



King III reference	Principle	Current status	Status indicator
1.	Ethical leadership and corporate citizenship		
1.1	The board should provide effective leadership based on an ethical foundation	The board has developed and implemented a code of business conduct and conflicts of interest policy which sets the values that the Company adheres to.	Complied
1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen	Numerous community initiatives are in place, mainly executed through the PSJV, to ensure that the Company's activities have a beneficial impact on communities.	Complied
1.3	The board should ensure that the company's ethics are managed effectively	Ethics are managed through the code of business conduct and conflict of interests' policy. Board members sign a declaration of personal financial interests at every board and committee meeting. Training is conducted periodically for employees to ensure adherence to the Company's values and standards of conduct.	Complied
2.	Boards and directors		
2.1	The board should act as the focal point for and custodian of corporate governance	The board is committed to the best practice corporate governance principles contained within King III.	Complied
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	The Company's strategic priorities and risks are documented in the integrated annual report. The risk register is reviewed quarterly by the Executive Committee and the Audit and Risk Committee.	Complied
2.3	The board should provide effective leadership based on an ethical foundation	The board has approved and implemented a code of business conduct and conflicts of interests' policy. Compliance is monitored and awareness campaigns conducted periodically.	Complied
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen	As summarised in the integrated annual report this is achieved through numerous initiatives that have been established to ensure human and financial resources are deployed effectively to create a beneficial impact on communities.	Complied
2.5	The board should ensure that the company's ethics are managed effectively	The board has approved and implemented a code of business conduct and conflict of interest policy. The code and policy create the foundation for the Company's culture.	Complied
2.6	The board should ensure that the company has an effective and independent audit committee	An Audit and Risk Committee, comprising three independent non-executive directors, has been established. The roles and responsibilities of this Committee are documented in its Terms of Reference, as approved by the board. Implementation is referenced against the Committee's annual work plan and evaluated as part of the annual board evaluation process.	Complied

2.7	The board should be responsible for the governance of risk	The board has delegated the responsibility of monitoring the governance of risk to the Audit and Risk Committee, which reports to the board at every meeting following a Committee meeting. The board's responsibility for risk is documented in the Board Charter and the Audit and Risk Committee's Terms of Reference.	Complied
2.8	The board should be responsible for information technology (IT) governance.	The board has delegated the responsibility of monitoring the governance of IT to the Audit and Risk Committee, which reports to the board at every meeting following a Committee meeting. The board's responsibility for IT is documented in the Board Charter and the Audit and Risk Committee's Terms of Reference.	Complied
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	The Executive Committee, assisted by the internal auditors, monitors changes in legislation that may impact the Company and reports to the board and Audit and Risk Committee on compliance matters.	Complied
2.10	The board should ensure that there is an effective risk-based internal audit	A risk-based internal audit function has been outsourced to Orca, which reports directly to the Chairperson of the Audit and Risk Committee.	Complied

King III reference	Principle	Current status	Status indicator
2.	Boards and directors (continued)		
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	The board is cognisant of its social, economic and political mandate and the impact that its activities and actions may have on stakeholders. The human resources function is proactive in managing and overseeing stakeholder relations. Significant issues are elevated to the board. There is no formal Stakeholder Relationship policy.	Complied other than a Stakeholder Relationship policy which will be considered in the 2017 financial year.
2.12	The board should ensure the integrity of the company's integrated annual report	The Audit and Risk Committee evaluates the integrated annual report and recommends the adoption of the report by the board.	Complied
2.13	The board should report on the effectiveness of the company's system of internal controls	The board reports on the effectiveness of the internal control systems in the Audit and Risk Committee report in the integrated report.	Complied
2.14	The board and its directors should act in the best interests of the company	The board has approved and implemented a code of business conduct and conflicts of interests' policy. The code and policy provide the parameters and standards of behaviour.	Complied
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	The board is working on turnaround strategies to move from a loss to a profit position but the situation is not serious enough to consider business rescue proceedings.	In progress

