oversee and assess the governance implementation process, as well as the resources allocated to the management of these processes
- > oversee and assess risk and compliance management processes and the assurance thereof
- > consider the effectiveness of internal controls
- > oversee the appointment and functions of internal and external audit and the non-audit services rendered during the year
- > assess independence and performance of both the external and internal audit process and providers.

The Committee has also fulfilled its duty to the Board and has assisted the Board in carrying out certain areas of its duties to all its stakeholders.

Financial statements and accounting policies

The Committee assessed the Group's accounting policies and consolidated annual financial statements for the year ended 31 December 2014.

In 2014 the Committee assessed new accounting policies relating to the RBPlat home ownership scheme, which have been implemented in the 2014 consolidated annual financial statements.

The Committee recommended the audited consolidated annual financial statements to the Board for approval. These will be tabled for shareholders' approval at the next Annual General Meeting of the Company.

External auditor appointment and independence

The Committee satisfied itself that the Group's external auditor is independent, which included the extent of other work undertaken by the auditor for the Group, and compliance with criteria relating to independence or conflicts of interest, as prescribed by the Independent Regulatory Board for Auditors. The requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence. A formal policy governs the process whereby the auditor is considered for non-audit services.

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the year under review.

The Committee has nominated PricewaterhouseCoopers Inc. for election at the Annual General Meeting as RBPlat's external auditor for the 2015 financial year. The Committee satisfied itself that the audit firm and designated auditor are accredited in terms of the JSE list of auditors and their advisors.

Integrated reporting and combined assurance

The Committee, together with the Social and Ethics Committee, perform an oversight role with regard to the Group's integrated report, the reporting process and the information disclosed in the report, to ensure the reasonable accuracy and consistency of its content. The information in the integrated report is reviewed and ultimately interrogated by the Board at an annual workshop held in January of every year to ensure that the Board is satisfied with its integrity. The Committee recommended the integrated report to the Board for approval. A combined assurance plan for 2015 has been approved by the Committee.

AUDIT AND RISK COMMITTEE REPORT (continued)

for the year ended 31 December 2014

Governance of risk

The Committee is responsible for overseeing the governance of the risk management function, including operational, financial reporting, fraud, internal control, ICT governance, and compliance risks, among others. The Risk Management Framework and Policy, as adopted by the Board, is implemented with oversight by the Committee. To this end the Committee obtained assurance from KPMG as internal audit that nothing has come to their attention, or our attention as a committee, that gave us reason to believe that the internal controls, including the internal financial controls, were not effective in 2014.

The Committee approved Risk Appetite and Tolerance Policy levels and Framework, in addition to the previously approved ERM policy and framework, as part of its drive to enhance the risk management process and move up the risk maturity curve to an optimised level. The Risk Appetite Statement and Risk Tolerance levels will be concluded in 2015 and will form the basis of the risk monitoring activities.

Internal audit

The Committee is mandated to ensure that the internal audit function is independent, properly resourced and effective. The function is outsourced to KPMG who operates within the scope of an internal audit charter and annual audit plan, which is approved by the Committee.

As with our external audit function, a non-audit services policy governs the provision of services by internal audit that fall outside the internal audit scope and plan.

Evaluation of the expertise and experience of the Chief Financial Officer and the finance function

The Committee satisfied itself that the expertise and resources within the finance function are appropriate, as is the experience of the senior members engaged to perform the financial responsibilities within the Group.

Going concern

Based on the results and the Committee's assessment and the going concern, the Committee was comfortable in recommending to the Board and believes that no material uncertainties existed to negatively impact the going concern of the Company and all entities in the Group will be a going concern for the next financial period and that the going concern basis of accounting was appropriately applied.



Prof L de Beer
Chairperson of the Audit and Risk Committee

27 February 2015

DIRECTORS' REPORT FOR GROUP AND COMPANY

for the year ended 31 December 2014

Principal activities and profile

Royal Bafokeng Platinum Limited (RBPlat) was incorporated in July 2008 by Royal Bafokeng Holdings (RBH), the investment arm of the Royal Bafokeng Nation (RBN).

When the Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture between Royal Bafokeng Holdings and Anglo American Platinum Limited was restructured in 2009, control of the mining operations of the joint venture vested in RBPlat, which is a platinum mining vehicle for the RBN. RBPlat operates BRPM and is developing the Styldrift I project. RBPlat's significant reserves and resources can sustain operations for at least the next 60 years.

Results and dividend

The Group's and Company's financial results are set out on pages 202 to 250. These annual financial statements have been prepared using appropriate accounting policies, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council (FRSC), in terms of the Companies Act 71 of 2008, the JSE Listings Requirements and supported by reasonable and prudent judgements where required.

In terms of the current dividend policy the directors do not intend declaring a dividend until the development of the Styldrift I project is complete and production at that operation is at a steady state. Thereafter, a market-related dividend cover ratio is anticipated.

The dividend policy will be reviewed by the directors from time to time, in light of the prevailing business circumstances, investment decisions to be taken, working capital requirements and the available cash of the Group.

Review of the business, future developments and post-statement of financial position events

The Operating context on page 16 provides details of the Group's operating environment. The Group's operational performance for 2014 is discussed on pages 10 to 13 and information on our future outlook can be found throughout the report. The Financial capital section on page 61 to 73 and the annual financial statements (pages 202 to 250) provide a full description of our financial performance for the year. During 2014 we met our commitment in terms of our three-year wage agreement to deliver homes for enrolled employees. For post year-end events please see Note 35 of the annual financial statements on page 243.

Going concern

The directors believe that the Group has sufficient resources to continue as a going concern for the next financial year.

Financial assistance

Shareholders approved the granting of financial assistance, subject to the provisions of sections 44 and 45 of the Companies Act, directly or indirectly, to present and future subsidiaries, related or interrelated parties for a period of two years commencing from the date of the resolution passed on 16 April 2014. A solvency and liquidity test is performed by the Board six monthly.

Corporate governance

A report on our corporate governance and the application of the principles of King III is included on pages 168 to 179 and on our website www.bafokengplatinum.co.za.

Health, safety, environment and community

Information on our health, safety and environmental performance and community participation is provided under Natural, Human and Social capital on pages 93 to 157.

Employee policies and involvement

The Group's policies and performance regarding employee involvement, disabled employees, labour relations and employee share schemes are provided under Remuneration on pages 182 to 186 and Human capital on pages 93 to 121.

Repurchase of shares

The Company has not exercised the general authority granted to it by shareholders to buy back issued ordinary shares. Shareholders will be requested to renew this authority at the next annual general meeting. 281 957 "A2" ordinary shares were repurchased in 2014 at par value of 0.01 cents in terms of the Memorandum of Incorporation and the scheme rules regulating the RBPlat Mahube Share Trust.

Material borrowings

For material borrowings please refer to Note 15 of the consolidated annual financial statements on page 223.

DIRECTORS' REPORT FOR GROUP AND COMPANY (continued)

for the year ended 31 December 2014

Directorate

The directors for the year under review were:

| Director | Position | First appointed | Standing for re-election and election | Elected or re-elected at the last AGM |
|--------------------------|---|-------------------|---------------------------------------|---------------------------------------|
| Linda de Beer | Independent non-executive director | 1 June 2010 | | Yes |
| Robin Mills | Independent non-executive director | 20 September 2010 | Yes | |
| Kgomotso Moroka | Chairman and independent non-executive director | 1 June 2010 | | Yes |
| Steve Phiri | Chief Executive Officer, executive director | 1 April 2010 | Yes | |
| Martin Prinsloo | Chief Financial Officer, executive director | 2 March 2009 | Yes | |
| Mark Moffett* | Independent non-executive director | 22 September 2014 | Yes | |
| Thoko Mokgosi-Mwantembe* | Independent non-executive director | 5 November 2014 | Yes | |
| Lucas Ndala | Non-executive director | 28 May 2013 | | Yes |
| Mike Rogers | Independent non-executive director | 7 December 2009 | | Yes |
| Louisa Stephens* | Independent non-executive director | 22 September 2014 | Yes | |
| David Wilson* | Non-executive director | 29 May 2014 | Yes | |
| Nico Muller | Chief Operational Officer (resigned 1 September 2014) | 2 March 2009 | | |
| David Noko | Independent non-executive director (resigned 15 September 2014) | 1 June 2010 | | |
| Francis Petersen | Independent non-executive director (resigned 15 September 2014) | 1 June 2010 | | |

* The newly appointed director will stand for election at the next Annual General Meeting of the Company

Directors' and officers' disclosure of interests in contracts

During the period under review and at the time of signing off the integrated report, no contracts were entered into in which directors and officers of the Company had an interest and which would affect the business of the Group.

Service contracts of directors and prescribed officers

The Company has not entered into any contracts other than the normal employment service contracts with executive directors and other prescribed officers.

Special resolutions

Details of the ordinary and special resolutions to be approved by shareholders at the next Annual General Meeting are outlined in the Notice of Annual General Meeting (pages 253 to 259).

Furthermore, shareholders authorised that the Board of directors, by way of an ordinary resolution, would control all unissued ordinary shares and could allot and issue up to 5% of such shares subject to the limitations specified in the Memorandum of Incorporation (MOI) and the JSE Listings Requirements. This authority will be tabled for renewal of the next AGM.

RBPlat subsidiary companies passed special resolutions in 2014 authorising financial assistance to related or inter-related parties in alignment with the authority granted by shareholders at the last Annual General Meeting and in compliance with the Companies Act.

Power of the directors

Subject to RBPlat's MOI, South African legislation and to any directions given by special resolution, the business of the Group is managed by the Board which may exercise all the powers of the Group. The MOI contains specific provisions concerning the power of RBPlat to borrow money and also the power to purchase its own shares. The Board have been authorised to allot and issue ordinary shares up to a maximum of 5% of the issued share capital of the Company and a further 10% of the issued share capital in return for cash. These powers are exercised in terms of its MOI and resolution passed at the AGM held on 16 April 2014 and will be renewed at the AGM, to be held on 14 April 2015.

Directors' emoluments and compensation

Details of directors' emoluments and related payments can be found in Note 30 of the notes to the consolidated annual financial statements on page 232.

Rights offer and accelerated book build

The Board of directors approved the allotment of 11 290 323 ordinary shares at R62 per share in the Company under the Accelerated Book Build Programme and further allotted an additional 14 545 455 ordinary shares at R55 per share under the rights offer in April 2014, raising a total of R1.5 billion in cash.

Share capital

Full details of the authorised and issued share capital of the Company are set out in Note 16 to the consolidated annual financial statements. As at 31 December 2014, there were 192 893 289 ordinary shares in issue at a par value of R0.01 each as well as 281 957 "A3" ordinary shares also issued at R0.01 each. Treasury shares held by the Company are outlined in the notes to the annual financial statements on page 224.

Major shareholders

The following shareholders were the registered beneficial holders of 5% or more of the issued ordinary shares in the Company at 31 December 2014:

| | % holding | Number of shares |
|--|-----------|------------------|
| Royal Bafokeng Platinum Holdings Proprietary Limited | 52.53 | 101 333 105 |
| Rustenburg Platinum Mines Limited | 11.61 | 22 404 550 |
| Public Investment Corporation (PIC) | 5.40 | 10 418 573 |

A table detailing an analysis of the Company's shareholding can be viewed on page 252 of the report.

Directors' interest in Royal Bafokeng Platinum Limited

| | Number of shares | | | |
|------------------|------------------|----------------|-----------------|----------------|
| | 2014 beneficial | | 2013 beneficial | |
| | Direct | Indirect | Direct | Indirect |
| Nico Muller** | 3 613 | – | 38 459 | 99 507 |
| Steve Phiri* | 160 513 | 170 730 | 148 348 | 126 328 |
| Martin Prinsloo* | 63 163 | 119 562 | 122 548 | 99 906 |
| Total | 227 289 | 290 292 | 309 355 | 325 741 |

* Executive directors

** Resigned 1 September 2014

Share disposals

During the year under review the following directors disposed of shares on the market as follows:

| | Shares | Share price | Date |
|---|---------|-------------|----------------------|
| Nico Muller | 33 898 | R65.03 | 17 March 2014 |
| | 38 000 | R74.57 | 18-19 August 2014 |
| Exercised 224 544 share options at a strike price of R40.08 | 224 544 | R65.17 | 16-26 September 2014 |
| Martin Prinsloo | 34 475 | R65.03 | 17 March 2014 |
| | 70 000 | R74.70 | 11 August 2014 |
| Steve Phiri | 44 830 | R65.03 | 17 March 2014 |

Share disposals by prescribed officers

| | Shares | Share price | Date |
|---|--------|-------------|---------------|
| Vicky Tlhabanelo (Executive: Human Resources) | 27 439 | R65.03 | 17 March 2014 |

Directors' liabilities

Directors and officers of the Group are covered by directors' and officers' liability insurance.

RBPlat subsidiary companies

The following companies are wholly owned subsidiaries of Royal Bafokeng Platinum Limited:

- > Royal Bafokeng Resources Proprietary Limited (RBR)
- > Royal Bafokeng Platinum Management Services Proprietary Limited (RBP MS)
- > Bafokeng Rasimone Management Services Proprietary Limited (100% held indirectly via Royal Bafokeng Resources Proprietary Limited) (BRMS)
- > Friedshelf (RF) 1408 Proprietary Limited (Royal Bafokeng Resources Property Proprietary Limited) (100% held indirectly via Royal Bafokeng Resources Proprietary Limited).

DIRECTORS' REPORT FOR GROUP AND COMPANY (continued)

for the year ended 31 December 2014

Significant agreements

Amended BRPM Joint Venture Agreement

The BRPM Joint Venture Agreement was entered into on 12 August 2009 by the Royal Bafokeng Nation, Royal Bafokeng Resources (RBR) and Rustenburg Platinum Mines (RPM). It replaced the previous joint venture agreement concluded in August 2002. It sets out the terms and conditions on which the BRPM Joint Venture (JV) will operate and deals with matters such as establishment, duration and dissolution of the joint venture, the participating interests of the joint venture parties and their contributions to the joint venture, including mining infrastructure and mineral rights, management and control of the joint venture, minority protection for RPM, operational concerns such as the appointment of the operator, tailings, insurance, mine health and safety, environmental issues, how RPM's share of concentrate is dealt with, funding of the joint venture, the distribution policy, accounting and financial concerns, warranties, restrictions on disposals of participation interests and mining rights, dispute resolution and general or miscellaneous concerns. RBR has a 67% participation interest in the BRPM JV and RPM has the remaining 33% participation interest in the BRPM JV. The BRPM JV is an unincorporated joint venture and is consolidated into the group.

Services agreement

As part of the BRPM JV restructuring a services agreement was entered into between RBP MS, RBR and RPM on 9 September 2009 in terms of which RBP MS was appointed as operator of BRPM JV in place of Anglo Platinum Management Services Proprietary Limited (AMS) with effect from 4 January 2010. In terms of this agreement RBP MS was appointed to provide mining services as an independent contractor and as an agent of the joint venture parties.

Disposal of Concentrate Agreement

The Disposal of Concentrate Agreement regulates the terms on which RBR disposes of its share of the concentrate produced by the BRPM JV to RPM. The agreement provides for RBR's share of the concentrate produced by the BRPM JV to be sold to, and processed by RPM. RBR is responsible for delivery of the concentrate to RPM's smelting and refining facility situated at Rustenburg, the costs of which are borne by the BRPM JV. Risk and ownership passes to RPM once the concentrate leaves the gates of the concentrator plant.

RBR is obliged to sell and RPM is obliged to purchase 50% of the concentrate of the BRPM JV up until 11 August 2017, the optional termination date in terms of the Disposal of Concentrate Agreement. Thereafter, while RBR retains the right to sell 50% of the BRPM JV concentrate to RPM for the life of BRPM it is also entitled to terminate the relationship on 11 August 2017 by giving written notice by no later than 11 August 2015. Subsequent to this date it is also entitled to terminate the relationship by providing written notice two years prior to each fifth anniversary of 11 August 2017. In respect of 17% of RBR's 67% share of the concentrate, RPM is entitled to terminate the relationship after 11 August 2012 on the occurrence of certain events. None of these events have occurred or are expected to occur in the near term.

Impala Platinum royalty agreements

These agreements regulate the terms on which RBR and RPM dispose of their share of the UG2 ore mined by Impala Platinum from their 6 and 8 shafts and the UG2 and Merensky ore mined from their 20 shaft. A royalty equivalent to 17.5% of gross PGM, gold, nickel and copper revenue will be paid for the UG2 and Merensky ore mined from the 20 shaft area. The 6 and 8 shaft royalty agreement was renegotiated in 2013 and is linked to market conditions and therefore the profitability of the Impala Rustenburg operations. In terms of the amended royalty agreement for 6 and 8 shafts, Impala will pay the BRPM JV a royalty that is based upon a factor that is linked to the Impala Rustenburg operations' gross margin with minimum of 5% and a maximum of 25% of gross PGM, gold, nickel and copper revenue.

We anticipate earning royalties from the 6 and 8 shafts agreement for approximately four years and from the 20 shaft agreement for approximately 30 years.

Property, plant and equipment

There were no changes in the nature of property, plant and equipment or in the policy regarding their use during the year under review. Property, plant and equipment was fair valued in November 2010 at time of listing as part of the business combination. No impairment of property, plant and equipment has been recognised after considering the recoverable amount calculations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL BAFOKENG PLATINUM LIMITED

for the year ended 31 December 2014

We have audited the consolidated and separate financial statements of Royal Bafokeng Platinum Limited set out on pages 202 to 250, which comprise the statements of financial position as at 31 December 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Royal Bafokeng Platinum Limited as at 31 December 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2014, we have read the Directors' report, the Audit and Risk Committee's report and the Company Secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.
Director: HP Odendaal
Registered Auditor

2 Eglin Road
Sunninghill
2157

27 February 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

| | Notes | Group | |
|-------------------------------------|-------|---------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) |
| Assets | | | |
| Non-current assets | | | |
| | | 19 960.5 | 18 558.4 |
| Property, plant and equipment | 5 | 10 889.5 | 9 567.9 |
| Mineral rights | 6 | 6 518.4 | 6 583.7 |
| Goodwill | 7 | 2 275.1 | 2 275.1 |
| Environmental trust deposits | 8 | 113.6 | 106.8 |
| Employee housing receivable | 9 | 99.4 | – |
| Employee housing benefit | 10 | 36.9 | – |
| Deferred tax asset | 19 | 27.6 | 24.9 |
| Current assets | | | |
| | | 3 543.4 | 2 259.1 |
| Employee housing receivable | 9 | 9.4 | – |
| Employee housing assets | 11 | 54.8 | 46.5 |
| Employee housing benefit | 10 | 3.0 | – |
| Inventories | 12 | 51.7 | 35.5 |
| Trade and other receivables | 13 | 1 558.0 | 1 404.2 |
| Current tax receivable | 14 | 2.3 | – |
| Cash and cash equivalents | 15 | 1 864.2 | 772.9 |
| Total assets | | 23 503.9 | 20 817.5 |
| Equity and liabilities | | | |
| Total equity | | | |
| | | 18 196.3 | 15 986.3 |
| Share capital | 16 | 1.9 | 1.7 |
| Share premium | 16 | 9 329.2 | 7 808.9 |
| Retained earnings | | 4 330.7 | 3 889.8 |
| Share-based payment reserve | 17 | 176.6 | 157.7 |
| Non-distributable reserve | 18 | 71.8 | – |
| Non-controlling interest | | 4 286.1 | 4 128.2 |
| Non-current liabilities | | | |
| | | 4 574.9 | 4 331.6 |
| Deferred tax liability | 19 | 4 486.7 | 4 262.0 |
| Long-term provisions | 20 | 88.2 | 69.6 |
| Current liabilities | | | |
| | | 732.7 | 499.6 |
| Trade and other payables | 22 | 726.1 | 499.4 |
| Employee housing facility | 15 | 6.6 | – |
| Current tax payable | 14 | – | 0.2 |
| Total liabilities | | 5 307.6 | 4 831.2 |
| Total equity and liabilities | | 23 503.9 | 20 817.5 |

The notes on pages 206 to 243 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2014

| | Notes | Group | |
|---|-------|---------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) |
| Revenue | 23 | 3 767.5 | 3 251.1 |
| Cost of sales | 26 | (2 902.2) | (2 650.1) |
| Gross profit | | 865.3 | 601.0 |
| Other income | 24 | 25.2 | 77.5 |
| Administrative expenses | 26 | (137.3) | (105.0) |
| Finance income | 25 | 96.4 | 42.7 |
| Finance cost | 25 | (5.1) | (3.7) |
| Profit before tax | 26 | 844.5 | 612.5 |
| Income tax expense | 27 | (245.7) | (164.7) |
| Net profit for the year | | 598.8 | 447.8 |
| Other comprehensive income | | – | – |
| Total comprehensive income | | 598.8 | 447.8 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 440.9 | 284.2 |
| Non-controlling interest | | 157.9 | 163.6 |
| | | 598.8 | 447.8 |
| Basic earnings (cents per share) | 34 | 239 | 173 |
| Diluted earnings (cents per share) | 34 | 238 | 173 |

The notes on pages 206 to 243 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

| | Number of shares issued* | Ordinary shares* R (million) | Share premium R (million) | Share-based payment reserve R (million) | Non-distributable reserves R (million) | Retained earnings R (million) | Attributable to owners of the Company R (million) | Non-controlling interest R (million) | Total R (million) |
|--|--------------------------|------------------------------|---------------------------|---|--|-------------------------------|---|--------------------------------------|-------------------|
| Balance at 31 December 2013 | 164 459 662 | 1.7 | 7 808.9 | 157.7 | – | 3 889.8 | 11 858.1 | 4 128.2 | 15 986.3 |
| Share-based payment charge | – | – | – | 48.2 | – | – | 48.2 | – | 48.2 |
| Mahube ordinary shares vested in March 2014 | 187 971 | – | 12.2 | (12.2) | – | – | – | – | – |
| 2011 BSP shares vested in March and April 2014 | 263 029 | – | 17.1 | (17.1) | – | – | – | – | – |
| Issue of shares – bookbuild | 11 290 323 | 0.1 | 699.9 | – | – | – | 700.0 | – | 700.0 |
| Issue of shares – rights offer | 14 545 455 | 0.1 | 799.9 | – | – | – | 800.0 | – | 800.0 |
| Costs relating to issue of shares capitalised | – | – | (21.5) | – | – | – | (21.5) | – | (21.5) |
| Costs relating to rights followed on treasury shares | – | – | (6.4) | – | – | – | (6.4) | – | (6.4) |
| Share options exercised | 384 217 | – | 19.1 | – | – | – | 19.1 | – | 19.1 |
| RPM capital contribution to housing fund | – | – | – | – | 71.8 | – | 71.8 | – | 71.8 |
| Total comprehensive income | – | – | – | – | – | 440.9 | 440.9 | 157.9 | 598.8 |
| Balance at 31 December 2014 | 191 130 657 | 1.9 | 9 329.2 | 176.6 | 71.8 | 4 330.7 | 13 910.2 | 4 286.1 | 18 196.3 |
| Balance at 31 December 2012 | 164 150 804 | 1.7 | 7 789.0 | 119.7 | – | 3 605.6 | 11 516.0 | 3 964.6 | 15 480.6 |
| Share-based payment charge | – | – | – | 57.9 | – | – | 57.9 | – | 57.9 |
| Mahube ordinary shares vested in March 2013 | 187 971 | – | 12.2 | (12.2) | – | – | – | – | – |
| 2013 retrenchments (BSP early vesting)** | 43 044 | – | 2.6 | (2.6) | – | – | – | – | – |
| 2010 BSP shares vested in December 2013 | 77 843 | – | 5.1 | (5.1) | – | – | – | – | – |
| Total comprehensive income | – | – | – | – | – | 284.2 | 284.2 | 163.6 | 447.8 |
| Balance at 31 December 2013 | 164 459 662 | 1.7 | 7 808.9 | 157.7 | – | 3 889.8 | 11 858.1 | 4 128.2 | 15 986.3 |

* The number of shares is net of 1 762 632 (2013: 1 622 781) treasury shares relating to the Company's management share incentive scheme and the Mahube Employee Share Trust as shares held by these special purpose vehicles are eliminated on consolidation.