2.16	The board should elect a chairman of the board who is an independent non- executive director. The Chief Executive Officer (CEO) of the company should not also fulfil the role of Chairman of the board	The appointment of the Chairperson of the board is the prerogative of the shareholder.	Not applicable to SOCs
2.17	The board should appoint the Chief Executive Officer and establish a framework for the delegation of authority	The board makes a recommendation to the shareholder for the appointment of the CEO, which appointment is the prerogative of the shareholder.	Not applicable to SOCs.
2.18	Composition of the board The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	All six non-executive directors are independent non-executive directors. There are two ex officio executive directors.	Complied
2.19	Board appointment processes Directors should be appointed through a formal process	Directors are nominated by the shareholder and appointed at the annual general meeting. Formal letters of appointment are issued to each director which require a formal written acceptance.	Applied differently
2.20	Director development The induction of and ongoing training and development of directors should be conducted through formal processes	Training is facilitated as required. The majority of the directors have experience in serving on other state-owned entity boards.	Complied
2.21	Company Secretary The board should be assisted by a competent, suitably qualified and experienced Company Secretary	The board is assisted by a competent, suitably qualified and experienced Company Secretary. The Company Secretary acts as secretary to the board and all its committees. All directors have direct access to the Company Secretary for guidance and advice on governance matters.	Complied

King III reference	Principle	Current status	Status indicator
2.	Boards and directors (continued)		
2.22	Performance assessment The evaluation of the board, its committees and the individual directors should be performed every year	A performance assessment of the board, the Chairperson, the board committees and individual directors was carried out during the year utilising an external service provider.	Complied
2.23	Board Committees The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	The board delegates functions to committees without abdicating its own responsibilities. All committees are governed by terms of reference that were approved by the board.	Complied
2.24	Group boards A governance framework should be agreed between the group and its subsidiary boards		Not applicable

2.25	Remuneration of directors and senior executives Companies should remunerate directors and executives fairly and responsibly	Directors' remuneration is determined by the shareholder.	Applied differently
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	The remuneration of directors' and the Executive Committee is disclosed in the integrated annual report and annual financial statements	Complied
2.27	Shareholders should approve the company's remuneration policy	The remuneration policy is approved by the shareholder at the annual general meeting	Complied
3.	<b>Audit committees</b>		
3.1	The board should ensure that the company has an effective and independent audit committee	An effective and independent Audit and Risk Committee has been established comprising three independent non-executive directors.	Complied
3.2	Audit committee members should be suitably skilled and experienced independent non-executive directors	All members of the Audit and Risk Committee are independent non-executive directors and are appointed for their skill set.	Complied
3.3	The audit committee should be chaired by an independent non-executive director	The Audit and Risk Committee Chairperson is Ms M Lehobye who is an independent non-executive director.	Complied
3.4	The audit committee should oversee integrated reporting	The Audit and Risk Committee reviews the integrated annual report and recommends the adoption of the report by the board.	Complied
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	A combined assurance framework is applied to the integrated report and annual financial statements.	Complied
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	The Acting Chief Financial Officer (CFO) and the various members of the finance team have annual performance appraisals. This does not fall under the auspices of the Audit and Risk Committee.	Partially complied

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3.	<b>Audit committees (continued)</b>		
3.7	The audit committee should be responsible for overseeing of internal audit	The Audit and Risk Committee is responsible for overseeing internal audit. Internal audit reports to the Chairperson of the Audit and Risk Committee.	Complied
3.8	The audit committee should be an integral component of the risk management process	The Audit and Risk Committee is responsible for overseeing risk management. The Executive Committee reviews the risk register on a quarterly basis.	Complied
3.9	External assurance providers The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	The Audit and Risk Committee recommends the appointment of the external auditor and oversees the external audit process.	Complied

3.10	Reporting The audit committee should report to the board and shareholders on how it has discharged its duties	The Audit and Risk Committee reports on the duties that they performed throughout the year in the integrated annual report and annual financial statements.	Complied
4.	The governance of risk		
4.1	The board should be responsible for the governance of risk	The board, assisted by the Audit and Risk Committee, is responsible for the governance of risk in terms of the Board Charter.	Complied
4.2	The board should determine the levels of risk tolerance	The Audit and Risk Committee is in the process of drafting a risk tolerance statement.	In process
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities	The Audit and Risk committee is responsible for overseeing risk management throughout the organisation. These duties are documented in the Audit and Risk Committee's Terms of Reference.	Complied
4.4	Management's responsibility for risk management The board should delegate to management the responsibility to design, implement and monitor the risk management plan	The Audit and Risk Committee ensures that management is responsible for the design, implementation and monitoring of the risk management plan.	Complied
4.5	Risk assessment The board should ensure that risk assessments are performed on a continual basis	Risk assessments are performed formally by the internal audit function on an ongoing basis.	Complied
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	Unpredictable risks are considered in the reviews of the risk register but no formal framework and methodology has been determined.	Partially complied