** 18 D1 and below, and 17 D2 and above employees were retrenched in 2013. All retrenchment costs have been fully paid out.

The notes on pages 206 to 243 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

| | Notes | Group | |
|---|-------|------------------|------------------|
| | | 2014 R (million) | 2013 R (million) |
| Net cash flow generated by operating activities | | 1 426.5 | 907.8 |
| Cash generated by operations | 28 | 1 358.5 | 875.8 |
| Interest received | | 80.3 | 31.1 |
| Interest paid | | (1.1) | – |
| Dividends received | | 14.2 | 18.3 |
| Tax received | 14 | – | 1.1 |
| Tax paid | 14 | (25.4) | (18.5) |
| Net cash flow utilised by investing activities | | (1 813.9) | (784.8) |
| Proceeds from disposal of property, plant and equipment | | – | 0.3 |
| Acquisitions of property, plant and equipment | 5 | (1 675.6) | (1 036.6) |
| Acquisition of employee housing assets | 11 | (138.2) | – |
| Increase in environmental trust deposits | 8 | (0.1) | (2.4) |
| Decrease in held-to-maturity investments | | – | 253.9 |
| Net cash flow generated by financing activities | | 1 478.7 | – |
| Issue of ordinary shares – bookbuild | | 700.0 | – |
| Issue of ordinary shares – rights offer | | 800.0 | – |
| Costs relating to issue of shares capitalised | | (21.5) | – |
| Costs relating to rights followed on treasury shares | | (6.4) | – |
| Increase in employee housing facility | | 6.6 | – |
| Net increase in cash and cash equivalents | | 1 091.3 | 123.0 |
| Cash and cash equivalents at beginning of year | | 772.9 | 649.9 |
| Cash and cash equivalents at end of year | 15 | 1 864.2 | 772.9 |

The notes on pages 206 to 243 form an integral part of these consolidated annual financial statements.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 December 2014

1. General information

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of the financial statements are set out in Note 2 below. Group in the financial statements refers to the Company, its subsidiaries and controlled special purpose entities.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to the previous year presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), including IFRIC interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the Companies Act 71 of 2008 of South Africa.

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets, which are measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management and the Board's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Functional and presentation currency

These consolidated financial statements are presented in South African Rand, which is the Company's functional currency. All financial information is presented in Rand million, unless otherwise stated.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards or amendments to standards are not expected to have an impact on the results of the Group but will affect the disclosure in the financial statements:

Amendment to IAS 16 and IAS 38: *Amendments to Property, Plant and Equipment and Intangible Assets*, clarification of acceptable methods of depreciation and amortisation (effective for financial periods beginning on/after 1 January 2016).

The following standards, amendments to standards and interpretations to existing standards may possibly have an impact on the group:

IFRS 9: *Financial Instruments* (effective for financial periods beginning on/after 1 January 2018)

- > In November 2009 the IASB issued IFRS 9 (2009), the first milestone in the project to replace IAS 39. This standard required the classification and measurement of financial assets into only two categories: amortised cost, and fair value through profit or loss (FVPL)
- > In October 2010 the IASB published the updated IFRS 9 (2010), *Financial Instruments*, to include guidance on financial liabilities and derecognition of financial instruments, and in particular the requirement to present changes in own credit risk on liabilities at fair value in other comprehensive income (OCI)
- > In March 2013, the IASB issued an exposure draft (ED) on limited amendments to IFRS 9 (2010), to address specific application questions raised by interested parties as well as to try and reduce differences with the FASB
- > In November 2013, the IASB published the final hedging requirements excluding macro hedging
- > In July 2014, the IASB published the new and complete version of IFRS 9 (hereafter IFRS 9 or the new standard), which includes the new hedge accounting, impairment and classification and measurement requirements.

The impact of the standard has not yet been assessed by management.

IFRS 15: *Revenue from Contracts with Customers* (effective for financial periods beginning on/after 1 January 2017)

Early application is permitted. The core principle of the new revenue recognition standard is that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. The most significant changes that flow from that principle are:

- > Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- > Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) – minimum amounts must be recognised if they are not at significant risk of reversal
- > The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may now be recognised over the contract term and vice versa.

The impact of the standard has not yet been assessed by management.

Amendment to IFRS 11: *Accounting for Acquisitions of Interests in Joint Operations* (effective for financial periods beginning on/after 1 January 2016)

Early application is permitted. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

The impact of the standard is expected to be immaterial.

Amendment to IAS 27: *Equity Method in Separate Financial Statements* (effective retrospectively for financial periods beginning on/after 1 January 2016)

Early application is permitted. The IASB has amended IAS 27, *Separate Financial Statements*, to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. An entity can now account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost; or
- in accordance with IFRS 9; or
- using the equity method as described in IAS 28.

The impact of the standards is expected to be immaterial.

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective prospectively for financial periods beginning on/after 1 January 2016)

The amendments resolve a current inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. Full gain or loss will be recognised by the investor where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.

The impact of the standard has not yet been assessed by management.

Amendment to IAS 1: *Disclosure Initiative* (the amendments are effective for annual periods beginning on or after 1 January 2016)

The transition provisions state that the disclosures in paragraphs 28-30 of IAS 8, that is, those regarding adoption of a new standard/policy, are not required. Early application is permitted. This amendment aims to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved.

The impact of the standard has not yet been assessed by management.

Annual improvements to IFRS 2010 to 2012 cycle effective for financial periods beginning on/after 1 July 2014

Each of the amendments is summarised below:

IFRS 2: *Share-based Payment*

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment is effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

IFRS 3: *Business Combinations*

The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, *Financial Instruments: Presentation*. The standard is further amended to clarify that all non-equity contingent considerations, both financial and non-financial, are measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. Consequential changes are also made to IFRS 9, IAS 37 and IAS 39. The amendment is effective for business combinations where the acquisition date is on or after 1 July 2014.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (continued)

for the year ended 31 December 2014

1. General information (continued)

New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

Annual improvements to IFRS 2010 to 2012 cycle effective for financial periods beginning on/after 1 July 2014 (continued)

IFRS 8: *Operating Segments*

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. An entity shall apply this amendment for annual period beginning on/after 1 July 2014.

IFRS 13: *Fair Value Measurement*

When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.

IAS 16: *Property, Plant and Equipment*, and *IAS 38, Intangible Assets*

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of the following ways:

- > Either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or
- > The accumulated depreciation is eliminated against the gross carrying amount of the asset.

An entity shall apply this amendment for annual period beginning on/after 1 July 2014.

IAS 24: *Related Party Disclosures*

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the management entity). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided. An entity shall apply this amendment for annual periods beginning on/after 1 July 2014.

The impact of the standard has not yet been assessed by management.

Annual improvements for IFRS 2012 to 2014 cycle effective for financial periods beginning on/after 1 July 2016)

Each of the amendments summarised below:

IFRS 5: *Non-current Assets Held-for-sale and Discontinued Operations*

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as 'held for sale' or 'held for distribution' simply because the manner of disposal has changed. The amendment also rectifies an omission in the standard by explaining that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as 'held for sale'.

IFRS 7: *Financial Instruments: Disclosures*

There are two amendments to IFRS 7.

1. *Servicing contracts*

If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets.

IFRS 7 provides guidance on what is meant by continuing involvement in this context. The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. The amendment is prospective with an option to apply retrospectively. A consequential amendment to IFRS 1 is included to give the same relief to first-time adopters.

2. *Interim financial statements*

The amendment clarifies that the additional disclosure required by the amendments to IFRS 7: *Disclosure – Offsetting Financial Assets and Financial Liabilities* is not specifically required for all interim periods, unless required by IAS 34. The amendment is retrospective.

IAS 19: *Employee Benefits*

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency in which the liabilities are denominated that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented.

IAS 34: *Interim Financial Reporting*

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment further amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

The impact of the standards has not yet been assessed by management.

2. Group accounting policies

Group and Company financial statements

These consolidated financial statements incorporate the Company and its subsidiaries and controlled special purpose entities using uniform accounting policies.

2.1 *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill is carried at cost less accumulated impairment loss. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group consolidates the BRPM Joint Venture.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

In the Company financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (continued)

for the year ended 31 December 2014

2. Group accounting policies (continued)

2.2 Property, plant and equipment and mineral rights

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Pre-production expenditure, incurred to establish or expand productive capacity or to support and maintain that productive capacity incurred on mines, is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended, reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- > Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in profit or loss
- > Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment
- > These assets are depreciated over their useful lives and are expensed in profit and loss as a cost of production.

Depreciation is calculated to write off the cost of each asset to its residual value over its estimated useful life and residual value as reassessed on an annual basis and approximates the following:

| | |
|---------------------------------------|------------------------------|
| Buildings | 5 – 30 years (straight-line) |
| Plant and machinery | 5 – 30 years (straight-line) |
| Vehicles and equipment | 6 years (straight-line) |
| Computer equipment and software | 3 – 5 years (straight-line) |
| Furniture and fittings | 4 – 10 years (straight-line) |
| Mining assets (shaft and development) | Units of production |
| Mineral rights | Units of production |

Depreciation rates are reassessed annually.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds on disposal with carrying amounts and are included in operating profit.

2.3 Employee housing assets

Employee housing assets are recognised at cost which consists of the cost of the land and the cost to construct the houses and are classified as current assets as these houses are held primarily for purpose of trading. No depreciation is recognised on the employee houses as the intention is to sell the houses within a short period of time after their construction.

When the employee housing assets are sold to employees, the carrying amount of the house is derecognised. The difference between the proceeds received and the carrying amount of the house is recognised in profit and loss as a gain or loss on disposal of employee housing.

2.4 Exploration and evaluation assets

Exploration and evaluation assets acquired are initially recognised at cost. Once commercial reserves are found, exploration and evaluation assets are transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

For purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with the existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash-generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

All exploration and evaluation costs incurred as part of normal operations are expensed until the Board concludes that a future economic benefit is more likely than not to be realised, i.e. probable. While the criteria for concluding that expenditure should be capitalised are always the "probability" of future benefits, the information that the Board uses to make that determination depends on the level of exploration.

- > Exploration and evaluation expenditure on greenfields sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a final feasibility study has been completed, after which the expenditure is capitalised within development costs, if the final feasibility study demonstrates that future economic benefits are probable
- > Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the Board is able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study, after which the expenditure is capitalised as a mine development cost. A pre-feasibility study consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors. The pre-feasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the Board to conclude that it is more likely than not that the Group will obtain future economic benefits from the expenditures

2.4 Exploration and evaluation assets (continued)

> Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a pre-feasibility study. This economic evaluation is distinguished from a pre-feasibility study in that some of the information that would normally be determined in a pre-feasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allows the Board to conclude that more likely than not the Group will obtain future economic benefits from the expenditures.

2.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision made for impairment of trade receivables is established when there is objective evidence, e.g. when amounts are overdue for a significant period of time, that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flow, discounted at the original effective interest rates. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income as an administrative expense.

2.6 Employee housing receivable

The employee housing receivable is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision made for impairment of the employee housing receivable is established when there is objective evidence, e.g. when instalments are overdue for a significant period of time, that the Group will not be able to collect all amounts due according to the original terms of the sale agreement. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flow, discounted at the original effective interest rates. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income as an administrative expense.

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, bank overdraft and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.8 Stores and materials

Stores and materials are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow-moving stores are identified and written down to net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.9 Product inventory

Product inventory consists of stockpiles of ore mined for processing at a later stage. Stockpiles are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The cost of stockpiles comprises directly attributable mining costs including depreciation. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of processing to concentrate as the final product and selling expenses.

2.10 Impairment of assets

2.10.1 Non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value-in-use is less than the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount.

The recoverability of the long-term mining assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment previously recognised will be reversed when changes in circumstances, that have an impact on estimates, occur after the impairment was recognised. The reversal of an impairment will be limited to the lower of the newly calculated recoverable amount or the carrying amount that would have existed if the impairment had not been recognised. The reversal of an impairment is recognised in the statement of comprehensive income.

2.10.2 Goodwill

Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The recoverable amount of the cash-generating unit to which goodwill has been allocated is based on the higher of fair value less cost-to-sell or value-in-use derived from reserve and resource ounce valuation. Impairment write-downs on goodwill may not be reversed.

2. Group accounting policies (continued)

2.11 Revenue recognition

Income is recognised on an accrual basis when it is probable that both the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

Revenue from sale of products is brought to account when the risks and rewards of ownership transfer and it is probable that both the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably, net of value added tax (VAT) and discounts. In terms of the Group's concentrate offtake agreement revenue is therefore recognised on the delivery of concentrate to RPM. Where material is concentrated through a tolling agreement, revenue is also recognised once that concentrate is delivered to RPM.

In terms of the agreement, the commodity prices and R:US\$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery.

The adjustment to trade debtors to reflect the actual amount to be received for concentrate sold is recognised through revenue.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is probable that such income will accrue to the Group.

The effective interest rate for the receivable from employees for housing assets is based on a market related interest rate based on average credit profile per band of employees.

Levy income is recognised on an accrual basis as it is invoiced every month and is classified as other income for the Group.

Dividend income is brought to account as at the last day of registration in respect of listed shares and when declared in respect of unlisted shares.

2.12 Leases

Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases of assets under which substantially all the benefits and risks of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are expensed to profit or loss on the straight-line basis over the life of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.13 Financial instruments

Financial assets comprise environmental trust deposit, trade and other receivables (excluding prepaid expenses and VAT refunds), cash and cash equivalents and the employee housing receivable.

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial liabilities comprise borrowings, shareholder loan, trade and other payables and bank overdraft. The Group classifies its financial liabilities as liabilities at amortised cost.

2.13.1 Financial assets at fair value through profit or loss

Initial recognition

Financial assets at fair value through profit or loss are financial assets and liabilities held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets other than the environmental trust deposit which is classified as a non-current asset. Financial assets at fair value through profit or loss are initially recognised at fair value. Nedbank equity-linked deposits (refer Note 8) are treated at fair value through profit or loss.

Gains or losses

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payment is established.

Subsequent measurement

Financial assets at fair value through profit and loss are subsequently measured at the quoted current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.13.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables in the statement of financial position excluding prepaid tax, prepaid expenses and VAT refund (refer Note 13). Environmental trust deposit held in the Standard Bank account (refer Note 8) form part of loans and receivables, and are treated at amortised cost. Loans and receivables are initially recognised at cost.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

2.13.3 Receivable from employees for housing assets

Initial recognition

When the employee housing assets are sold to employees, the Group recognises a financial asset receivable from the employee at fair value. The best evidence of the receivable's fair value on initial recognition is the transaction price. However, due to the employees paying a preferential interest rate of CPI plus 1%, the fair value may differ from the transaction price. The Group therefore determined a market-related rate for the financial asset based on an average credit profile per band of employees to determine the effective interest rate for this receivable. The Group recognises the difference between the fair value at initial recognition and the transaction price as an employee benefit.

Subsequent measurement

The financial asset receivable from the employee is accounted for at amortised cost (recognised at fair value on initial recognition and transaction cost) using the appropriate effective interest rate as determined above.

For the financial asset receivable from the employee, the portion to be realised within 12 months from the reporting period is presented as part of current assets, the balance of the amount is presented as a non-current asset in the statement of financial position.

2.13.4 Borrowings (liabilities at amortised cost)

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest rate method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

When borrowings are utilised to fund qualifying capital expenditure, such borrowing costs that are directly attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing cost are incurred until completion of construction. All other borrowing costs are charged to finance costs.

The revolving credit and working capital facilities commitment fees as well as administration fees on guarantees are recognised in profit or loss.

2.13.5 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Metal purchase commitments are entered into as part of a financing arrangement; these commitments are accounted for, initially at fair value, and subsequently at amortised cost.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (continued)

for the year ended 31 December 2014

2. Group accounting policies (continued)

2.14 Taxation

2.14.1 Current taxation

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the statement of financial position date, and any adjustment of tax payable for previous years.

2.14.2 Deferred taxation

Deferred tax assets and liabilities are determined, using the asset and liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted before the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.15 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying amounts of current financial assets and current liabilities approximate their fair values.

2.16 Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, including the share incentive trust (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are measured using the best estimate of the expenditure required to settle the obligation i.e. the amount the Group would rationally pay to settle the obligation or transfer to a third party.

Where the effect of discounting is material, provisions are discounted to reflect the present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. Provisions are not recognised for future operation losses.

2.19 Environmental rehabilitation obligations

These long-term obligations result from environmental disturbances associated with the Group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Decommissioning costs

This cost will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at year end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in profit or loss as a finance cost, are capitalised to the environmental rehabilitation asset.

Changes in the rehabilitation provision relating to the open pit mine are recognised in the statement of comprehensive income as part of cost of sales.

Ongoing rehabilitation cost

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

2.20 BRPM Environmental Rehabilitation Trust

Contributions are made to this trust fund, created in accordance with statutory requirements to provide for the estimated cost of rehabilitation during and at the end of the life of BRPM.

Environmental trust deposits held in the Nedbank equity-linked deposits are carried in the statement of financial position at fair value and deposits held in the Standard Bank account are carried at amortised cost. Contributions are based on the estimated environmental obligations over the life of a mine. Interest earned on monies paid to the trust is accounted for as finance income and income earned linked to the performance of the equity-linked component of the investment is included in other income. The Group has control over the trust and the special purpose entity is consolidated in the Group.

2.21 Employee benefits

Short-term employee benefits

Remuneration to employees is charged to profit or loss on an ongoing basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined contribution retirement plans

Employee benefit schemes are funded through payments to trustee-administered funds, determined by periodic actuarial calculations.

A defined contribution plan is a retirement scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates or participates in defined contribution retirement plans for its employees. The pension plans are funded by payments from the employees and by the relevant Group companies' trustee-administered funds, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by the South African Pension Fund Act, 1956.

Post-employment medical obligations

The Group provides post-retirement healthcare benefits to qualifying employees and retirees. The expected costs of these benefits are accrued over the period of employment. Valuations of these obligations are carried out annually by independent qualified actuaries. Actuarial gains or losses as a result of these valuations are recognised in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The Group recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- > Including any market performance conditions (for example, an entity's share price)
- > Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, production targets and remaining an employee of the entity over a specified time period)
- > Including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares or issues shares from the share incentive trust. Shares held in the share incentive trust, which is consolidated as a special purpose entity, are treated as treasury shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

For individual Company accounts, the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (continued)

for the year ended 31 December 2014

2. Group accounting policies (continued)

2.21 Employee benefits (continued)

Employee housing benefit

The Group recognises the difference between the fair value of the employee housing receivable at initial recognition and the transaction price as an employee benefit. The recognition of the initial difference is amortised over the shorter of the service period of the employee or the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised as a profit or loss in the statement of comprehensive income. The portion of the short-term employee benefit to be realised within 12 months from the reporting period is presented as part of current assets, the balance of the amount is presented as a non-current asset in the statement of financial position.

2.22 Foreign exchange transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in income under other income.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

3. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Goodwill (Note 7)

Goodwill was calculated as the difference between the purchase consideration for the 67% interest in the BRPM Joint Venture and the Group's share of net assets acquired when the Group assumed control over BRPM upon listing on 8 November 2010. No goodwill was attributed to non-controlling shareholders' interest.

Goodwill is allocated to BRPM. The recoverability of goodwill was assessed using the fair value less costs to sell methodology based on the in-situ value for 4E resource ounces outside the life of mine plan and the net present value of the current life of mine plan using the following assumptions:

For mineral rights included in life of mine plan and mining assets the following key real long-term life of mine prices were used:

- > Platinum US\$1 777 per ounce (2013: US\$1 905 per ounce)
- > Palladium US\$945 per ounce (2013: US\$920 per ounce)
- > A long-term real rand/US dollar exchange rate of R11.00/US\$1 (2013: R9.64/US\$1)
- > A real discount rate of 7.5% (2013: 7.5%)
- > Life of mine of 30 years (2013: 30 years).

If all assumptions remain unchanged then a decrease of 2.4% (2013: 2.0%) in the sales prices will result in a break-even position. Alternatively if all assumptions remain unchanged, a 1.3% (2013: 2.3%) increase in the discount rate from 7.5% to 8.8% will result in a break-even position. As can be expected the margin is small as the assets were fair valued in 2010.

Mineral rights outside the life of mine plan

For in-situ 4E resource ounces a value of US\$10 per 4E ounce (2013: US\$10 per 4E ounce) was used. This was based on independent experts' views of the value of these resources at the time of the listing of the Company. Subsequent improvement in the quality of resources would have improved this value.

The recoverable amount of goodwill is based on fair value less costs to sell.

Mineral reserves

The estimation of reserves impacts the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment and the timing of rehabilitation expenditure.

Factors impacting the determination of proved and probable reserves are:

- > The grade of mineral reserves may vary significantly from time to time (i.e. differences between actual grades mined and resource model grades)
- > Differences between actual commodity prices and commodity price assumptions
- > Unforeseen operational issues at mine sites
- > Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Carrying amount of property, plant and equipment (Note 5)

The estimated useful lives of property, plant and equipment are based on the historical performance as well as expectations about the future use and therefore require a significant degree of judgement to be applied by management. The depreciation rates represent management's current best estimates of the useful lives of the assets. Residual values of the property, plant and equipment are reviewed at least annually. Adjustment will affect the depreciation charge for the reporting period.

Accounting treatment of Styldrift I project expenditure (Note 5)

The decision when to stop capitalising development costs and start expensing costs at the Styldrift I project requires judgement. The accounting is dependent on where the project is in terms of on reef development, stoping and production.

On reef development

All on reef development costs are capitalised to the Styldrift I project and are disclosed in Note 5 under capital work in progress. Income generated from the treatment of stockpiles generated from the on reef development tonnes is treated as revenue. The cost of sales associated with this revenue excludes any extractions costs (which form part of development capital expenditure) and includes only the marginal rehandling and processing costs.

Stoping

As part of the ramp-up phase of Styldrift I project stoping will commence whilst other parts of the mine are still being developed. The costs incurred during stoping, i.e. the tonnes mined when Styldrift enters the stoping phase, will be capitalised to inventories. These tonnes and their associated costs will not form part of the capital project cost but will be shown as current assets under inventories (stockpiles). As these stockpiles are treated, the costs thereof will be expensed to cost of sales and the associated revenue will be reflected in revenue in the statement of comprehensive income.

Development costs during the ramp-up phase will continue to be capitalised as part of the project.

Production

Once Styldrift I project commences with its production phase, all operating costs will be expensed as cost of sales with the associated revenue shown in the statement of comprehensive income. Ongoing development costs, e.g. the equipping of new levels, will be capitalised. At the production stage, the project will be commissioned and the asset will move from capital work in progress to mining assets and will be depreciated over the life of the Styldrift I project shaft on a unit of production basis.

Environmental rehabilitation obligations (Note 20)

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred and actual timing thereof in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

Key assumptions used were:

| | 2014 | 2013 |
|--|-------|-------|
| Current cost estimate R (million) | 206.1 | 179.5 |
| Real pre-tax risk free discount rate (%) | 4 | 4 |

Share-based payments

The Group has various share-based payment plans in place. All share-based payment schemes are treated as equity-settled and therefore measured on grant date.

Bonus share plan

The Company has established a bonus share plan (BSP) for its executive directors and senior managers, which is linked to the employee's annual cash bonus. The Remuneration Committee of the Company is responsible for operating the BSP.

Following the announcement of the Company's audited annual results, employees participating in the BSP are awarded a number of bonus shares, which constitute a specified percentage of the employee's annual cash bonus (dependent on job category). Such bonus shares are held on the employee's behalf by an escrow agent for a period of three years after their award. The employee has to stay in the employ of the Company for the full period of three years to qualify for the bonus shares. On vesting date, the employee receives shares.

Shares issued in terms of this scheme are accounted for as equity-settled share-based payments.

Forfeitable share plan

The Company has established a forfeitable share plan (FSP) for its executive directors and senior managers. The FSP is linked to future performance of the Company as compared to its peers, utilising the total shareholder return (TSR) as a measure of performance. The Remuneration Committee is responsible for operating the FSP.

Employees participating in the FSP are awarded a number of forfeitable shares, based on their level and responsibility. The Remuneration Committee decides the award policy, which in 2014 was a multiple of total group package (TGP). The shares are held in escrow until they vest. The shares vest in equal tranches on the third, fourth and fifth anniversary of award. The proportion of shares that vest is based on the Company performance on the third anniversary. The employee has to stay in the employ of the Company for the period and the performance criteria have to be met for the shares to vest. On the vesting date, the employee receives shares.

Shares issued in terms of this scheme are accounted for as equity-settled share-based payments.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (continued)

for the year ended 31 December 2014

3. Critical accounting estimates and assumptions (continued)

Share-based payments (continued)

2010 share option plan

Certain directors and senior managers of the Company (including all the current executive directors of the Company) have been granted options to acquire shares. The options were granted at an initial price which was linked to the J153 Platinum Index when hired. The strike price of the options was adjusted on listing in accordance with a specified formula and was linked to the Company's share price. Grants in subsequent years are issued at the weighted average trading price on the day prior to the grant date. The fair value of options granted is determined using the binomial model. The volatility was measured based on an analysis of daily share prices over the last four years. The share options vest from year three to five from when they were granted in three equal tranches.

Mahube Employee Share Scheme

The Royal Bafokeng Platinum Mahube Trust (Mahube Trust) has been implemented to replace the value forfeited by qualifying BRMS employees as a result of no longer qualifying as beneficiaries of the Anglo Platinum Group Employee Share Participation Scheme (Kotula). Refer Note 16 where Mahube shares are disclosed.

Permanent employees of the BRPM are employed by BRMS. Prior to the listing, BRMS was a wholly owned subsidiary of RPM and qualifying BRMS employees were beneficiaries of Kotula. In terms of the rules of Kotula and as a result of the listing, qualifying BRMS employees forfeited all their benefits under Kotula once ownership of BRMS was transferred from RPM to RBR since BRMS was no longer a member of the Anglo American Platinum group of companies. The Group created the Mahube Trust, an employee share ownership scheme for the benefit of qualifying BRMS employees to replicate the terms and structure, to the extent possible, of Kotula. Permanent employees who do not benefit from any other share schemes qualify for Mahube Trust Share Scheme. The beneficiary has to be in the employ of the Company on each distribution date. On distribution date, a third of Mahube's interest in the Company vests and is distributed to the beneficiaries. The first distribution took place on 31 March 2013. The final capital distribution will take place on or about 31 March 2015. Refer Note 30 for details of distribution.

Initial public offering bonus shares

The Company invited each of the executive directors and certain other employees of the Company to participate in the share offer on listing, on the basis that for each share that they subscribe for, the Company will issue them with an additional share free of charge (with the Company paying for the par value of such shares). The additional shares issued by the Company vested 18 months after the listing. The maximum number of shares for which each director and employee could subscribe to benefit from this scheme was limited based on the specific job grade.

The value of the various share-based payment schemes was calculated using the following inputs:

| | Bonus share plan | | | | |
|--|------------------------|---------------|--------------|-------------|--------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Weighted average share price on grant date (rand) | 64.90 | 58.50 | 57.99 | 64.12 | 65.20 |
| Vesting years | 2017 | 2016 | 2015 | 2014 | 2013 |
| | Forfeitable share plan | | | | |
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Weighted average share price on grant date (rand) | 71.90 | - | - | - | - |
| Vesting years | 2017 – 2019 | - | - | - | - |
| | Rights offer | | | | |
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Weighted average share price on grant date (rand) | 55.00 | 55.00 | 55.00 | - | - |
| Vesting years | 2017 | 2016 | 2015 | - | - |
| | 2010 share option plan | | | | |
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Weighted average option value on grant date (rand) | 37.10 | 37.41 | 29.07 | - | 32.27 |
| Weighted average share price on grant date (rand) | 66.83 | 57.61 | 57.47 | - | 60.25 |
| Weighted average exercise price (rand) | 66.83 | 57.61 | 57.47 | - | 60.25 |
| Volatility (%) | 26.22 to 26.73 | 47.2 to 57.61 | 49.5 to 47.8 | - | 40.3 to 48.2 |
| Dividend yield | - | - | - | - | - |
| Risk-free interest rate (%) | 7.11 to 8.31 | 6.08 to 8.51 | 7.18 to 8.01 | - | 7.59 to 8.46 |
| Vesting years | 2017 – 2019 | 2016 – 2018 | 2015 – 2017 | 2014 – 2016 | 2013 – 2015 |

3. Critical accounting estimates and assumptions (continued)

Share-based payments (continued)

Initial public offering bonus shares (continued)

| | Mahube Trust share scheme | Initial public offering bonus shares |
|--|---------------------------|--------------------------------------|
| Weighted average option value on grant date (rand) | 44.67 | 64.90 |
| Weighted average share price on grant date (rand) | 65.12 | 64.90 |
| Volatility (%) | 39.8 to 47.8 | 47.9 |
| Dividend yield | - | - |
| Risk-free interest rate (%) | 7.75 to 7.83 | 7.52 |
| Vesting years | 2013 – 2015 | 8 May 2012 |

Refer Note 30 for outstanding shares.

Activity on awards outstanding

| | Forfeitable share plan | 2010 share option plan | | Bonus share plan | Mahube Trust share scheme | | | |
|--|-------------------------------|--|-------------------|---------------------------------|---------------------------|--------------------------------|------------------|--------------------------------|
| | Forfeitable number of options | Share plan weighted average option price R | Number of options | Weighted average option price R | Number of shares | Weighted average award price R | Number of shares | Weighted average award price R |
| For the year ended 31 December 2014 | | | | | | | | |
| At 1 January 2014 | - | - | 3 816 185 | 55.69 | 1 186 735 | 59.74 | 939 857 | 46.08 |
| Granted | 235 195 | 71.91 | 898 332 | 65.83 | 355 656 | 64.90 | - | - |
| Forfeited | (50 222) | 71.91 | (314 542) | 59.01 | (129 858) | 59.40 | - | - |
| Exercised | - | - | (403 554) | 47.73 | (254 948) | 65.14 | - | - |
| Expired | - | - | - | - | - | - | (469 928) | 65.25 |
| At 31 December 2014 | 184 973 | 71.91 | 3 996 421 | 58.74 | 1 157 585 | 60.17 | 469 929 | 46.08 |
| For the year ended 31 December 2013 | | | | | | | | |
| At 1 January 2014 | - | - | 3 358 564 | 55.08 | 866 337 | 61.17 | 1 409 785 | 44.67 |
| Granted | - | - | 691 213 | 57.61 | 534 376 | 58.50 | - | - |
| Forfeited | - | - | (135 128) | 57.08 | (85 924) | 61.58 | - | - |
| Exercised | - | - | (98 464) | 46.67 | (128 054) | 64.13 | - | - |
| Expired | - | - | - | - | - | - | (469 928) | 41.86 |
| At 31 December 2013 | - | - | 3 816 185 | 55.69 | 1 186 735 | 59.74 | 939 857 | 46.08 |

Income taxes and mining royalties

Significant judgement is required in determining the provision for income taxes and mining royalties. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made. Refer to Note 21.5 for the tax contingency note.

Employee home ownership scheme

The employee home ownership scheme arrangement was concluded in May 2014 and involves the construction of 3 500 houses for eligible employees over a five-year period. At 31 December 2014, 422 houses were built, 295 of which were sold to employees.

Employee housing receivable

The fair value of the employee housing receivable is determined using a discounted cash flow model.

The following key assumptions were used in determining the fair value of the housing employee receivable:

- > Instalment
 - Initial starting instalment of R2 543
 - Instalment increases on 1 July of each year and is fixed for a period of 12 months.
- > Interest accruals
 - Interest rate is charged at 7.6% based on the May CPI rate of the current period plus 1% with a floor rate of 7% (CPI as at May of the current period is 6.7%)
 - Interest rates are adjusted annually effective from 1 July of each calendar year and remain fixed for a period of 12 months
 - The default interest rate for any employee who fails to make a monthly repayment of the instalment is set at the prime interest rate plus 2%

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2014

3. Critical accounting estimates and assumptions (continued)

Employee home ownership scheme (continued)

Employee housing receivable (continued)

- > Interest accruals (continued)
 - The prime lending rate (defined as the “benchmark rate at which private banks lend out to the public”) will be used as the base discount rate with an adjustment for counterparty credit risk (relative to the prime lending rate). This adjustment will be varied by risk grades (ie average credit profile per band).
- > Payment period
 - The initial repayment period for the loans is 209 months
 - The repayment period however is adjusted based on interest rate movements.

4. Employee home ownership scheme

During 2013, RBPlat embarked on an initial pilot housing project which will ultimately involve the construction of approximately 3 500 houses for eligible enrolled employees over a five-year period. In December 2013, RBPlat took ownership of the first batch of houses which were recognised as property, plant and equipment. At that stage it was uncertain when the houses would be sold. As the intention is to sell the houses to employees within a 12-month period, the employee housing assets were subsequently reclassified as current assets. At 31 December 2014, 422 houses were built, 295 of which were sold to employees.

Friedshelf (RF) 1408 Proprietary Limited (Friedshelf), a wholly owned subsidiary within the RBPlat group, is a property company which was created in 2013 for the purpose of the housing scheme. All unsold houses are classified as inventory in the books of Friedshelf and on sale of the houses, revenue is recognised. On Group level however, unsold houses are classified as current assets (refer Note 11). On sale of the houses, an employee housing receivable is recognised (refer Note 9). This reclassification occurs because RBPlat is a mining company and is not in the business of buying and selling houses. All houses are sold to employees at cost.

The employee housing receivable is recognised at fair value using a discounted cash flow model. Refer to Note 3 where the fair value assumptions have been disclosed. The difference that arises between the loan amount outstanding and the fair value of the employee housing receivable is recognised as an employee housing benefit (refer Note 10). A Nedbank housing facility was drawn to fund a portion of the purchase of the employee houses, which is recognised as a liability (refer Note 15).

| | Buildings R (million) | Furniture and fittings and computer ware R (million) | Mining assets (including decom- missioning asset) R (million) | Capital work in progress R (million) | Plant and machinery R (million) | Vehicles and equipment R (million) | Total R (million) |
|---|--------------------------|--|--|---|---------------------------------------|---|----------------------|
| 5. Property, plant and equipment | | | | | | | |
| At 1 January 2014 | 70.7 | 94.1 | 5 060.8 | 3 255.6 | 1 078.8 | 7.9 | 9 567.9 |
| Additions | 0.4 | 0.4 | – | 1 681.7 | – | – | 1 682.5 |
| Change in estimates of decommissioning asset | – | – | 10.0 | – | – | – | 10.0 |
| Depreciation | (3.8) | (34.3) | (188.2) | – | (144.1) | (0.5) | (370.9) |
| Transfers | 13.8 | 15.3 | 238.2 | (356.2) | 87.4 | 1.5 | – |
| At 31 December 2014 | 81.1 | 75.5 | 5 120.8 | 4 581.1 | 1 022.1 | 8.9 | 10 889.5 |
| Cost | 100.2 | 160.8 | 6 024.5 | 4 581.1 | 1 571.9 | 31.4 | 12 469.9 |
| Accumulated depreciation | (19.1) | (85.3) | (903.7) | – | (549.8) | (22.5) | (1 580.4) |
| At 31 December 2014 | 81.1 | 75.5 | 5 120.8 | 4 581.1 | 1 022.1 | 8.9 | 10 889.5 |
| Cost | 80.7 | 84.1 | 5 553.9 | 2 593.6 | 1 394.8 | 28.4 | 9 735.5 |
| Accumulated depreciation | (9.8) | (29.3) | (544.0) | – | (238.6) | (14.6) | (836.3) |
| At 1 January 2013 | 70.9 | 54.8 | 5 009.9 | 2 593.6 | 1 156.2 | 13.8 | 8 899.2 |
| Additions | – | 0.2 | – | 1 040.4 | – | – | 1 040.6 |
| Change in estimates of decommissioning asset | – | – | 1.3 | – | – | – | 1.3 |
| Depreciation | (5.5) | (21.7) | (171.5) | – | (167.1) | (7.4) | (373.2) |
| Transfers | 5.3 | 60.8 | 221.1 | (378.4) | 89.7 | 1.5 | – |
| At 31 December 2013 | 70.7 | 94.1 | 5 060.8 | 3 255.6 | 1 078.8 | 7.9 | 9 567.9 |
| Cost | 86.0 | 145.1 | 5 776.3 | 3 255.6 | 1 484.5 | 29.9 | 10 777.4 |
| Accumulated depreciation | (15.3) | (51.0) | (715.5) | – | (405.7) | (22.0) | (1 209.5) |
| At 31 December 2013 | 70.7 | 94.1 | 5 060.8 | 3 255.6 | 1 078.8 | 7.9 | 9 567.9 |

The Company has the life of mine right to use, but not ownership of assets with carrying amount of R1 076 944 883 (2013: R1 157 302 195) which is included in balances above.

Exploration and evaluation costs relating to Styldrift II incurred in the current year and included in capital WIP additions were R32.4 million (2013: R45.9 million).

Included in the 2014 additions is a non-cash amount of R6.9 million (2013: R4.0 million) which relates to Styldrift I project share-based payment charges capitalised (refer Note 17).

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 6. Mineral rights | | |
| Opening balance at 1 January | 6 583.7 | 6 645.0 |
| Amortisation (included in cost of sales) | (65.3) | (61.3) |
| Closing balance at 31 December | 6 518.4 | 6 583.7 |
| Cost | 6 767.0 | 6 767.0 |
| Accumulated amortisation | (248.6) | (183.3) |
| Closing balance at 31 December | 6 518.4 | 6 583.7 |

In terms of the joint venture agreement between RPM and RBR, RPM contributed its Boschkopie mining right and the Frischgewaagd prospecting right whilst RBR contributed its Styldrift mining right to the BRPM JV for the full BRPM life of mine. Royal Bafokeng Resources therefore has an undivided 67% participation interest in these rights whilst RPM has an undivided 33% participation interest in these rights.

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 7. Goodwill | | |
| Goodwill at cost less impairment | 2 275.1 | 2 275.1 |

The goodwill originated from the deferred tax provided on the fair value of the assets over carrying amount on the obtaining of control of BRPM on date of listing of the Company (8 November 2010). Goodwill was allocated entirely to the Group's mining operation.

Refer Note 3 for the assumptions and sensitivity thereof used in assessing the recoverable amount of goodwill.

There was no impairment of goodwill in the current financial year.

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 8. Environmental trust deposits | | |
| Environmental trust deposit held in Standard Bank account | | |
| Opening balance at 1 January | 4.6 | 2.2 |
| Interest earned on environmental trust deposit (refer Note 25) | 0.1 | 0.1 |
| Increase in cash deposit during the year | – | 2.3 |
| Closing balance at 31 December | 4.7 | 4.6 |
| Environmental trust deposit held in Nedbank equity-linked deposit account | | |
| Opening balance at 1 January | 102.2 | 100.9 |
| Fair value adjustment of the Nedbank equity-linked deposits (refer Note 24) | 6.7 | 1.3 |
| Fair value at 31 December | 108.9 | 102.2 |
| Total | 113.6 | 106.8 |

The Group contributes to the BRPM Environmental Rehabilitation Trust annually. The trust was created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the mine. Contributions are determined on the basis of the estimated environmental obligation over the life of a mine. Contributions made are reflected as an environmental trust deposit. Refer Note 20 for the environmental rehabilitation provision created.