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4.	The governance of risk (continued)		
4.7	Risk response The board should ensure that management considers and implements appropriate risk responses	Risk management is part of the internal audit process. Management's responses are reviewed by the Audit and Risk Committee.	Complied
4.8	Risk monitoring The board should ensure continual risk monitoring by management	The board ensures that there is continual risk monitoring by management. This is done through the Executive Committee and ongoing internal audits.	Complied
4.9	Risk assurance The board should receive assurance regarding the effectiveness of the risk management process	The board receives assurance from the Audit and Risk Committee on the effectiveness of the risk management process based on the reports from the internal auditors.	Complied
4.10	Risk disclosure The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	Key risks are documented in the integrated annual report allowing stakeholders to understand and evaluate the risk management process within the organisation.	Complied

5. The governance of IT			
5.1	The board should be responsible for IT governance	The board responsibility for IT governance is included in the Board Charter which has been delegated to the Audit and Risk Committee. An IT governance framework is in the process of being drafted.	Partially complied
5.2	IT should be aligned with the performance and sustainability objectives of the company	The COO oversees all IT functions, with assistance from the IT Manager at the mine. IT policies are in the process of being aligned to the size and complexity of the organisation.	In progress
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework	An IT governance framework is in the process of being drafted in line with the size and complexity of the organisation.	In progress
5.4	The board should monitor and evaluate significant IT investments and expenditure	IT investments are motivated and evaluated through the relevant structures, depending on the quantum.	Complied
5.5	IT should form an integral part of the company's risk management	Audits of the IT control environment are conducted as part of the internal audit's function.	Complied
5.6	The board should ensure that IT assets are managed effectively	An IT governance framework is in the process of being drafted in line with the size and complexity of the organisation.	In progress
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities	The Audit and Risk Committee assists the board in carrying out its IT responsibilities.	Complied

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6. Compliance with laws, rules, codes and standards			
6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	The Company Secretary and internal audit monitor changes in legislation that may affect the Company and reports to the board and the Audit and Risk Committee on compliance matters. A regulatory universe has been defined and is reviewed and updated annually.	Complied
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards of the company and its business.	The Company Secretary provides the board with regular updates on applicable laws and regulations which may impact the Company.	Complied

6.3	Compliance risk should form an integral part of the company's risk management process	Compliance risk forms part of the internal audit process.	Complied
6.4	The board should delegate to management the implementation of an effective compliance framework and processes	A regulatory universe has been defined and is reviewed and updated annual by the internal auditors.	Complied
7.	<b>Internal audit</b>		
7.1	The board should ensure that there is an effective risk-based internal audit	An internal audit function has been established and is outsourced to Orca	Complied
7.2	Internal audit should follow a risk-based approach to its plan	Internal audit's plan is based on risk and compliance. The plan is approved by the Audit and Risk Committee prior to implementation.	Complied
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management	The internal audit function prepares formal reports for quarterly Audit and Risk Committee meetings	Complied
7.4	The audit committee should be responsible for overseeing internal audit	The Audit and Risk Committee is responsible for overseeing the internal audit function.	Complied
7.5	Internal audit's status in the company Internal audit should be strategically positioned to achieve its objectives	Internal audit reports to the Chairperson of the Audit and Risk Committee.	Complied
8.	<b>Governing stakeholder relationships</b>		
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	A summary of informal stakeholder engagement activities are included in the integrated annual report.	Complied

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8.	<b>Governing stakeholder relationships continued</b>		
8.2	The board should delegate to management to proactively deal with stakeholder relationships	The Executive Committee will consider developing a Stakeholder Engagement policy in the new financial year. Stakeholder engagement activities are carried out regularly and summarised in the integrated annual report.	Partially complied
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	A summary of informal stakeholder engagements is summarised in the integrated annual report. A formal stakeholder relationship policy will be considered in the new financial year.	Partially complied

8.4	Companies should ensure the equitable treatment of shareholders	The Company has only one shareholder.	Not applicable
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	A summary of stakeholder interactions is included in the integrated annual report. A formal stakeholder relationship policy will be considered in the new financial year.	Partially complied
8.6	Dispute resolution The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	This is included in the Board Charter.	Complied
9.	Integrated reporting and disclosure		
9.1	The board should ensure the integrity of the company's integrated annual report	The Audit and Risk Committee evaluates the integrated annual report and recommends the adoption of the report by the board.	Complied
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	The integrated annual report provides a consolidated review of the Company's financial, economic, social and environmental performance on matters material to the strategy and the key stakeholders.	Complied