According to the terms of the Nedbank equity-linked deposit, the deposit amount is guaranteed and will earn a guaranteed 3% per annum (naca) interest. In addition, there is a variable return component of which R55.9 million (2013: R58.8 million) of the R100.4 million (2013: R98.0 million) deposit is linked to the Bettabeta CIS BGreen portfolio exchange traded fund performance and the remaining R44.5 million (2013: R39.2 million) is linked to the FTSE/JSE Shareholder Weighted Top 40 Index performance. The variable return is capped based on a participation interest percentage of the growth in the relevant index to maturity. The Nedbank equity-linked deposits have been invested for a one-/two-/three-/four-/five-year period to ensure flexibility for when the cash will be required for rehabilitation.

The Nedbank equity-linked deposits are fair valued every month and the fair value adjustment is taken through the statement of comprehensive income as an adjustment to other income.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 9. Employee housing receivable | | |
| Opening balance | – | – |
| Houses sold to employees during the year (inclusive of VAT) | 148.0 | – |
| Interest capitalised | 1.8 | – |
| Employee housing benefit reallocation* | (41.0) | – |
| Closing balance at 31 December | 108.8 | – |
| Split between: | | |
| Non-current portion of employee housing receivable | 99.4 | – |
| Current portion of employee housing receivable | 9.4 | – |
| There was no impairment of employee housing receivable in the current financial year. | | |
| * Fair value adjustment (refer Note 10) | | |

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 10. Employee housing benefit | | |
| Opening balance | – | – |
| Additions for the year (reallocations from employee housing receivable) (Refer Note 3) | 41.0 | – |
| Amortisation charge for the year | (1.1) | – |
| Closing balance at 31 December | 39.9 | – |
| Split between: | | |
| Non-current portion of employee housing benefit | 36.9 | – |
| Current portion of employee housing benefit | 3.0 | – |

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 11. Employee housing assets | | |
| Opening balance | 46.5 | – |
| Additions for the year | 138.2 | 46.5 |
| Houses sold to employees during the year (exclusive of VAT) | (129.9) | – |
| Closing balance at 31 December | 54.8 | 46.5 |

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 12. Inventories | | |
| Consumables | 23.0 | 17.2 |
| Stockpiles | 28.7 | 18.3 |
| Closing balance at 31 December | 51.7 | 35.5 |
| All inventories are carried at cost. There is no inventory write down to net realisable value. | | |

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 13. Trade and other receivables | | |
| Trade receivables (RPM concentrate debtors – Refer Note 29) | 1 344.6 | 1 313.2 |
| Impala royalty receivable (refer Note 29) | 10.8 | 10.9 |
| VAT receivable | 31.1 | 26.5 |
| RPM capital contribution to housing costs (refer Note 18) | 71.8 | – |
| Other receivables | 99.7 | 53.6 |
| Closing balance at 31 December | 1 558.0 | 1 404.2 |

13 Trade and other receivables (continued)

RBR entered into a disposal of concentrate agreement with RPM during 2002 in terms of which RBR's share of the concentrate of the PGMs produced by BRPM JV will be treated by RPM.

In terms of the disposal of concentrate agreement, the commodity prices and R:US\$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery (refer Note 32.1 for sensitivity analysis).

Concentrate debtors are remeasured every month following delivery of the concentrate until the price is fixed at the end of the third month following delivery. The remeasurement is taken through the statement of comprehensive income as an adjustment to revenue.

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 14. Current tax (receivable)/payable | | |
| The movement in the balance can be explained as follows: | | |
| Opening balance at 1 January | 0.2 | 2.0 |
| Income tax charge | 23.7 | 15.6 |
| Refund to SARS for incorrect receipt | (0.8) | 1.1 |
| Payment made | (25.4) | (18.5) |
| Closing balance at 31 December | (2.3) | 0.2 |
| Current tax (receivable)/payable comprises: | | |
| Current tax receivable | (2.3) | – |
| Current tax payable | – | 0.2 |
| Closing balance at 31 December | (2.3) | 0.2 |

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 15. Cash and cash equivalents | | |
| Cash at bank and on hand | 431.0 | 252.1 |
| Short-term bank deposits | 1 433.2 | 520.8 |
| Closing balance at 31 December | 1 864.2 | 772.9 |
| The cash and cash equivalents above are split as follows: | | |
| Cash and cash equivalents – 100% BRPM JV | 411.4 | 195.0 |
| Cash and cash equivalents – RBPlat corporate office | 1 452.8 | 577.9 |
| Closing balance at 31 December | 1 864.2 | 772.9 |

Facilities

Royal Bafokeng Resources (RBR) cancelled its R1 billion revolving credit facility (RCF) with Nedbank Capital during July 2014. The RCF incurred commitment fees of 0.625% of the unutilised portion of the facility up to 29 June 2014 and 0.725% from 30 June 2014 until cancellation occurred. The RCF will be superseded with term debt to be raised for the completion of the Styldrift I project.

In addition, RBR has a R450 million, RBPlat a R3 million and RBPlat MS a R5 million working capital facility with Nedbank Capital. R200 million of the R450 million was allocated for the RBPlat housing facility. The closing balance of the reducing guarantee at year end is R3.5 million (refer Note 21.1).

Interest on the working capital facilities is based on a three-month JIBAR plus a margin of 2.45% nominal annual interest compounded monthly in arrears and it is repayable by 31 December 2015. There are commitment fees payable on these facilities of 0.625% of the unutilised portion of the facilities.

At year end RBR utilised R156.9 million (2013: R353.4 million) of its working capital facility for guarantees and R6.6 million in respect of the employee housing facility. RBP MS utilised R0.4 million (2013: R0.4 million) for guarantees. Refer Note 21.1 for further details.

The Group's facilities are shown in the table below:

| | Facility amount | Utilised amount | Available funds | Repayment date |
|--|-----------------|-----------------|-----------------|------------------|
| 2014 committed facilities R (million) | | | | |
| Nedbank RCF* | – | – | – | 31 December 2015 |
| Nedbank working capital facilities | 458.0 | 163.9 | 294.1 | 31 December 2015 |
| Total | 458.0 | 163.9 | 294.1 | |
| 2013 committed facilities R (million) | | | | |
| Nedbank RCF | 1 000.0 | – | 1 000.0 | 31 December 2015 |
| Nedbank working capital facilities | 458.0 | 353.8 | 104.2 | 31 December 2015 |
| Total | 1 458.0 | 353.8 | 1 104.2 | |

* Facility cancelled during July 2014.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

| | Group | |
|--|--------------------|--------------------|
| | 2014 R | 2013 R |
| 16. Share capital and share premium | | |
| Authorised share capital | | |
| 250 000 000 (2013: 250 000 000) ordinary shares with a par value of R0.01 each | 2 500 000 | 2 500 000 |
| 1 500 000 (2013: 1 500 000) "A1" ordinary shares with a par value of R0.01 each | 15 000 | 15 000 |
| 1 500 000 (2013: 1 500 000) "A2" ordinary shares with a par value of R0.01 each | 15 000 | 15 000 |
| 1 500 000 (2013: 1 500 000) "A3" ordinary shares with a par value of R0.01 each | 15 000 | 15 000 |
| Total authorised share capital | 2 545 000 | 2 545 000 |
| Issued ordinary share capital | | |
| The movement in the issued share capital of the Company is as follows: | | |
| Opening balance 164 459 662 (2013: 164 150 804) ordinary shares with a par value of R0.01 | 1 644 596 | 1 641 508 |
| 11 290 323 ordinary shares issued in terms of the bookbuild | 112 903 | – |
| 14 545 455 ordinary shares issued in terms of the rights offer | 145 455 | – |
| 590 851 (2013: 534 376) ordinary shares issued as part of management share incentive scheme | 5 909 | 5 344 |
| 187 971 (2013: 187 971) Mahube ordinary shares vested in March | 1 880 | 1 880 |
| 263 029 BSP shares vested in February and April 2014 | 2 630 | – |
| 384 217 ordinary shares issued as a result of share options exercised | 3 842 | – |
| 43 044 BSP shares early vested with 2013 retrenchments | – | 430 |
| 77 843 BSP shares vested in December 2013 | – | 778 |
| Less: Treasury shares | | |
| 590 851 (2013: 534 376) ordinary shares issued as part of the management share incentive scheme | (5 909) | (5 344) |
| Total 191 130 657 (2013: 164 459 662) ordinary shares | 1 911 306 | 1 644 596 |
| Issued "A1", "A2", "A3" ordinary share capital | | |
| Opening balance 563 941 (2013: 845 871) "A" ordinary shares issued to Mahube Trust | 8 459 | 8 459 |
| "A1" and "A2" and "A3" ordinary shares issued on equal parts of 281 957 each | | |
| 281 957 "A1" ordinary shares repurchased and cancelled in 2013 | (2 819) | (2 819) |
| 281 957 "A2" ordinary shares repurchased and cancelled in 2014 | (2 819) | – |
| Closing balance 281 957 (2013: 563 914) "A3" ordinary shares issued to Mahube Trust | 2 821 | 5 640 |
| Less: Treasury shares | | |
| 281 957 "A" ordinary shares issued to Mahube Trust | (2 821) | (5 640) |
| Total 281 957 (2013: 563 914) "A" ordinary shares | – | – |
| As at 31 December 2014, the treasury shares outstanding amounted to 1 762 632 shares (2013: 1 622 781 shares). | | |
| Share premium | R (million) | R (million) |
| Opening balance | 7 808.9 | 7 789.0 |
| 11 290 323 ordinary shares issued in terms of the bookbuild | 699.9 | – |
| 14 545 455 ordinary shares issued in terms of the rights offer | 799.9 | – |
| Costs relating to issue of shares capitalised | (21.5) | – |
| Costs relating to rights followed on treasury shares | (6.4) | – |
| 263 029 BSP shares vested in March and April 2014 | 17.1 | – |
| 384 217 ordinary shares issued as a result of share options exercised | 19.1 | – |
| 590 851 (2013: 534 376) ordinary shares issued as part of the Company's management share incentive scheme | 42.5 | 31.2 |
| Mahube ordinary shares vested in March | 12.2 | 12.2 |
| BSP early vested with 2013 retrenchments | – | 2.6 |
| BSP shares vested in December 2013 | – | 5.1 |
| Less: Treasury shares | | |
| 590 851 (2013: 534 376) ordinary shares issued as part of the management share incentive scheme | (42.5) | (31.2) |
| Total share premium | 9 329.2 | 7 808.9 |

The "A" ordinary shares were issued to the Mahube Trust as part of the Company's employee share ownership plan and these "A" ordinary shares are not listed.

The "A" ordinary shares are treated as treasury shares as the Mahube Trust is consolidated as a special purpose vehicle.

During the year 590 851 (2013: 534 376) ordinary shares were issued as part of the Company's management staff incentive scheme.

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 17. Share-based payment reserve | | |
| The movement can be attributed to the following: | | |
| Opening balance at 1 January | 157.7 | 119.7 |
| Share-based payment charge to statement of comprehensive income | 41.3 | 53.9 |
| Share-based payment charge capitalised to the Styldrift I project (refer Note 5) | 6.9 | 4.0 |
| Mahube ordinary shares vested in March 2014 | (12.2) | (12.2) |
| BSP shares vested in March and April 2014 | (17.1) | – |
| BSP shares early vested – 2013 retrenchments | – | (2.6) |
| BSP shares vested in December 2013 | – | (5.1) |
| Closing balance at 31 December | 176.6 | 157.7 |

Refer Note 3 for critical accounting estimates and assumptions used for the RBPlat share schemes.

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 18. Non-distributable reserve | | |
| Capital contribution from RPM relating to the housing project | 71.8 | – |
| Closing balance at 31 December | 71.8 | – |

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 19. Deferred tax | | |
| Deferred income tax is calculated in full on the temporary differences under the liability method using the principal tax rate of 28%. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against the tax liabilities and when the deferred income taxes relate to the same fiscal authority. | | |
| Deferred tax comprises: | | |
| Deferred tax asset | (27.6) | (24.9) |
| Deferred tax liability | 4 486.7 | 4 262.0 |
| Closing balance at 31 December | 4 459.1 | 4 237.1 |

| | Mineral rights R (million) | Property, plant and equipment R (million) | Provisions R (million) | Other R (million) | Total R (million) |
|--|-------------------------------|--|---------------------------|----------------------|----------------------|
| 2014 | | | | | |
| At 1 January 2014 | 1 843.4 | 2 407.9 | (22.5) | 8.3 | 4 237.1 |
| Charged to statement of comprehensive income | (18.3) | 185.6 | (6.5) | 61.2 | 222.0 |
| At 31 December 2014 | 1 825.1 | 2 593.5 | (29.0) | 69.5 | 4 459.1 |
| 2013 | | | | | |
| At 1 January 2013 | 1 860.6 | 2 240.6 | (31.0) | 17.8 | 4 088.0 |
| Charged to statement of comprehensive income | (17.2) | 167.3 | 8.5 | (9.5) | 149.1 |
| At 31 December 2013 | 1 843.4 | 2 407.9 | (22.5) | 8.3 | 4 237.1 |

Tax losses included in RBP MS which are not recognised as deferred tax assets, amount to R98.2 million (2013: R73.4 million). Of the deferred tax liability, approximately R4 020 million (2013: R3 829 million) will realise after 12 months.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 20. Long-term provisions | | |
| Restoration and rehabilitation opening balance at 1 January | 68.7 | 61.6 |
| Unwinding of discount | 4.0 | 3.7 |
| Change in estimate of provision taken to statement of comprehensive income | 5.5 | 2.1 |
| Change in estimate of provision taken to decommissioning asset | 10.0 | 1.3 |
| Restoration and rehabilitation closing balance at 31 December | 88.2 | 68.7 |
| Other provisions | - | 0.9 |
| Closing balance at 31 December | 88.2 | 69.6 |

Refer Note 3 for critical accounting estimates and assumptions used in the environmental rehabilitation obligation calculation.

Refer Note 8 for the environmental trust deposits made to fund this estimate and Note 21.1 for guarantees issued to fund the remainder.

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |

21. Contingencies and commitments

21.1 Guarantees issued

Royal Bafokeng Resources Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:

| | | |
|--|------|-------|
| Eskom to secure power supply for Styldrift project development (performance guarantee 30823102) | 17.1 | 17.1 |
| Eskom early termination guarantee for Styldrift (performance guarantee 31160603) | 17.5 | 17.5 |
| Eskom connection charges guarantee for Styldrift (performance guarantee 31173918) | 40.0 | 40.0 |
| Anglo American Platinum for the rehabilitation of land disturbed by mining activities at BRPM (financial guarantee 31247601) | 77.5 | 77.5 |
| DMR for the rehabilitation of land disturbed by prospecting/mining (financial guarantee 32388608) | 1.3 | 1.3 |
| Housing guarantee (financial guarantee 32237804)* | 3.5 | 200.0 |

Royal Bafokeng Platinum Management Services Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:

| | | |
|---|-----|-----|
| Isogo Sun guarantee arising from lease agreement (financial guarantee 31101003) | 0.3 | 0.3 |
| Isogo Sun guarantee arising from lease agreement (financial guarantee 31100309) | 0.1 | 0.1 |

| | | |
|---|--------------|--------------|
| Total guarantees issued at 31 December | 157.3 | 353.8 |
|---|--------------|--------------|

* The housing guarantee of R200 million reduces as the funds are drawn from the Nedbank working capital facilities or funded from cash resources.

21.2 Guarantees received from Anglo American Platinum

| | | |
|---|--------|--------|
| For Anglo American Platinum's 33% of the Eskom guarantee to secure power supply for Styldrift project development (performance guarantee M523084) | (5.6) | (5.6) |
| For Anglo American Platinum's 33% of Eskom early termination guarantee for Styldrift (performance guarantee M529349) | (5.8) | (5.8) |
| For Anglo American Platinum's 33% of the Eskom connection charges guarantee for Styldrift (performance guarantee M529350) | (13.2) | (13.2) |

| | | |
|---|---------------|---------------|
| Total guarantees received at 31 December | (24.6) | (24.6) |
|---|---------------|---------------|

21.3 Capital commitment in respect of property, plant and equipment

| | | |
|---|----------------|----------------|
| Commitments contracted for | 887.4 | 918.3 |
| Approved expenditure not yet contracted for | 5 008.7 | 6 432.7 |
| Total | 5 896.1 | 7 351.0 |

The commitments reflect 100% of the BRPM JV project commitments. Effectively RBR must fund 67% thereof and RPM the remaining 33%. Should either party elect not to fund their share, the participation interest in BRPM JV will be diluted according to the terms reflected in the BRPM JV agreement.

21.4 Operating commitments

The Group leases offices for its corporate office in Johannesburg and for BRPM's finance function in Rustenburg under operating lease agreements. The corporate office lease term is five years and it is renewable at the end of the lease period at market rates. The finance office lease in Rustenburg was renewable year-on-year at market rates. The finance office in Rustenburg was purchased subsequent to year end.

21. Contingencies and commitments (continued)

21.4 Operating commitments (continued)

The future aggregate lease payments under these operating leases are as follows:

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| No later than one year | 1.6 | 1.5 |
| Later than one year and no later than five years | 1.3 | 3.0 |
| Total | 2.9 | 4.5 |

21.5 Tax contingency

On 31 January 2013 Royal Bafokeng Resources Proprietary Limited (RBR) received notice from the South African Revenue Services (SARS) that they have completed an audit of RBR's 2008 to 2010 tax assessments and that they intend reopening these assessments to effect certain proposed adjustments. These proposed adjustments primarily relate to SARS intending to disallow interest on shareholder's loans amounting to R586 million previously deducted by RBR and allowed by SARS in the 2008 and 2009 income tax assessments. On 19 February 2014, RBR received revised assessments from SARS for the 2008, 2009 and 2010 years amounting to R437.5 million comprising income tax of R106 million, penalties of R246.4 million and interest of R85.1 million, payable within seven days. RBR lodged an objection against these assessments and an application to suspend payment of taxes in terms of section 164(2) of the Tax Administration Act. SARS disallowed RBR's objection and RBR lodged a notice of appeal in November 2014. Based on independent advice and consultation to date, RBR remains confident that it has a reasonable prospect of successfully defending this matter.

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |

22. Trade and other payables

| | | |
|--|--------------|--------------|
| Trade payables | 132.7 | 46.8 |
| Payroll accruals | 41.4 | 32.8 |
| Other accruals | 148.7 | 206.3 |
| Amounts owing to RPM per contribution to BRPM JV (refer Note 29) | 403.3 | 213.4 |
| VAT payable | - | 0.1 |
| Total | 726.1 | 499.4 |

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |

23. Revenue

| | | |
|--|----------------|----------------|
| Revenue from concentrate sales – production from BRPM concentrator | 3 339.6 | 2 944.7 |
| Revenue from UG2 toll concentrate | 427.9 | 306.4 |
| Total | 3 767.5 | 3 251.1 |

Revenue and concentrate debtors are fair valued every month following the month of delivery of concentrate to Rustenburg Platinum Mines Limited (RPM) until the price is fixed in the third month following delivery. The fair value adjustment is recognised in revenue.

This means that revenue reflected for the financial years above includes the revaluation of the October, November and December concentrate deliveries of the previous year and the current year's October, November and December concentrate deliveries are remeasured at year end at the average prices for December. The realised prices for a specific financial year will only be finalised in January, February and March of the following financial year as the prices for deliveries for the last three months of the financial year are then fixed.

Included in the 2014 revenue from concentrate sales produced from the BRPM concentrator is revenue of R5.6 million (2013: R11.9 million) generated from the on reef development from the Styldrift 1 project.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 24. Other income | | |
| Impala royalty (Group resources mined by Impala Platinum Limited) | 18.2 | 75.2 |
| Fair value adjustment of the Nedbank equity-linked deposit (refer Note 8) | 6.7 | 1.3 |
| Levy and other income from housing assets | 0.3 | – |
| Other income | – | 1.0 |
| Total | 25.2 | 77.5 |

The Impala royalty consists of royalties received from Impala for mining from their 6 and 8 shafts and 20 shaft area. Up to 30 September 2013 Impala paid a 15% of revenue royalty to BRPM JV for 6 and 8 shaft area. During 2013 the parties renegotiated the royalties receivable for 6 and 8 shafts with effect from 1 October 2013 from a 15% of revenue basis to a percentage of revenue calculated by applying a factor that is linked to the Impala Rustenburg operations' gross profit margin with a minimum of 5% and a maximum of 25% of revenue. Impala pays a 17.5% of revenue royalty to BRPM JV for the 20 shaft area.

During the year R16.6 million (2013: R72.8 million) royalties were received for the 6 and 8 shaft area and R1.6 million (2013: R2.4 million) for the 20 shaft area.

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 25. Net finance income | | |
| The net finance income consists of the following: | | |
| Interest received on environment trust deposit (refer Note 8) | 0.1 | 0.1 |
| Interest received on investments | 82.0 | 31.0 |
| Interest received on employee housing receivable | 4.0 | – |
| Dividend income | 10.3 | 11.6 |
| Total finance income | 96.4 | 42.7 |
| Interest expense | (1.1) | – |
| Unwinding of discount on decommissioning and restoration provision | (4.0) | (3.7) |
| Total finance cost | (5.1) | (3.7) |
| Net finance income | 91.3 | 39.0 |

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 26. Profit before tax | | |
| <i>Included in the profit before tax are the following items:</i> | | |
| On-mine costs: | | |
| – Labour | 883.8 | 773.3 |
| – Utilities | 208.5 | 179.4 |
| – Contractor costs | 541.9 | 489.0 |
| – Movement in inventories | (10.4) | (6.6) |
| – Materials and other mining costs | 692.5 | 615.8 |
| – Materials and other mining costs – BRPM JV | 729.7 | 651.0 |
| – Elimination of intergroup management fee | (37.2) | (35.2) |
| State royalties | 12.6 | 10.9 |
| Depreciation – Property, plant and equipment | 369.8 | 372.2 |
| Amortisation – Mineral rights | 65.3 | 61.3 |
| Share-based payment expense | 21.8 | 35.8 |
| Social and labour plan expenditure | 110.3 | 91.0 |
| Retrenchments* | – | 21.2 |
| Styldrift incidental expenses | 3.8 | 4.8 |
| Other | 2.3 | 2.0 |
| Total cost of sales | 2 902.2 | 2 650.1 |
| Administrative expenses consist of the following corporate office expenses: | | |
| Advisory fees | 7.7 | 6.5 |
| Legal fees | 3.7 | 4.7 |
| Employee costs (including directors' emoluments) | 70.4 | 61.3 |
| Mahube Trust expenditure | 1.5 | 1.3 |
| Depreciation of RBP MS non-current assets | 1.1 | 1.0 |
| Nedbank revolving credit facility commitment fee | 2.7 | 3.8 |
| Fees for guarantees | 2.5 | 3.7 |
| Share-based payment expense | 19.5 | 18.1 |
| Industry membership contributions | 2.0 | 1.4 |
| Rent for corporate office | 2.2 | 1.9 |
| Administration cost relating to housing | 14.0 | – |
| Amortisation of employee housing benefit | 1.1 | – |
| Other | 8.9 | 1.3 |
| Total administrative expenses | 137.3 | 105.0 |
| External and internal audit fees for the Group | | |
| <i>External and internal audit fees included in profit before tax</i> | | |
| External audit fees | | |
| – Fees for audit | 1.6 | 2.0 |
| – Other fees | 0.8 | 0.4 |
| | 2.4 | 2.4 |
| Internal audit fees | 1.6 | 1.1 |

* 18 D1 and below, and 17 D2 and above employees were retrenched in 2013. All retrenchment costs have been fully paid out.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

| | Group | |
|-------------------------------------|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 27. Income tax expense | | |
| Income tax | (23.7) | (15.6) |
| Deferred tax | | |
| – Current tax | (222.0) | (149.1) |
| Total | (245.7) | (164.7) |
| Tax rate reconciliation: | | |
| Profit before tax | 844.5 | 612.5 |
| Tax calculated at a tax rate of 28% | (236.5) | (171.5) |
| Non-taxable income | 4.7 | 10.4 |
| Tax losses not recognised | (13.9) | (3.6) |
| | (245.7) | (164.7) |
| Effective tax rate (%) | 29.1 | 26.9 |

An unredeemed capital allowance of R1 001.6 million (2013: R697.3 million) is carried over to 2015.

| | Group | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 28. Cash generated by operations | | |
| Cash generated by operations is calculated as follows: | | |
| Profit before tax | 844.5 | 612.5 |
| <i>Adjustment for:</i> | | |
| Depreciation of property, plant and equipment | 370.9 | 373.2 |
| Amortisation of employee housing benefit | 1.1 | – |
| Amortisation of mineral rights | 65.3 | 61.3 |
| Share-based payment expense | 41.3 | 53.9 |
| Change in estimate of provision taken to the statement of comprehensive income | 5.5 | 2.1 |
| Write off of post retirement medical aid provision no longer required | (0.9) | – |
| Finance cost | 5.1 | 3.7 |
| Finance income | (96.4) | (42.7) |
| Equity-linked return on BRPM Environmental Trust | (6.7) | (1.3) |
| Profit on disposal of property, plant and equipment | – | (0.3) |
| | 1 229.7 | 1 062.4 |
| Changes in working capital | 128.8 | (186.6) |
| (Increase)/decrease in inventories | (16.2) | 5.6 |
| Increase in trade and other receivables (excludes RPM receivable capital contribution to housing costs) | (81.7) | (195.3) |
| Increase in trade and other payables (excludes accrual for SBP expense capitalised) | 226.7 | 3.1 |
| Cash generated by operations | 1 358.5 | 875.8 |

29. Related party transactions

- > The Group is controlled by Royal Bafokeng Platinum Holdings Proprietary Limited (incorporated in South Africa), which owns 52.53% of RBPlat's shares
- > Rustenburg Platinum Mines Limited (RPM) owns 11.61% of RBPlat's shares
- > The remaining 35.86% of the shares are widely held
- > RPM also holds the remaining 33% participation interest in the BRPM JV
- > The Group's ultimate parent is Royal Bafokeng Holdings Proprietary Limited (incorporated in South Africa) (RBH)
- > RBH is an investment holding company with a large number of subsidiaries
- > At present, RBR sells its 67% share of the concentrate produced by BRPM JV to RPM for further processing by RPM. Refer to the Directors' report for further details of significant contracts with RPM

Investments in subsidiaries and the BRPM Joint Venture and the degree of control exercised by the Company are:

| Name | Issued capital amount | | Interest in capital | |
|---|-----------------------|-----------|---------------------|-----------|
| | 2014 R | 2013 R | 2014 % | 2013 % |
| <i>Direct investment</i> | | | | |
| Royal Bafokeng Platinum Management Services Proprietary Limited | 1 000 | 1 000 | 100 | 100 |
| Royal Bafokeng Resources Proprietary Limited | 320 | 320 | 100 | 100 |
| <i>Indirect investment via Royal Bafokeng Resources Proprietary Limited</i> | | | | |
| Bafokeng Rasimone Management Services Proprietary Limited | 1 000 | 1 000 | 100 | 100 |
| BRPM JV – participation interest | – | – | 67 | 67 |
| Friedshel (RF) 1408 Proprietary Limited | 100 | 100 | 100 | 100 |

Transactions between the Company, its subsidiaries and joint venture are eliminated on consolidation. Refer Notes 21.1 and 21.2 for related party guarantees.

The following transactions were carried out with related parties:

| | Group | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| BRPM Joint Venture balances at 31 December: | | |
| Amount owing by RPM for concentrate sales (refer Note 13) | 1 344.6 | 1 313.2 |
| Amount owing to RPM for contribution to BRPM JV (working capital nature) (refer Note 22) | 403.3 | 213.4 |
| Amount owing by RPM for housing project costs | 71.8 | – |
| BRPM Joint Venture transactions: | | |
| Concentrate sales to RPM (refer Note 23 and Directors' report) | 3 767.5 | 3 251.1 |
| Associate of holding company balances: | | |
| Amount owing by Impala Platinum Limited for the fourth quarter royalty (refer Note 13) | 10.8 | 10.9 |
| Fellow subsidiaries and associates of holding company transactions: | | |
| Transactions with Fraser Alexander for rental of mining equipment, maintenance of tailings dam and operation of sewage plant (a subsidiary of RBH) | 7.2 | 10.7 |
| Impala Platinum Limited for royalty income (an associate of RBH) (refer Note 24 and Directors' report) | 18.2 | 75.2 |
| Geoserve Exploration Drilling Company for exploration drilling on Boschkoppe and Styldrift (a subsidiary of RBH) | 17.0 | 23.2 |
| Trident South Africa Proprietary Limited for steel supplies (a subsidiary of RBH) | 1.6 | 0.8 |
| Tarsus Technologies for electronic equipment purchases (a subsidiary of RBH) | 1.6 | 2.4 |
| Royal Bafokeng Administration – bulk water supply (a subsidiary of RBH) | 5.1 | – |
| MTech Industrial – supply and install heat pumps (a subsidiary of RBH) | 2.7 | – |
| Royal Marang Hotel for accommodation and conferences (a subsidiary of RBH) | 0.9 | 0.7 |

Details relating to key management emoluments (prescribed officers), share options and shareholdings in the Company are disclosed in Note 30.

NOTES TO THE CONSOLIDATED
ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2014

30. Emoluments and compensation

30.1 Directors and senior management emoluments

Directors' emoluments and related payments for 2014

| | Date appointed | Resignation date | Directors' fee R | Basic salary R | Retirement benefits R | Other benefits R | Discretionary performance bonuses R | Total R |
|---------------------------------|----------------|------------------|------------------|------------------|-----------------------|------------------|-------------------------------------|-------------------|
| 2014 | | | | | | | | |
| Executive directors | | | | | | | | |
| Steve Phiri | 1 Apr '10 | | – | 3 368 974 | 766 710 | 123 816 | 3 388 604 | 7 648 104 |
| Martin Prinsloo | 2 Mar '09 | | – | 2 671 356 | 243 624 | 130 322 | 2 471 425 | 5 516 727 |
| Nico Muller | 2 Mar '09 | 01 Sep '14 | – | 1 914 842 | 272 698 | 637 527 | 2 424 787 | 5 249 854 |
| Non-executive directors* | | | | | | | | |
| Kgomotso Moroka | 1 Jun '10 | | 1 317 345 | – | – | – | – | 1 317 345 |
| Linda de Beer | 1 Jun '10 | | 460 957 | – | – | – | – | 460 957 |
| Robin Mills | 20 Sep '10 | | 507 107 | – | – | – | – | 507 107 |
| David Noko** | 1 Jun '10 | 15 Sep '14 | 451 884 | – | – | – | – | 451 884 |
| Francis Petersen | 1 Jun '10 | 15 Sep '14 | 477 107 | – | – | – | – | 477 107 |
| Mike Rogers | 7 Dec '09 | | 528 001 | – | – | – | – | 528 001 |
| Mark Moffett | 22 Sep '14 | | 94 859 | – | – | – | – | 94 859 |
| Lucas Ndala** | 28 May '13 | | 289 117 | – | – | – | – | 289 117 |
| Louisa Stephens** | 22 Sep '14 | | 94 859 | – | – | – | – | 94 859 |
| Thoko Mokgosi-Mwantembe | 5 Nov '14 | | 67 074 | – | – | – | – | 67 074 |
| David Wilson** | 29 Apr '14 | | 263 909 | – | – | – | – | 263 909 |
| Total | | | 4 552 219 | 7 955 172 | 1 283 032 | 891 665 | 8 284 816 | 22 966 904 |

* Non-executive director fees are paid on a quarterly basis and their fees accrued for the year were approved at the Annual General Meeting held on 16 April 2013

** Fees paid to Cela Corp Proprietary Limited (David Noko), MOGS Proprietary Limited (Lucas Ndala), Prime Select Holdings (Louisa Stephens) and Royal Bafokeng Holdings (David Wilson)

Senior management emoluments and related payments for 2014

| | Date appointed | Basic salary R | Retirement benefits R | Other benefits R | Discretionary performance bonuses* R | Underground market premium R | Total R |
|--------------------------|----------------|-------------------|-----------------------|------------------|--------------------------------------|------------------------------|-------------------|
| 2014 | | | | | | | |
| Senior management | | | | | | | |
| Glenn Harris | 4 Jan '10 | 2 301 610 | 302 613 | 39 150 | 1 983 348 | 136 239 | 4 762 960 |
| Mpueleng Poee | 1 Oct '13 | 1 845 986 | 168 008 | 86 106 | – | – | 2 100 100 |
| Neil Carr | 1 Dec '10 | 2 093 469 | 450 882 | 107 893 | 1 924 808 | – | 4 577 052 |
| Reginald Haman | 1 Oct '12 | 2 112 800 | 239 036 | 104 016 | – | – | 4 363 174 |
| Velile Nhlapo** | 1 Feb '12 | 1 222 600 | 92 024 | 559 351 | 2 041 947 | 67 956 | 3 983 878 |
| Vicky Tlhabanelo | 1 Apr '10 | 1 904 574 | 425 194 | 32 422 | 1 778 784 | – | 4 140 974 |
| Total | | 11 481 039 | 1 677 757 | 928 938 | 9 636 209 | 204 195 | 23 928 138 |

* Discretionary performance bonuses were considered when the 2013 financial results were finalised in February 2014

** Resigned 30 April 2014

30. Emoluments and compensation (continued)

30.1 Directors and senior management emoluments (continued)

Directors' emoluments and related payments for 2013

| | Date appointed | Directors' fee R | Basic salary R | Retirement benefits R | Other benefits R | Discretionary performance bonuses R | Total R |
|---------------------------------|----------------|------------------|------------------|-----------------------|------------------|-------------------------------------|-------------------|
| 2013 | | | | | | | |
| Executive directors | | | | | | | |
| Steve Phiri | 1 Apr '10 | – | 3 196 499 | 714 343 | 113 628 | 2 242 988 | 6 267 458 |
| Martin Prinsloo | 2 Mar '09 | – | 2 458 934 | 224 335 | 105 675 | 1 767 380 | 4 556 324 |
| Nico Muller | 2 Mar '09 | – | 2 356 930 | 335 828 | 120 920 | 1 922 478 | 4 736 156 |
| Non-executive directors* | | | | | | | |
| Kgomotso Moroka | 1 Jun '10 | 1 269 730 | – | – | – | – | 1 269 730 |
| Linda de Beer | 1 Jun '10 | 440 671 | – | – | – | – | 440 671 |
| Robin Mills | 20 Sep '10 | 447 620 | – | – | – | – | 447 620 |
| David Noko | 1 Jun '10 | 575 660 | – | – | – | – | 575 660 |
| Francis Petersen | 1 Jun '10 | 447 620 | – | – | – | – | 447 620 |
| Mike Rogers | 7 Dec '09 | 476 375 | – | – | – | – | 476 375 |
| Matsoso Vuso** | 11 Apr '11 | 239 648 | – | – | – | – | 239 648 |
| Lucas Ndala | 23 May '13 | 190 784 | – | – | – | – | 190 784 |
| Total | | 4 088 108 | 8 012 363 | 1 274 506 | 340 223 | 5 932 846 | 19 648 046 |

* Non-executive director fees are paid on a quarterly basis

** Resigned 27 April 2013

Senior management emoluments and related payments for 2013

| | Date appointed | Basic salary R | Retirement benefits R | Other benefits R | Discretionary performance bonuses* R | Retention bonus R | Total R |
|--------------------------|----------------|-------------------|-----------------------|------------------|--------------------------------------|-------------------|-------------------|
| 2013 | | | | | | | |
| Senior management | | | | | | | |
| Glenn Harris | 4 Jan '10 | 2 050 798 | 262 262 | 35 765 | 1 403 448 | 121 044 | 3 873 317 |
| Mpueleng Poee | 1 Oct '13 | 462 922 | 42 002 | 20 101 | – | – | 525 025 |
| Mzila Mthenjane** | 1 Apr '09 | 658 157 | 52 076 | 33 716 | 1 296 826 | – | 2 040 775 |
| Neil Carr | 1 Dec '10 | 1 813 601 | 398 075 | 29 782 | 1 292 649 | – | 3 534 107 |
| Reginald Haman | 1 Oct '12 | 1 877 832 | 187 696 | 84 440 | – | – | 2 149 968 |
| Velile Nhlapo | 1 Feb '12 | 2 162 521 | 173 888 | 155 028 | 1 406 632 | 128 410 | 4 026 479 |
| Vicky Tlhabanelo | 1 Apr '10 | 1 805 872 | 396 153 | 29 824 | 1 382 366 | – | 3 614 215 |
| Total | | 10 831 703 | 1 512 152 | 388 656 | 6 781 921 | 249 454 | 19 763 886 |

* Discretionary performance bonuses were considered when the 2012 financial results were finalised in February 2013

** Resigned 1 April 2013

Interest in RBPlat share schemes for directors, officers and senior executives

| | Share options awarded* | Award date | Strike price R | Award value R | Vesting dates | % vested to date |
|--|------------------------|------------|----------------|---------------|---------------------|------------------|
| As of 31 December 2014 | | | | | | |
| Executive and non-executive directors | | | | | | |
| Steve Phiri | 297 521 | 1 Apr '10 | 60.50 | 18 000 021 | 1 Apr '13, '14, '15 | 66 |
| Martin Prinsloo | 241 047 | 2 Mar '09 | 36.30 | 8 750 006 | 1 Mar '12, '13, '14 | 100 |
| Senior management | | | | | | |
| Vicky Tlhabanelo | 121 288 | 1 Apr '10 | 60.50 | 7 337 924 | 1 Apr '13, '14, '15 | 66 |
| Glenn Harris | 87 789 | 4 Jan '10 | 60.50 | 5 311 235 | 4 Jan '13, '14, '15 | 66 |
| Neil Carr | 116 030 | 1 Dec '10 | 65.50 | 7 599 965 | 1 Dec '13, '14, '15 | 66 |
| Reginald Haman | 163 599 | 1 Oct '12 | 48.90 | 7 999 991 | 1 Oct '15, '16, '17 | – |
| Mpueleng Poee | 136 770 | 1 Oct '13 | 61.42 | 8 400 413 | 1 Oct '16, '17, '18 | – |
| Lester Jooste (Company Secretary) | 40 756 | 1 Jul '10 | 55.21 | 2 250 139 | 1 Jul '13, '14, '15 | 66 |

* Share options are issued to eligible employees at the date of joining the Company at the applicable market valuation or market share price

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

30. Emoluments and compensation (continued)

30.1 Directors and senior management emoluments (continued)

| | Forfeitable share plan | Bonus scheme shares | Rights offer shares | Award date | Issue price R | Award value R | Vesting dates | Vesting % |
|---------------------------------------|------------------------|---------------------|---------------------|-------------|---------------|---------------|-------------------|-----------|
| As of 31 December 2014 | | | | | | | | |
| Executive and non-executive directors | | | | | | | | |
| Steve Phiri | - | - | 3 539 | 14 Apr '14 | 55.00 | 194 645 | 1 Apr '15 | 100 |
| | - | - | 3 144 | 14 Apr '14 | 55.00 | 172 933 | 1 Apr '16 | 100 |
| | - | 43 156 | - | 1 Apr '12 | 57.99 | 2 502 616 | 1 Apr '15 | 100 |
| | - | 38 342 | - | 1 Apr '13 | 58.50 | 2 243 007 | 1 Apr '16 | 100 |
| | - | 26 106 | - | 1 Apr '14 | 71.91 | 1 877 282 | 1 Apr '17 | 100 |
| Martin Prinsloo | 56 443 | - | - | 1 Apr '14 | 71.91 | 4 058 816 | 1 Apr '17, 18, 19 | 33.3* |
| | - | - | 2 888 | 14 Apr '14 | 55.00 | 158 847 | 1 Apr '15 | 100 |
| | - | - | 2 478 | 14 Apr '14 | 55.00 | 136 264 | 1 Apr '16 | 100 |
| | - | 35 219 | - | 1 Apr '12 | 57.99 | 2 042 350 | 1 Apr '15 | 100 |
| | - | 30 212 | - | 1 Apr '13 | 58.50 | 1 767 402 | 1 Apr '16 | 100 |
| | - | 19 040 | - | 1 Apr '14 | 71.91 | 1 369 166 | 1 Apr '17 | 100 |
| | 29 725 | - | - | 1 Apr '14 | 71.91 | 2 137 525 | 1 Apr '17, 18, 19 | 33.3* |
| Senior management | | | | | | | | |
| Vicky Tilhabanelo | - | - | 2 200 | 14 Apr '14 | 55.00 | 120 979 | 1 Apr '15 | 100 |
| | - | - | 1 938 | 14 Apr '14 | 55.00 | 106 578 | 1 Apr '16 | 100 |
| | - | 26 823 | - | 1 Apr '12 | 57.99 | 1 555 465 | 1 Apr '15 | 100 |
| | - | 23 630 | - | 1 Apr '13 | 58.50 | 1 382 355 | 1 Apr '16 | 100 |
| | - | 13 704 | - | 1 Apr '14 | 71.91 | 985 455 | 1 Apr '17 | 100 |
| | 19 655 | - | - | 1 Apr '14 | 71.91 | 1 413 391 | 1 Apr '17, 18, 19 | 33.3* |
| Glenn Harris | - | - | 1 850 | 14 Apr '14 | 55.00 | 101 734 | 1 Apr '16 | 100 |
| | - | - | 1 967 | 14 Apr '14 | 55.00 | 108 206 | 1 Apr '17 | 100 |
| | - | 22 556 | - | 1 Apr '12 | 57.99 | 1 308 022 | 1 Apr '15 | 100 |
| | - | 23 991 | - | 1 April '13 | 58.50 | 1 403 474 | 1 Apr '16 | 100 |
| | - | 15 820 | - | 1 Apr '14 | 71.91 | 1 137 616 | 1 Apr '17 | 100 |
| Neil Carr | 20 620 | - | - | 1 Apr '14 | 71.91 | 1 482 856 | 1 Apr '17, 18, 19 | 33.3* |
| | - | - | 1 874 | 14 Apr '14 | 55.00 | 103 055 | 1 Apr '15 | 100 |
| | - | - | 1 812 | 14 Apr '14 | 55.00 | 99 664 | 1 Apr '16 | 100 |
| | - | 22 849 | - | 1 Apr '12 | 57.99 | 1 325 014 | 1 Apr '15 | 100 |
| | - | 22 097 | - | 1 Apr '13 | 58.50 | 1 292 674 | 1 Apr '16 | 100 |
| | - | 14 829 | - | 1 Apr '14 | 64.90 | 1 066 353 | 1 Apr '17 | 100 |
| Reginald Haman | 20 621 | - | - | 1 Apr '14 | 71.91 | 1 482 856 | 1 Apr '17, 18, 19 | 33.3* |
| Lester Jooste (Company Secretary) | 14 694 | - | - | 1 Apr '14 | 71.91 | 1 056 646 | 1 Apr '17, 18, 19 | 33.3* |
| | - | - | 947 | 14 Apr '14 | 55.00 | 52 085 | 1 Apr '15 | 100 |
| | - | - | 913 | 14 Apr '14 | 55.00 | 50 208 | 1 Apr '16 | 100 |
| | - | 11 548 | - | 1 Apr '12 | 57.99 | 669 669 | 1 Apr '15 | 100 |
| | - | 11 132 | - | 1 Apr '13 | 58.50 | 651 222 | 1 Apr '16 | 100 |
| | - | 10 164 | - | 1 Apr '14 | 71.91 | 730 893 | 1 Apr '17 | 100 |

* 33.3% over a period of three years

30. Emoluments and compensation (continued)

30.1 Directors and senior management emoluments (continued)

| | IPO scheme shares matched by the Company | Award date | Deemed issue price R | Rights offer shares R | Issue price R | Award values R | Shares sold 2013 R | Shares sold 2014 R | Balance of shares R | Value of balance of shares R |
|--------------------------------------|--|------------|----------------------|-----------------------|---------------|----------------|--------------------|--------------------|---------------------|------------------------------|
| As of 31 December 2014 | | | | | | | | | | |
| Executive directors | | | | | | | | | | |
| Steve Phiri | 99 174 | 8 Nov 2010 | 60.50 | 12 165 | 55.00 | 6 669 102 | 25 000 | - | 86 339 | 5 156 602 |
| Martin Prinsloo | 76 272 | 8 Nov 2010 | 60.50 | 10 615 | 55.00 | 5 198 281 | 10 000 | 13 724 | 63 163 | 3 762 979 |
| Senior management | | | | | | | | | | |
| Vicky Tilhabanelo | 27 273 | 8 Nov 2010 | 60.50 | 3 546 | 55.00 | 1 845 047 | 11 300 | - | 19 519 | 1 161 397 |
| Glenn Harris | 31 405 | 8 Nov 2010 | 60.50 | - | - | 1 900 003 | 31 405 | - | - | - |
| Lester Jooste (Company Secretary) | 11 901 | 8 Nov 2010 | 60.50 | 1 841 | 55.00 | 821 266 | 1 350 | - | 12 392 | 739 591 |

30.2 Group incentive share scheme

Total Group share incentive scheme shares issued to date

| | Opening balance | Cumulative closing balance | Total number "A3" ordinary shares | Deemed strike price R | Issue dates | Vested/ exercised and forfeited (cumulative) | Vesting dates | Vesting % |
|--------------------------------------|-----------------|----------------------------|-----------------------------------|-----------------------|--------------------------|--|---------------------------|-----------------------|
| IPO scheme shares | 417 416 | 417 416 | - | 60.50 | 8 Nov '10 | 417 416 | 8 May '12 | 100 |
| Share options issued to date | 3 816 185 | 4 473 589 | - | * | * | (60 692) | * | 33.3 over three years |
| Bonus scheme shares | - | 55 589 | - | 57.48 | 3 Dec '09 | 55 589 | 3 Dec '12 | 100 |
| 2009 allocations | 55 589 | 133 432 | - | 65.00 | 1 Dec '10 | 77 843 | 1 Dec '13 | 100 |
| 2010 allocations – BSP | 133 432 | 463 953 | - | 66.92 | 18 Feb '11 and 1 Apr '11 | - | 18 Feb 2014 and 1 Apr '14 | 100 |
| 2011 allocations – BSP | 463 953 | 888 938 | - | 66.92 | 1 Apr '12 | 330 521 | 1 Apr '15 | 100 |
| 2012 allocations – BSP | 888 958 | 1 423 314 | - | 58.50 | 1 Apr '13 | 91 879 | 1 Apr '16 | 100 |
| 2013 allocations – BSP | 1 423 314 | 1 778 970 | - | 71.91 | 1 Apr '14 | 18 681 | 1 Apr '17 | 100 |
| 2014 allocations – FSP | 1 778 970 | 2 014 165 | - | 71.91 | 1 Apr '14 | 50 222 | 1 Apr '17, 18, 19 | |
| 2014 share issues ¹ | 2 014 165 | 2 398 382 | - | - | - | - | - | |
| Mahube share incentive scheme shares | 563 914 | 563 914 | 281 957* | 65.12 | 27 Jan '10 | 375 942 | 31 Mar '13 and 31 Mar '14 | 33.3 over three years |

* Share options are issued to eligible employees at the date of joining the Company at the applicable market valuation (historically) or market share price and therefore range from R36.30 to R74.39 from January 2009 to December 2014. The options vest at a rate of one third after the third, fourth and fifth anniversary dates

¹ 281 957 "A1" ordinary shares were repurchased and cancelled in 2013 and 281 957 "A2" ordinary shares were repurchased and cancelled in 2014

* Share options exercised

At the AGM on 17 April 2013, shareholders approved ordinary resolution 16, which authorises the Company to utilise up to 9 932 884 ordinary shares in respect of all employee share incentive schemes. With a total of 7 195 879 securities already being utilised, 2 736 987 shares remain available to the RBPlat employee share schemes.

NOTES TO THE CONSOLIDATED
ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2014

31. Dividends

No dividends have been declared or proposed in the current year (2013: nil).

32. Financial risk management

32.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out in terms of policies approved by the Audit and Risk Committee and the Board of directors, which set guidelines to identify, evaluate and hedge financial risks in close cooperation with the Group's operating unit. The Audit and Risk Committee and the Board provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative instruments, and investment of excess liquidity.

Categories of financial instruments and fair value

The following table represents the Group's assets and liabilities at fair value (all financial instruments are carried at amortised cost except for the Nedbank equity-linked deposit in the environmental trust deposit which is carried at fair value):

| | Notes | Carrying amount | | Fair values | |
|---|-------|---------------------|---------------------|---------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) | 2014 R (million) | 2013 R (million) |
| Financial assets | | | | | |
| <i>Financial assets at fair value through profit or loss</i> | | | | | |
| Environmental trust deposits | 8 | 108.9 | 102.2 | 108.9 | 102.2 |
| <i>Loans and receivables</i> | | | | | |
| Environmental trust deposits | 8 | 4.7 | 4.6 | 4.7 | 4.6 |
| Employee housing receivable | 9 | 149.8 | – | 108.8 | – |
| Trade and other receivables (excluding VAT) | 13 | 1 526.9 | 1 377.7 | 1 526.9 | 1 377.7 |
| Cash and cash equivalents | 15 | 1 864.2 | 772.9 | 1 864.2 | 772.9 |
| Total financial assets | | 3 654.5 | 2 257.4 | 3 613.5 | 2 257.4 |
| Financial liabilities | | | | | |
| <i>Financial liabilities at amortised cost</i> | | | | | |
| Trade and other payables (excluding VAT and payroll accruals) | 22 | 684.7 | 466.5 | 684.7 | 466.5 |
| Total financial liabilities | | 684.7 | 466.5 | 684.7 | 466.5 |

32.1.1 Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar as the BRPM JV concentrate revenue is impacted by the R:US\$ exchange rate. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. It is anticipated that foreign currency purchases of mining equipment for the Styldrift project will increase significantly in 2015.

Royal Bafokeng Resources entered into a disposal of concentrate agreement with RPM during 2002 in terms of which RBR's 67% share of the concentrate of the PGMs produced by the BRPM JV will be treated by RPM.

In terms of the agreement, the commodity prices and R:US\$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following the month of delivery.

Revenue and concentrate debtors are remeasured every month following the month of delivery until the price is fixed in the third month. The remeasurement is recognised in revenue.

Sensitivity analysis

Foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year end exchange rate on financial instruments in the statement of financial position, statement of comprehensive income and therefore equity.

32. Financial risk management (continued)

32.1 Financial risk factors (continued)

32.1.1 Market risk (continued)

| | Notes | Statement of financial position | | Statement of comprehensive income | |
|---|-------|---------------------------------|---------------------|-----------------------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) | 2014 R (million) | 2013 R (million) |
| Financial assets | | | | | |
| Trade and other receivables still subject to price fluctuations | | 959.8 | 944.5 | ±95.9 | ±94.5 |
| Trade and other receivables not subject to price fluctuations | | 384.8 | 368.7 | – | – |
| Total | 13 | 1 344.6 | 1 313.2 | ±95.9 | ±94.5 |

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flows of financial instruments as a result of the changes in commodity prices. It is specifically applicable to the concentrate debtor (RPM).

In terms of the disposal of concentrate agreement between RBR and RPM the commodity prices and R:US\$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates applicable for the third month following the month of delivery, leaving the Group exposed to the commodity price and exchange rate fluctuations until the price is fixed in the third month following the delivery month. Payment is due on the last day of the fourth month following the delivery month.

Revenue and concentrate debtors are remeasured every month following the delivery month until prices are fixed in the third month. The remeasurement is recognised in revenue.

Sensitivity analysis

Commodity price risk sensitivity analysis presents the effect of a 10% change in the year end commodity price on financial instruments in the statement of financial position, statement of comprehensive income and therefore equity.

| | Note | Statement of financial position | | Statement of comprehensive income | |
|---|------|---------------------------------|---------------------|-----------------------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) | 2014 R (million) | 2013 R (million) |
| Financial assets | | | | | |
| Trade and other receivables still subject to price fluctuations | | 959.8 | 944.5 | ±95.9 | ±94.5 |
| Trade and other receivables not subject to price fluctuations | | 384.8 | 368.7 | – | – |
| Total | 13 | 1 344.6 | 1 313.2 | ±95.9 | ±94.5 |

Equity price risk

The Group is exposed to equity price risk in respect of the environmental trust deposits invested in the Nedbank equity-linked deposits. Refer Note 8.

Sensitivity analysis

Equity price risk sensitivity analysis presents the effect of a 5% change in the Bettabeta CIS BGreen portfolio exchange traded fund and FTSE/JSE shareholder weighted Top 40 Index performance for the year.

| | Note | Statement of financial position | | Statement of comprehensive income | |
|------------------------------|------|---------------------------------|---------------------|-----------------------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) | 2014 R (million) | 2013 R (million) |
| Financial assets | | | | | |
| Environmental trust deposits | 8 | 108.9 | 102.2 | ±5.5 | ±5.1 |

Cash flow and fair value interest rate risk

The Group is exposed to cash flow interest rate risk in respect of its floating rate financial assets and liabilities. The Group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are primarily invested with short-term maturity dates, which expose the Group to cash flow interest rate risk. The Group does not have any fixed rate financial instruments which could expose it to fair value interest rate risk.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

32. Financial risk management (continued)

32.1 Financial risk factors (continued)

32.1.1 Market risk (continued)

Sensitivity analysis

Interest rate risk sensitivity analysis presents the effect of 100 basis points up and down in the interest rate in financial instruments in the statement of comprehensive income.

| | Note | Statement of financial position | | Statement of comprehensive income | |
|------------------------------|------|---------------------------------|---------------------|-----------------------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) | 2014 R (million) | 2013 R (million) |
| Financial assets | | | | | |
| Environmental trust deposits | 8 | 4.7 | 4.6 | - | - |
| Employee housing receivable | 9 | 108.8 | - | ±0.8 | - |
| Cash and cash equivalents | 15 | 1 864.2 | 772.9 | ±13.4 | ±5.1 |

32.1.2 Credit risk

Credit risk arises from the risk that the financial asset counterparty may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets. The potential concentration of credit risk could arise in cash and cash equivalents, trade receivables, the employee housing receivable, and other financial assets and financial guarantees. Refer Note 21.1 for financial guarantees.

The Group's trade debtor credit risk is limited to one customer as all metals in concentrate are sold to Rustenburg Platinum Mines Limited (RPM). RPM has never defaulted on meeting its obligation. The value of the receivable at year end was R1 344.6 million (2013: R1 313.2 million). The credit risk relates to overall risk of the Anglo American Platinum Group, the world's largest platinum producer.

With regard to the cash resources, the Group is exposed to the credit risk of reputable financial institutions with a credit rating of at least AA- (zaf).

With regard to the employee housing receivable, the Group is exposed to the credit risk of employees as houses are sold to employees on credit. The value of the receivable at year end is R108.8 million (2013: nil).

Default for reporting purposes is measured as payments outstanding for more than four months. Interest is charged at prime rate on late payments. Default for the employee housing receivable is measured as payments outstanding for more than one month. Where employees have missed one or more instalments, interest is charged at prime rate plus 2%. At year end, none of the employees have defaulted on meeting their obligation.

No financial assets were past due for the current or the comparative periods under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

32.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Board aims to maintain flexibility in funding by keeping committed and uncommitted credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash investments) (Note 15) on the basis of expected cash flow.

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within one year equal their carrying amount as the impact of discounting is insignificant.

32. Financial risk management (continued)

32.1 Financial risk factors (continued)

32.1.3 Liquidity risk (continued)

| | Notes | Less than one year R (million) | Between one and two years R (million) | Between two and five years R (million) | Over five years R (million) |
|---------------------------|-------|-----------------------------------|--|---|--------------------------------|
| 2014 | | | | | |
| Trade and other payables | 22 | 684.7 | - | - | - |
| Financial guarantees | 21.1 | 3.5 | - | 0.4 | 78.8 |
| Employee housing facility | 15 | 6.6 | - | - | - |
| 2013 | | | | | |
| Trade and other payables | 22 | 466.6 | - | - | - |
| Financial guarantees | 21.1 | 147.0 | - | 0.4 | 78.8 |
| Employee housing facility | 15 | - | - | - | - |

32.1.4 Capital risk management

The Group defines total capital as 'equity' in the statement of financial position plus debt. The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of managing capital.

32.1.5 Fair value determination

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- > Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- > Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- > Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the environmental trust deposit that is measured at fair value and the employee housing receivable that is measured at amortised cost but for which fair value disclosure is provided at 31 December:

| | Notes | Level 1 R (million) | Level 2 R (million) | Level 3 R (million) |
|--|-------|------------------------|------------------------|------------------------|
| 2014 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Environmental trust deposits ¹ | 8 | - | 108.9 | - |
| Financial assets at amortised cost | | | | |
| Employee housing receivable ² | 9 | - | - | 108.8 |
| 2013 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Environmental trust deposits ¹ | 8 | - | 102.2 | - |
| Financial assets at amortised cost | | | | |
| Employee housing receivable ² | 9 | - | - | - |

1. This was valued using the level 2 fair values which are directly derived from the Shareholders Weighted Top 40 Index (SWIX 40) on the JSE and the Bettabeta CIS BGreen portfolio exchange traded fund

2. The fair value was determined using a discounted cash flow model. Refer Note 3 for the inputs used to determine the fair value measurement

33. Segmental reporting

The Group is currently operating one mine with two decline shafts and the Styldrift I project. These operations are located in the North West province of South Africa, 120 kilometres from Johannesburg, 30 kilometres from Rustenburg and 17 kilometres from Phokeng. With the increase in the capital spend and progress on the Styldrift 1 project, it was decided to show BRPM and Styldrift I as separate segments from 2014 onwards. In addition, due to the different nature and significance of the employee home ownership scheme, it was also decided to show housing as a separate segment.

The Executive Committee of the Company is regarded as the chief operating decision-maker.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

33. Segmental reporting (continued)

33.1 Segmental statement of comprehensive income

| | BRPM mining segment R (million) | Stydrift mining segment R (million) | BRPM JV mining segment R (million) | RBPlat housing segment R (million) | Corporate office and consolidation adjustment R (million) | Total 2014 R (million) | BRPM JV mining segment* R (million) | RBPlat housing segment R (million) | Corporate office and consolidation adjustment R (million) | 2013 R (million) |
|---|---------------------------------|-------------------------------------|------------------------------------|------------------------------------|---|------------------------|-------------------------------------|------------------------------------|---|------------------|
| Concentrate sales | 3 761.9 | 5.6 | 3 767.5 | — | — | 3 767.5 | 3 251.1 | — | — | 3 251.1 |
| Houses sold to employees | — | — | — | 129.9 | (129.9) | — | — | — | — | — |
| Cash cost of sales | (2 363.9) | — | (2 363.9) | — | 37.2 | (2 326.7) | (2 092.8) | — | 36.0 | (2 056.8) |
| Cost of housing assets for employees | — | — | — | (129.9) | 129.9 | — | — | — | — | — |
| Depreciation | (258.8) | — | (258.8) | — | — | (258.8) | (262.7) | — | — | (262.7) |
| Movement in inventories | 10.4 | — | 10.4 | — | — | 10.4 | 6.6 | — | — | 6.6 |
| Other operating income | 20.2 | 4.6 | 24.8 | 0.4 | — | 25.2 | 76.8 | — | — | 76.8 |
| Share-based payment expenses (non-cash) | (21.8) | — | (21.8) | — | (19.5) | (41.3) | (35.8) | — | — | (35.8) |
| Other operating expenditure | (318.4) | (13.3) | (331.7) | — | 215.3 | (116.4) | (119.0) | — | — | (119.0) |
| Administration expenditure and royalties | — | — | — | (14.0) | (115.2) | (129.2) | — | — | (115.9) | (115.9) |
| Amortisation of employee housing benefit | — | — | — | (1.1) | — | (1.1) | — | — | — | — |
| Additional depreciation and amortisation on purchase price allocation | — | — | — | (7.1) | (176.3) | (176.3) | — | — | (170.8) | (170.8) |
| Net finance income | 7.2 | 0.7 | 7.9 | (7.1) | 90.4 | 91.2 | 6.0 | (0.1) | 33.1 | 39.0 |
| Profit before tax per segment and total | 836.8 | (2.4) | 834.4 | (21.8) | 31.9 | 844.5 | 830.2 | (0.1) | (217.6) | 612.5 |
| Taxation | — | — | — | — | — | (245.7) | — | — | — | (164.7) |
| Non-controlling interest | — | — | — | — | — | (157.9) | — | — | — | (163.6) |
| Contribution to basic earnings per share | — | — | — | — | — | 440.9 | — | — | — | 284.2 |
| Contribution to headline earnings per share | — | — | — | — | — | 440.9 | — | — | — | 283.9 |

* The comparative information has not been split between the BRPM and Stydrift mining segments as these two segments form the BRPM JV

33. Segmental reporting (continued)

33.2 Segmental statement of financial position

| | BRPM mining segment R (million) | Stydrift mining segment R (million) | BRPM JV mining segment R (million) | RBPlat housing segment R (million) | Corporate office and consolidation adjustment R (million) | Total 2014 R (million) | BRPM JV mining segment* R (million) | RBPlat housing segment R (million) | Corporate office and consolidation adjustment R (million) | 2013 R (million) |
|--|---------------------------------|-------------------------------------|------------------------------------|------------------------------------|---|------------------------|-------------------------------------|------------------------------------|---|------------------|
| Segment total assets | 5 504.8 | 4 392.3 | 9 897.1 | 245.7 | — | 10 142.8 | 8 423.8 | 53.0 | — | 8 476.8 |
| Segment non-current assets | 4 286.6 | 4 357.7 | 8 644.3 | 139.8 | — | 8 784.1 | 7 166.7 | 53.0 | — | 7 219.7 |
| Segment current assets | 1 218.2 | 34.6 | 1 252.8 | 105.9 | — | 1 358.7 | 1 257.1 | — | — | 1 257.1 |
| PPA adjustment to carrying amount of PPE (includes mineral rights) | — | — | — | — | 8 920.6 | 8 920.6 | — | — | 9 096.9 | 9 096.9 |
| Corporate assets and consolidation adjustments | — | — | — | — | 301.2 | 301.2 | — | — | 195.8 | 195.8 |
| Goodwill | — | — | — | — | 2 275.1 | 2 275.1 | — | — | 2 275.1 | 2 275.1 |
| Cash and cash equivalents | 411.4 | — | 411.4 | 2.9 | 1 449.9 | 1 864.2 | 195.0 | — | 577.9 | 772.9 |
| Total assets per the statement of financial position | 5 916.2 | 4 392.3 | 10 308.5 | 248.6 | 12 946.8 | 23 503.9 | 8 618.8 | 53.0 | 12 145.7 | 20 817.5 |
| Segment total liabilities | 1 771.7 | 12.7 | 1 784.4 | 270.6 | (261.8) | 1 793.2 | 928.8 | 53.1 | — | 981.9 |
| Segment non-current liabilities | 778 | 10.4 | 88.2 | — | 6.6 | 94.8 | 68.6 | — | — | 68.6 |
| Segment current liabilities | 1 693.9 | 2.3 | 1 696.2 | 270.6 | (268.4) | 1 698.4 | 860.2 | 53.1 | — | 913.3 |
| Current liabilities and consolidation adjustments | — | — | — | — | (972.2) | (972.2) | — | — | (412.9) | (412.9) |
| Unallocated liabilities (tax and deferred tax) | — | — | — | — | 4 486.7 | 4 486.7 | — | — | 4 262.2 | 4 262.2 |
| Total liabilities per the statement of financial position | 1 771.7 | 12.7 | 1 784.4 | 270.6 | 3 252.7 | 5 307.7 | 928.8 | 53.1 | 3 849.3 | 4 831.2 |
| Group capital expenditure per cash flow statement | 389.3 | 1 327.3 | 1 716.6 | 0.4 | (41.4) | 1 675.6 | 1 054.8 | — | (18.2) | 1 036.6 |

* The comparative information has not been split between the BRPM and Stydrift mining segments as these two segments form the BRPM JV

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

33. Segment reporting (continued)

33.3 Segmental statement of cash flows

| | BRPM mining segment R (million) | Stydrift mining segment R (million) | BRPM JV mining segment R (million) | RBPlat housing segment R (million) | Corporate office and consolidation adjustments R (million) | Total 2014 R (million) | BRPM JV mining segment* R (million) | RBPlat housing segment R (million) | Corporate office and consolidation adjustments R (million) | 2013 R (million) |
|---|---------------------------------|-------------------------------------|------------------------------------|------------------------------------|--|------------------------|-------------------------------------|------------------------------------|--|------------------|
| Segment cash flow statement | | | | | | | | | | |
| Net cash flow generated by operating activities | 1 368.1 | 1.7 | 1 369.8 | (73.8) | 130.5 | 1 426.5 | 958.1 | (0.1) | (50.2) | 907.8 |
| Cash generated by operations | 1 337.7 | 1.7 | 1 339.4 | (65.4) | 66.0 | 1 340.0 | 863.8 | - | (72.6) | 791.2 |
| Dividends received | - | - | - | - | 14.2 | 14.2 | - | - | 18.3 | 18.3 |
| Interest received | 11.9 | - | 11.9 | 2.7 | 65.7 | 80.3 | 9.7 | - | 21.4 | 31.1 |
| Interest paid | - | - | - | (11.1) | 10.0 | (1.1) | - | (0.1) | 0.1 | - |
| Tax paid | - | - | - | - | (25.4) | (25.4) | - | - | (17.4) | (17.4) |
| Royalty income received | 18.5 | - | 18.5 | - | - | 18.5 | 84.6 | - | - | 84.6 |
| Net cash flow utilised by investing activities | (389.4) | (1 327.3) | (1 716.7) | (138.6) | 41.4 | (1 813.9) | (1 056.9) | - | 272.1 | (784.8) |
| Proceeds from disposal of PPE | - | - | - | - | - | - | 0.3 | - | - | 0.3 |
| Decrease in held-to-maturity investments | - | - | - | - | - | - | - | - | 253.9 | 253.9 |
| Acquisition of PPE | (389.3) | (1 327.3) | (1 716.6) | (0.4) | 41.4 | (1 675.6) | (1 054.8) | - | 18.2 | (1 036.6) |
| Acquisition of housing assets | - | - | - | (138.2) | - | (138.2) | - | - | - | - |
| Increase in environmental trust deposits | (0.1) | - | (0.1) | - | - | (0.1) | (2.4) | - | - | (2.4) |
| Net cash flow generated by financing activities | (762.3) | 1 325.6 | 563.3 | 215.3 | 700.1 | 1 478.7 | (17.3) | - | 17.3 | - |
| Cash investments by/distributions to BRPM JV shareholders | (762.3) | 1 325.6 | 563.3 | - | (563.3) | - | (17.3) | - | 17.3 | - |
| Issue of ordinary shares net of cost | - | - | - | - | 1 478.5 | 1 478.5 | - | - | - | - |
| Costs relating to rights followed on treasury shares | - | - | - | - | (6.4) | (6.4) | - | - | - | - |
| Increase in housing facility | - | - | - | 215.3 | 6.6 | 6.6 | - | - | - | - |
| Increase in intercompany loans | - | - | - | - | (215.3) | - | - | - | - | - |
| Net increase/(decrease) in cash and cash equivalents | 216.4 | - | 216.4 | 2.9 | 872.0 | 1 091.3 | (116.1) | - | 239.1 | 123.0 |
| Cash and cash equivalents at beginning of period | 195.0 | - | 195.0 | - | 577.9 | 772.9 | 311.1 | - | 338.8 | 649.9 |
| Cash and cash equivalents end of the year | 411.4 | - | 411.4 | 2.9 | 1 449.9 | 1 864.2 | 195.0 | - | 577.9 | 772.9 |

* The comparative information has not been split between the BRPM and Stydrift mining segments as these two segments form the BRPM JV

34. Earnings per share

The weighted average number of ordinary shares in issue outside the Group for the purposes of basic earnings per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as follows:

| | Group | |
|--|--------------------|--------------------|
| | 2014 | 2013 |
| Number of shares issued | 167 737 114 | 166 082 443 |
| Mahube Trust | (281 957) | (563 914) |
| Management incentive scheme | (2 995 495) | (1 367 725) |
| Number of shares issued outside the Group | 164 459 662 | 164 150 804 |
| Adjusted for weighted shares issued during the year | 20 337 340 | 168 987 |
| Weighted average number of ordinary shares in issue for earnings per share | 184 797 002 | 164 319 791 |
| Management incentive scheme | 476 576 | 149 113 |
| Weighted average number of ordinary shares in issue for diluted earnings per share | 185 273 578 | 164 468 904 |
| Profit attributable to owners of the Company R (million) | 440.9 | 284.2 |
| Basic earnings per share (cents/share) | 239 | 173 |
| Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for earnings per share | | |
| Diluted earnings per share (cents/share) | 238 | 173 |
| Diluted earnings per share is calculated by adjusting the weighted number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares | | |
| Headline earnings | | |
| Profit attributable to owners of the Company is adjusted as follows: | | |
| Profit attributable to owners of the Company R (million) | 440.9 | 284.2 |
| Adjustment net of tax: | | |
| Profit on disposal of property, plant and equipment R (million) | - | (0.3) |
| Headline earnings R (million) | 440.9 | 283.9 |
| Basic headline earnings (cents per share) | 239 | 173 |
| Diluted headline earnings (cents per share) | 238 | 173 |

35. Subsequent events

On 14 January 2015, RBPlat announced that it has served formal notice to terminate its contract with Shaft Sinters as its principal shaft sinking and development contractor on 14 January 2015, for all work related to the sinking, lining, equipping and commissioning of the Main and Services shafts and all related station and off-station development for the Stydrift I Project.

As part of the company's ongoing risk mitigation strategy for the business, RBPlat commenced with a process in 2014 to contract directly, where appropriate, with all project related suppliers and have available all critical equipment required to continue with the shaft equipping and construction.

Furthermore, RBPlat is engaging with all interested parties including Shaft Sinters, their employees, union representatives and Aveng Mining Shafts and Underground, a division of Aveng Africa Limited which was appointed in September 2013 as mining contractor for the ramp-up of the Stydrift I Project, to identify and implement mechanisms required to secure the continued services of the employees on site and minimise the impact on the project.

COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

| | Notes | Company | |
|-------------------------------------|-------|---------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) |
| Assets | | | |
| Non-current assets | | | |
| Investment in subsidiaries | 2 | 6 819.2 | 6 819.2 |
| Intercompany loans | 3 | 1 282.3 | 592.0 |
| | | 1 442.9 | 572.2 |
| Current assets | | | |
| Other receivables | | 7.1 | 5.7 |
| Current tax receivable | 4 | 0.3 | – |
| Cash and cash equivalents | | 1 435.5 | 566.5 |
| Total assets | | 9 544.4 | 7 983.4 |
| Equity and liabilities | | | |
| Total equity | | | |
| Share capital | 5 | 1.9 | 1.7 |
| Share premium | 5 | 9 364.7 | 7 856.6 |
| Share-based payment reserve | 6 | 48.6 | 46.2 |
| Retained earnings | | 129.1 | 78.6 |
| | | 0.1 | 0.3 |
| Current liabilities | | | |
| Accruals | | 0.1 | 0.2 |
| Current tax payable | 4 | – | 0.1 |
| Total equity and liabilities | | 9 544.4 | 7 983.4 |

The notes on pages 248 to 250 form an integral part of these annual financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2014

| | Notes | Company | |
|-----------------------------------|-------|---------------------|---------------------|
| | | 2014 R (million) | 2013 R (million) |
| Dividend income | | 10.3 | 11.6 |
| Finance income | | 66.8 | 17.6 |
| Other income | | – | 0.7 |
| Administrative expenses | | (10.9) | (8.1) |
| Profit before tax | | 66.2 | 21.8 |
| Income tax expense | 7 | (15.7) | (2.7) |
| Profit for the year | | 50.5 | 19.1 |
| Other comprehensive income | | – | – |
| Total comprehensive income | | 50.5 | 19.1 |

The notes on pages 248 to 250 form an integral part of these annual financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

| | Number of shares issued | Ordinary shares R (million) | Share premium R (million) | Share-based payment reserve R (million) | Retained earnings R (million) | Total R (million) |
|--|-------------------------|-----------------------------|---------------------------|---|-------------------------------|-------------------|
| Balance at 31 December 2013 | 165 399 519 | 1.7 | 7 856.6 | 46.2 | 78.6 | 7 983.1 |
| Share-based payment expense | – | – | – | 19.5 | – | 19.5 |
| 2011 BSP vested in March and April 2014 | 263 029 | – | 17.1 | (17.1) | – | – |
| Issue of shares – bookbuild | 11 290 323 | 0.1 | 699.9 | – | – | 700.0 |
| Issue of shares – rights offer | 14 545 455 | 0.1 | 799.9 | – | – | 800.0 |
| Costs relating to issue of shares capitalised | – | – | (21.5) | – | – | (21.5) |
| “A2” ordinary shares repurchased and cancelled | (281 957) | – | – | – | – | – |
| Share options exercised | 384 217 | – | 19.1 | – | – | 19.1 |
| Rights followed on treasury shares | – | – | (6.4) | – | – | (6.4) |
| Total comprehensive income | – | – | – | – | 50.5 | 50.5 |
| Balance at 31 December 2014 | 191 600 586 | 1.9 | 9 364.7 | 48.6 | 129.1 | 9 544.3 |
| Balance at 31 December 2012 | 165 560 589 | 1.7 | 7 848.9 | 35.8 | 59.5 | 7 945.9 |
| Share-based payment expense | – | – | – | 18.1 | – | 18.1 |
| 2010 BSP vested in December 2013 | 77 843 | – | 5.1 | (5.1) | – | – |
| 2013 retrenchments (BSP early vesting) | 43 044 | – | 2.6 | (2.6) | – | – |
| “A1” ordinary shares repurchased and cancelled | (281 957) | – | – | – | – | – |
| Total comprehensive income | – | – | – | – | 19.1 | 19.1 |
| Balance at 31 December 2013 | 165 399 519 | 1.7 | 7 856.6 | 46.2 | 78.6 | 7 983.1 |

The notes on pages 248 to 250 form an integral part of these annual financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

| | Notes | Company | |
|---|-------|------------------|------------------|
| | | 2014 R (million) | 2013 R (million) |
| Net cash flow generated by operating activities | | 52.5 | 23.8 |
| Cash generated by operations | 8 | (12.4) | (9.8) |
| Finance income | | 66.8 | 17.6 |
| Dividends received | | 14.2 | 18.3 |
| Income tax paid | | (16.1) | (2.3) |
| Net cash flow generated by investing activities | | – | 253.9 |
| Decrease in held-to-maturity investments | | – | 253.9 |
| Net cash flow utilised by financing activities | | 816.5 | (36.0) |
| Related party loans granted* | | (1 083.5) | (36.0) |
| Proceeds on related party loans* | | 412.7 | – |
| Issue of ordinary shares – bookbuild | | 700.0 | – |
| Issue of ordinary shares – rights offer | | 800.0 | – |
| Costs relating to issue of shares capitalised | | (21.5) | – |
| Costs relating to rights followed on treasury shares | | (6.4) | – |
| Proceeds from share option vested and exercised | | 15.2 | – |
| Net increase/(decrease) in cash and cash equivalents | | 869.0 | 241.7 |
| Cash and cash equivalents at beginning of year | | 566.5 | 324.8 |
| Cash and cash equivalents at end of year | | 1 435.5 | 566.5 |

The notes on pages 248 to 250 form an integral part of these annual financial statements.

* Adjusted for non-cash items

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2014

1. General information, basis of preparation and accounting policies

The general information, basis of preparation and accounting policies are disclosed on pages 206 to 220.

| | Company | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| | | |

2. Investment in subsidiaries

Investment in subsidiaries is accounted for at cost less any impairment provision in the Company's financial statements.

Investments in unlisted companies at cost:

Direct investment in subsidiaries consists of:

> 1 000 ordinary shares with a par value of R1 each in Royal Bafokeng

Platinum Management Services Proprietary Limited (100% interest)

> 320 ordinary shares with a par value of R1 each in Royal Bafokeng

Resources Proprietary Limited (100% interest)

| | | |
|---------------------------------------|----------------|----------------|
| | - | - |
| Closing balance at 31 December | 6 819.2 | 6 819.2 |

Indirect investment in subsidiaries consists of:

> Bafokeng Rasimone Management Services Proprietary Limited (100%)

> Friedshel 1408 (RF) Proprietary Limited (100%)

All subsidiaries are incorporated in South Africa.

The 67% participation interest in the BRPM Joint Venture is held by Royal Bafokeng Resources Proprietary Limited.

| | Company | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| | | |

3. Intercompany loans

Royal Bafokeng Platinum Management

Royal Bafokeng Resources Proprietary Limited

| | | |
|--|----------------|--------------|
| | 152.0 | 114.9 |
| | 1 130.3 | 477.1 |
| | 1 282.3 | 592.0 |

| | Company | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| | | |

4. Current tax payable/(receivable)

The movement in the balance can be explained as follows:

| | | |
|---------------------------------------|--------------|------------|
| Opening balance at 1 January | 0.1 | (0.3) |
| Income tax charge | 15.7 | 2.7 |
| Tax refund received | - | 0.2 |
| Payment made | (16.1) | (2.5) |
| Closing balance at 31 December | (0.3) | 0.1 |

5. Share capital and share premium

The authorised and issued share capital of the Company is as follows:

| | Company | |
|---|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| Authorised share capital | | |
| 250 000 000 (2013: 250 000 000) ordinary shares with a par value of R0.01 each | 2 500 000 | 2 500 000 |
| 1 500 000 (2013: 1 500 000) "A1" ordinary shares with a par value of R0.01 each | 15 000 | 15 000 |
| 1 500 000 (2013: 1 500 000) "A2" ordinary shares with a par value of R0.01 each | 15 000 | 15 000 |
| 1 500 000 (2013: 1 500 000) "A3" ordinary shares with a par value of R0.01 each | 15 000 | 15 000 |

| | | |
|---------------------------------------|------------------|------------------|
| Total authorised share capital | 2 545 000 | 2 545 000 |
|---------------------------------------|------------------|------------------|

| | R | R |
|--|---|---|
|--|---|---|

Opening balance 164 835 605 (2013: 164 714 718) ordinary shares with a par value of R0.01 each

11 290 323 ordinary shares issued in terms of the bookbuild

14 545 455 ordinary shares issued in terms of the rights offer

263 029 BSP shares vested in February and April 2014

590 851 (2013: 534 376) ordinary shares issued as part of the management share incentive scheme

Share options exercised

43 044 BSP shares early vested with 2013 retrenchments

77 843 BSP shares vested in December 2013

Less: Treasury shares

590 851 (2013: 534 376) ordinary shares issued as part of the management share incentive scheme

Total 191 318 629 (2013: 164 835 605) ordinary shares

Issued "A1", "A2", "A3" ordinary shares

Opening balance 563 914 (2013: 845 871) "A2", "A3" ordinary shares with a par value of R0.01 each

281 957 "A1" ordinary shares repurchased and cancelled

281 957 "A2" ordinary shares repurchased and cancelled

Total 281 957 (2012: 563 914) "A3" ordinary shares

Share premium

Opening balance

590 851 (2013: 534 376) ordinary shares issued as part of the management share incentive scheme

11 290 323 ordinary shares issued in terms of the bookbuild

14 545 455 ordinary shares issued in terms of the rights offer

Costs relating to issue of shares capitalised

Rights followed on treasury shares

263 029 BSP shares vested in December 2013

BSP shares early vested with 2013 retrenchments

BSP shares vested in December 2013

Share options exercised

Less: Treasury shares

590 851 (2013: 534 376) ordinary shares issued as part of the management share incentive scheme

Total

The "A" ordinary shares were issued to the Mahube Trust as part of the employee share ownership plan and these "A" ordinary shares are not listed. The "A1" and "A2" ordinary shares were repurchased and cancelled in 2013 and 2014 respectively.

590 851 ordinary shares were issued on 1 April 2014 (2013: 534 376) as part of the Company's management incentive scheme.

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2014

| | Company | |
|--|---------------------|---------------------|
| | 2014 R (million) | 2013 R (million) |
| 6. Share-based payment reserve | | |
| Opening balance | 46.2 | 35.8 |
| Share-based payment expense | 19.5 | 18.1 |
| BSPs vested | (17.1) | (7.7) |
| Closing balance | 48.6 | 46.2 |
| | | |
| | Company | |
| | 2014 R (million) | 2013 R (million) |
| 7. Income tax expense | | |
| Income tax | 15.7 | 2.7 |
| Tax rate reconciliation | | |
| Profit before tax | 66.2 | 21.8 |
| Tax calculated at a tax rate of 28% | (18.5) | (6.1) |
| Non-taxable income | 2.8 | 3.4 |
| | (15.7) | (2.7) |
| Effective tax rate (%) | 23.7 | 12.4 |
| | | |
| | Company | |
| | 2014 R (million) | 2013 R (million) |
| 8. Cash generated by operations | | |
| Profit before tax | 66.2 | 21.8 |
| Finance income | (77.1) | (29.2) |
| Changes in working capital | (1.5) | (2.4) |
| (Decrease)/increase in accruals | (0.1) | 0.2 |
| Increase in other receivables | (1.4) | (2.6) |
| Cash generated by operations | (12.4) | (9.8) |

NON-IFRS MEASURES
for the year ended 31 December 2014

The Company utilises certain non-IFRS performance measures and ratios in managing the business and may provide users of the financial information with additional meaningful comparisons between current results and results in the prior period. 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, these measures may not be comparable to similarly titled measures used by other companies.

Normalised headline earnings and normalised HEPS

Normalised headline earnings and normalised HEPS are non-IFRS measures used by the Group in evaluating the Group's performance against its competitors. This supplements the IFRS measures as normalised headline earnings and normalised HEPS are calculated by adjusting basic earnings and EPS for the year with:

- > profit or loss on disposal of property, plant and equipment
- > the fair value depreciation of property, plant and equipment that arose as a consequence of the purchase price allocations completed in terms of IFRS 3: *Business Combinations*
- > the fair value amortisation of mineral rights that arose as a consequence of the purchase price allocations completed in terms of IFRS 3: *Business Combinations* and
- > tax implications of above adjustments.

The reconciliation of basic earnings to normalised headline earnings is shown below:

| | 2014 | 2013 |
|---|--------------|--------------|
| Basic earnings R (million) | 440.9 | 284.2 |
| Fair value depreciation and amortisation | 91.7 | 89.6 |
| Tax impact of above adjustments | (25.7) | (25.1) |
| Normalised basic earnings R (million) | 506.9 | 348.7 |
| Profit on disposal of property, plant and equipment | - | (0.3) |
| Normalised headline earnings R (million) | 506.9 | 348.4 |

The reconciliation of normalised EPS to the relevant IFRS EPS is shown below:

| | 2014 | 2013 |
|---|------|------|
| EPS (cents per share) | 239 | 173 |
| Profit on disposal of property, plant and equipment | - | - |
| HEPS (cents per share) | 239 | 173 |
| Fair value depreciation and amortisation | 49 | 55 |
| Tax impact of above adjustments | (14) | (16) |
| Normalised HEPS (cents per share) | 274 | 212 |

EBITDA

Earnings before interest, tax, depreciation and amortisation (EBITDA). The EBITDA gives an indication of the current operational profitability of the business.

The reconciliation of EBITDA to the relevant IFRS profit before tax is shown below:

| | 2014 R (million) | 2013 R (million) |
|----------------------|---------------------|---------------------|
| Profit before tax | 844.5 | 612.5 |
| Less: Finance income | (96.4) | (42.7) |
| Plus: Finance cost | 5.1 | 3.7 |
| Plus: Depreciation | 370.9 | 373.2 |
| Plus: Amortisation | 65.3 | 61.3 |
| EBITDA | 1 189.4 | 1 008.0 |

SHAREHOLDER STATISTICS

for the year ended 31 December 2014

Royal Bafokeng Platinum Limited: shareholder analysis

Register date: 24 December 2014

Ordinary issued share capital: 192 893 289 shares

| | Number of shareholders | % | Number of shares | % |
|--|------------------------|--------------|--------------------|--------------|
| Shareholder spread | | | | |
| 1 – 1 000 shares | 1 266 | 58.72 | 366 151 | 0.19 |
| 1 001 – 10 000 shares | 495 | 22.96 | 1 574 573 | 0.82 |
| 10 001 – 100 000 shares | 280 | 12.99 | 10 064 670 | 5.22 |
| 100 001 – 1 000 000 shares | 99 | 4.59 | 30 648 532 | 15.89 |
| 1 000 001 shares and over | 16 | 0.74 | 150 239 363 | 77.89 |
| Total | 2 156 | 100 | 192 893 289 | 100 |
| Distribution of shareholders | | | | |
| Banks | 54 | 2.50 | 10 396 877 | 5.39 |
| Brokers | 14 | 0.65 | 2 363 725 | 1.23 |
| Closed corporations | 18 | 0.83 | 85 535 | 0.04 |
| Endowment funds | 22 | 1.02 | 185 469 | 0.10 |
| Individuals | 1 319 | 61.18 | 1 286 901 | 0.67 |
| Insurance companies | 23 | 1.07 | 2 532 088 | 1.31 |
| Investment companies | 4 | 0.19 | 21 403 | 0.01 |
| Medical aid schemes | 11 | 0.51 | 140 380 | 0.07 |
| Mutual funds | 192 | 8.91 | 24 231 525 | 12.56 |
| Nominees and trusts | 184 | 8.53 | 571 225 | 0.30 |
| Other corporations | 33 | 1.53 | 166 141 | 0.09 |
| Own holdings | 5 | 0.23 | 95 472 274 | 49.49 |
| Pension funds | 214 | 9.93 | 21 746 701 | 11.27 |
| Private companies | 53 | 2.46 | 9 435 828 | 4.89 |
| Public companies | 9 | 0.42 | 22 549 222 | 11.69 |
| Sovereign wealth funds | 1 | 0.05 | 1 707 995 | 0.89 |
| Total | 2 156 | 100 | 192 893 289 | 100 |
| Public/non-public shareholders | | | | |
| Non-public shareholders | | | | |
| | 12 | 0.56 | 124 039 128 | 64.30 |
| Directors | 2 | 0.09 | 223 676 | 0.12 |
| Associates and management | 4 | 0.19 | 77 797 | 0.04 |
| Own holdings | 5 | 0.23 | 101 333 105 | 52.53 |
| Strategic holdings (more than 10%)* | 1 | 0.05 | 22 404 550 | 11.61 |
| Public shareholders | 2 144 | 99.44 | 68 854 161 | 35.70 |
| Total | 2 156 | 100 | 192 893 289 | 100 |
| Beneficial shareholders holding 5% or more | | | | |
| Royal Bafokeng Platinum Holdings Proprietary Limited | | | 101 333 105 | 52.53 |
| Rustenburg Platinum Mines Limited | | | 22 404 550 | 11.61 |
| Public Investment Corporation (PIC) | | | 10 418 573 | 5.40 |

* Royal Bafokeng Platinum Holdings Proprietary Limited is accounted under "Own holdings"

NOTICE OF ANNUAL GENERAL MEETING

for the year ended 31 December 2014

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 stockbroker, Central Securities Depository Participant (CSDP), banker, attorney, accountant or other professional advisor.

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 sixth Annual General Meeting (AGM) of the Company will be held on Tuesday, 14 April 2015 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, proxies and voting

The Board of directors of the Company (the Board) has determined, in accordance with section 59(1) (a) and (b) of the Act, that in order to be able to receive notice, 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 Wednesday, 8 April 2015. 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 Wednesday, 1 April 2015.

Electronic participation

The Company, if required, will offer shareholders reasonable 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, Floor 4, Fourways, 2021 (marked for the attention of Lester Jooste, Company Secretary) by no later than 10:00 on Wednesday, 8 April 2015 advising that they wish to participate in the AGM via electronic medium. The valid written notice must be accompanied by a certified copy of the shareholder's or proxy's identity document, driver's licence or passport, in respect of an individual and if not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents, driver's licence or passports of the people 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 Listings Requirements of the JSE Limited (JSE Listings Requirements) on which the Company's ordinary shares are listed:

Presentation of annual financial statements

The consolidated audited annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors, the Audit Committee and directors for the year ended 31 December 2014, as approved by the Board on 27 February 2015, 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

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 elected as an independent non-executive director of the Company."

2. Ordinary resolution number 2

Election of director

"Resolved that Mr D Wilson, who was appointed to the Board on 24 April 2014 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby elected as a non-executive director of the Company."

3. Ordinary resolution number 3

Election of director

"Resolved that Ms L Stephens, who was appointed to the Board on 22 September 2014 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby elected as an independent non-executive director of the Company."

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 31 December 2014

4. Ordinary resolution number 4

Election of director

"Resolved that Ms T Mokgosi-Mwantembe, who was appointed to the Board on 5 November 2014 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby elected as an independent non-executive director of the Company."

5. Ordinary resolution number 5

Re-election of director

"Resolved that Mr RG Mills, who was appointed to the Board on 20 September 2010 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."

6. Ordinary resolution number 6

Re-election of director

"Resolved that Mr SD Phiri, who was appointed as a director on 1 April 2010 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby re-elected as an executive director of the Company."

7. Ordinary resolution number 7

Re-election of director

"Resolved that Mr MJL Prinsloo, who was appointed as a director on 2 March 2009 and who retires by rotation in terms of the MOI of the Company, being eligible is hereby re-elected as an executive director of the Company."

8. Ordinary resolution number 8

Reappointment of auditors

"Resolved that, upon the recommendation of the Audit and Risk Committee of the Board, PricewaterhouseCoopers Inc. (PwC) be and is hereby reappointed as the independent external auditor of the Company until the next AGM and that Mr Hendrik Odendaal of PwC be and is hereby appointed as the designated auditor to hold office for the ensuing year and to remain in office until 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, Prof L de Beer, an independent non-executive director, be and is hereby re-elected as a member and the Chairman of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM."

10. Ordinary resolution number 10

Election of Audit and Risk Committee member

"Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board and subject to ordinary resolution number 4 being adopted, Mr RG Mills, an independent non-executive director, be and is hereby re-elected as a member of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM."

11. Ordinary resolution number 11

Election of Audit and Risk Committee member

"Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board and subject to ordinary resolution number 1 being adopted, 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."

12. Ordinary resolution number 12

Election of Audit and Risk Committee member

"Resolved that, upon the recommendation of the Remuneration and Nomination Committee of the Board and subject to ordinary resolution number 3 being adopted, Ms L Stephens, an independent non-executive director, be and is hereby elected as a member of the Audit and Risk Committee, in terms of section 94(2) of the Act, to hold office until the conclusion of the next AGM."

13. Ordinary resolution number 13

General authority for directors to allot and issue ordinary shares

"Resolved that directors of the Company be and are hereby authorised, in addition to the authority granted under ordinary resolution 14, and any authority they may have under the MOI or the Act or in terms of the Company's existing employee share/option schemes, 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, to allot and issue ordinary shares (including options and securities convertible into shares) on a non pro-rata basis representing not more than 5% (five percent) of the number of ordinary shares in issue as at the date of this AGM being 9 644 664 (nine million six hundred and forty four thousand six hundred and sixty four) ordinary shares of the Company, on such terms and conditions as the Board may, at its discretion determine, subject to the limitations and provisions of the MOI, the Act and the JSE Listings Requirements, as applicable from time to time."

14. Ordinary resolution number 14

General authority to issue shares for cash

"Resolved, as a separate and additional authority from that referred to in ordinary resolution number 13, 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 10% (ten percent) of the number of ordinary shares in issue as at the date of this AGM (being 19 289 329 (nineteen million two hundred and eighty nine thousand three hundred and twenty nine) 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, inter alia, that:

- any issue by a listed company of equity securities for cash may not exceed 15% 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 14 shall be limited to 10% (ten percent)
- 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
- any equity securities issued under the authority during the Valid Period must be deducted from such number in (b) above
- in the event of a subdivision or consolidation of issued equity securities during the Valid Period, the existing authority must be adjusted accordingly to represent the same allocation ratio
- the equity securities will be issued to public shareholders, as defined in paragraph 4.25 to 4.27 and not to related parties
- the maximum discount at which equity securities will be issued is 10% of the weighted average traded price over the 30 business days prior to the date that the price of the issue is agreed
- In terms of the JSE Listings Requirements, the percentage of voting rights required for resolution number 14 to be adopted, is 75% majority of the votes

15. Ordinary resolution number 15

Approval of remuneration policy

"Resolved that the remuneration policy of the Company be and is hereby approved through a non-binding advisory vote (excluding the remuneration of non-executive directors which is to be approved separately) as set out in the integrated annual report on pages 182 to 186."

Special resolutions

16. Special resolution number 1

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, inter alia, 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 1;
- 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 may not exceed 20% of the Company's ordinary issued share capital of that class; 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 5 (five) 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;

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 31 December 2014

Special resolutions (continued)

16. Special resolution number 1 (continued)

General authority to repurchase shares (continued)

- ix. 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 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) they have 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 1 but consider 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 under this resolution, if approved, they are 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 the ordinary business
- (c) a resolution has been passed by the Board of directors authorising the repurchase, that the Company and its subsidiaries 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.

JSE Listings Requirements disclosures

The directors, whose names are set out on pages 52 to 53 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 1 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 annual 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 199
- > Directors' interests in shares – page 199
- > Share capital of the Company – page 224.

Other than the facts and developments reported on in the integrated annual report, there have been no material changes to the financial or trading position of the Company and its subsidiaries since 31 December 2014 and the issuing of this notice to shareholders.

This authority includes an authority, by special resolution, to repurchase shares from a director or prescribed officer of the Company through the JSE order book, as required under section 48(8)(a) of the Act.

17. Special resolution number 2

Non-executive directors' fees

"Resolved as a special resolution in terms of section 66(9) of the Act, that the level of non-executive directors' annual fees be and is hereby approved on the basis set out as follows:

| Per annum | 2015 R | 2014 R |
|--|-----------|-----------|
| Board Chairman (all inclusive fee) | 1 333 217 | 1 333 217 |
| Board member | 268 297 | 268 297 |
| Audit and Risk Committee Chairman | 199 422 | 199 422 |
| Audit and Risk Committee member | 111 138 | 111 138 |
| Remuneration and Nomination Committee Chairman | 134 442 | 134 442 |
| Remuneration and Nomination Committee member | 100 832 | 100 832 |
| Social and Ethics Committee Chairman | 136 080 | 136 080 |
| Social and Ethics Committee member | 102 060 | 102 060 |

The R15 000 ad hoc meeting fee will, however, increase to R16 000, subject to shareholders approval.

Voting and proxies

Ordinary shareholders are entitled to vote on all the resolutions set out above. On a show of hands, every ordinary shareholder who is present in person or by proxy at the AGM will have one vote (irrespective of the number of ordinary shares held in the Company), and on a poll, every ordinary shareholder will have one vote for every ordinary share held or represented. All ordinary resolutions will, in terms of the Act, require the support of more than 50% of the voting rights of shareholders exercised thereon to be approved.

In order for ordinary resolution number 14 to be approved, at least 75% 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.

All special resolutions will, in terms of the Act, require the support of at least 75% of the total voting rights of shareholders exercised thereon at the AGM to be approved.

Ordinary shareholders are entitled to attend, speak and vote at the AGM, or they may appoint a proxy to attend, speak and vote in their stead. Shareholders holding dematerialised shares not in their own name must furnish their CSDP or broker with their instructions for voting at the AGM should they wish to vote. If your CSDP or broker does not obtain instructions from you, it will be obliged to act in terms of the mandate signed or the completed proxy form attached.

Unless you advise your CSDP or broker before the expiry date of your intention to attend the AGM or to appoint a proxy to do so the CSDP or broker will assume that you or your proxy will not be attending the AGM. If you wish to attend the AGM or to appoint a proxy to do so you must obtain a letter of representation signed by your CSDP or broker prior to the AGM.

Shareholders with dematerialised shares in their own name, or who hold shares that are not dematerialised, and who are not able to attend the AGM and wish to have representation at the meeting must complete and submit to the transfer secretaries, the form of proxy attached, in accordance with the instructions contained therein, by no later than 10:00 on Friday 10 April 2015. The completion of the form will not preclude the shareholder from subsequently attending the AGM.

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 12:00 on Monday, 13 April 2015.

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, Johannesburg, 2021
PO Box 2283
Fourways, 2055

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, South Africa, 2001
PO Box 61051
Marshalltown, 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 2014.

2. Election and re-election of directors (ordinary resolution numbers 1 to 7)

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 1 to 7 are proposed to re-elect the directors who retire as non-executive directors of the Company by rotation in accordance with the MOI and who, being eligible for re-election, offer themselves for re-election.

A brief biography of the directors offering themselves for re-election is contained on pages 82 and 83 of the integrated annual 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.

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 31 December 2014

Explanatory notes (continued)

3. Reappointment of the independent auditor (ordinary resolution number 8)

PricewaterhouseCoopers Inc. (PwC) have agreed to continue in office and as such the reappointment of PwC has been endorsed and is recommended by the Board 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 auditor is maintained.

Ordinary resolution number 8 is therefore proposed to approve the reappointment of PwC as the external auditors of the Company and to appoint Mr Hendrik Odendaal of PwC as the designated auditor of the Company.

4. Election of Audit and Risk Committee members (ordinary resolution numbers 9 to 12)

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 III), 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 King III, the Act and the JSE Listings Requirements
- > are suitably qualified and experienced
- > have an understanding of integrated annual 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 9 to 12 are therefore proposed to re-elect Audit and Risk Committee members in terms of section 94(2) of the Act and the King Code.

For further details regarding the Audit and Risk Committee, please refer to page 195 of this integrated report.

5. General authority for directors to allot and issue ordinary shares (ordinary resolution number 13)

In terms of the MOI, the Company is authorised to issue the shares specified in Schedule 1 of the MOI, provided that, if required by the Act or the JSE Listings Requirements, the Company may only issue unissued shares to shareholders of a particular class of shares, pro rata to the shareholders' existing shareholding, unless any such shares were issued for an acquisition of assets. Ordinary resolution number 13 is proposed, to the extent required by the Act or the JSE Listings Requirements, to grant the Board the general authority to issue up to 5% (five percent) of its shares on a non-pro rata basis (in addition to its authority to issue shares in terms of ordinary resolution number 13 for cash and its existing authorities to issue shares under its employee share/option schemes or to issue shares on a non-pro rata basis for an acquisition of assets. The authority will be subject to the Act and the JSE Listings Requirements.

6. Issue of shares for cash (ordinary resolution number 14)

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 2014 expires at the AGM to be held on Tuesday, 14 April 2015, 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 (ordinary resolution number 15)

In terms of the King Code III recommendations, shareholders should annually, through a non-binding advisory vote, endorse the Company's remuneration policy at the AGM allowing shareholders to express their views on the remuneration policies adopted and the implementation thereof. Ordinary resolution number 15 is proposed to consider and approve, by way of a non-binding advisory vote, the remuneration policy of the Company, as set out in the Remuneration report on pages 182 to 186 of the integrated report as recommended by King Code III.

8. General authority to repurchase shares (special resolution number 1)

The effect of special resolution number 1 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.

9. Non-executive directors' fees (special resolution number 2)

In terms of King Code III and the Act, the shareholders of the Company are required to approve by special resolution the fees to be paid to non-executive directors.

The Board believes that the proposed fees payable to non-executive directors are competitive and will enable the Company to retain and attract people of the calibre required to make a meaningful contribution to the Company, having regard to the appropriate capability, skills and experience required. The Board, on the recommendation of the Remuneration and Nomination Committee, recommends to shareholders that these fees, which remain unchanged, be approved. The ad hoc meeting fee has, however, increased from R15 000 to R16 000.

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 as Annexure A.) Proxy forms must be delivered to the Company at The Pivot, No 1 Monte Casino Boulevard, Block C, 4th floor, Fourways, Johannesburg, marked for the attention of Lester Jooste, by no later than 10:00 on Friday, 10 April 2015.

Shareholders' diary

Financial year end:
31 December of each year

Interim period end:
30 June of each year

Integrated annual report and financial statements
(mailed to shareholders):
5 March 2015

Administration

Company registered office
Royal Bafokeng Platinum Limited
Registration number: 2008/015696/06
Share code: RBP
ISIN: ZAE000149936

The Pivot
No 1 Monte Casino Boulevard
Block C
4th Floor
Fourways
Johannesburg
2021

PO Box 2283
Fourways
2055
South Africa

Company Secretary

Lester Jooste (ACIS)
Email: lester@bafokengplatinum.co.za
Telephone: +27 10 590 4519
Telefax: +27 086 572 8047

Investor relations

Lindiwe Montshiwagae
Email: lindiwe@bafokengplatinum.co.za
Telephone: +27 10 590 4510
Telefax: +27 086 219 5131

Public Officer

Reginald Haman
Email: reginald@bafokengplatinum.co.za
Telephone: +27 10 590 4533
Telefax: +27 086 219 5131

Independent external auditors

PricewaterhouseCoopers Inc.
2 Eglin Road
Sunninghill
Johannesburg
2157
South Africa

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg

PO Box 61051
Marshalltown
2107
South Africa
Telephone: +27 11 370 5000
Telefax: +27 11 688 5200

Sponsor

Merrill Lynch South Africa Proprietary Limited
138 West Street
Sandton
Johannesburg
2196
South Africa



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 sixth Annual General Meeting to be held on Tuesday, 14 April 2015 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 "own name" registration must inform their CSDP or broker of their intention to attend the AGM and request their CSDP to issue them with the necessary authorisation to attend the AGM in person or provide their CSDP or broker with their voting instructions should they not wish to attend the AGM in person but wish to be represented thereat.

I/We,

of (address)

being registered holder(s) of ordinary shares in the issued share capital of the Company hereby appoint:

1. _____ or failing him/her
2. _____ or failing him/her

the chairman of the AGM as my/our proxy to vote on my/our behalf at the AGM of the Company to be held on Tuesday, 14 April 2015 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 2014 | | | |
| 2. | Ordinary resolution number 1 | To elect Mr MJ Moffett as a director of the Company | | | |
| 3. | Ordinary resolution number 2 | To elect Mr D Wilson as a director of the Company | | | |
| 4. | Ordinary resolution number 3 | To elect Ms L Stephens as a director of the Company | | | |
| 5. | Ordinary resolution number 4 | To elect Ms T Mokgosi-Mwantembe as a director of the Company | | | |
| 6. | Ordinary resolution number 5 | To re-elect Mr RG Mills as a director of the Company | | | |
| 7. | Ordinary resolution number 6 | To re-elect Mr SD Phiri as a director of the Company | | | |
| 8. | Ordinary resolution number 7 | To re-elect Mr MJL Prinsloo as a director of the Company | | | |
| 9. | Ordinary resolution number 8 | To reappoint PricewaterhouseCoopers as the independent external auditors and Mr H Odendaal as the designated auditor for the ensuing year | | | |
| 10. | Ordinary resolution number 9 | To elect Prof L de Beer as the Chairman and member of the Audit and Risk Committee | | | |
| 11. | Ordinary resolution number 10 | To elect Mr RG Mills as a member of the Audit and Risk Committee | | | |
| 12. | Ordinary resolution number 11 | To elect Mr MJ Moffett as a member of the Audit and Risk Committee | | | |
| 13. | Ordinary resolution number 12 | To elect Ms L Stephens as a member of the Audit and Risk Committee | | | |
| 14. | Ordinary resolution number 13 | To grant a general authority for directors to allot and issue up to 5% of the unissued share capital of the Company for cash | | | |
| 15. | Ordinary resolution number 14 | To grant directors a general authority to issue up to 10% of the unissued share capital of the Company for cash | | | |
| 16. | Ordinary resolution number 15 | To approve via a non-binding vote the remuneration policy of the Company | | | |
| 17. | Special resolution number 1 | To grant the directors a general authority to authorise the Company or any subsidiary/ies to repurchase its issues shares | | | |
| 18. | Special resolution number 2 | To approve the non-executive directors' fees | | | |

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 _____ 2015

Signature _____ or assisted by _____ (where applicable)

NOTES TO THE FORM OF PROXY

1. Any alterations must be signed, not initialed.
2. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the chairman of the meeting.
3. 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.
4. The chairman of the meeting shall be entitled to decline to accept the authority of a signatory:
 - a. under a power of attorney; or
 - b. on behalf of a companyunless 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, 10 April 2015.
5. 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.
6. 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 thereafter should such person wish to do so, to the exclusion of any proxy appointed in terms hereof.
7. 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.
8. The chairman of the 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.
9. 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.
10. 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 shareholders' 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.
11. 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, subject to any restriction set out in the proxy appointment
- > a proxy appointment must be delivered to the Company before the proxy exercises any shareholder rights at the meeting
- > the appointment of a proxy or proxies will be suspended at any time and to the extent that a shareholder chooses to act directly and in person in the exercise of any of its rights as a shareholder at the meeting
- > the appointment of the proxy is revocable unless a shareholder expressly states otherwise in the proxy appointment
- > as the appointment of the proxy is revocable, the proxy appointment may be revoked by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of a proxy's authority to act on a shareholder's behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid
- > If a proxy appointment has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Act or the Company's Memorandum of Incorporation to 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.