



RUSTENBURG MINE COMMUNITY DEVELOPMENT TRUST OPERATING MODEL

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1. Introduction

The Rustenburg Mine Community Development Trust (the **Trust**) was established and registered with the Master of the High Court on 27 January 2016 under IT000198/2016(T) as a BBBEE vehicle through which primarily Black Persons who are members of the Community will derive benefits from the Company, which Company in turn holds shares in SRPM. The Trust is a vehicle to give effect to the Sibanye Stillwater purpose of "improving lives" thereby "creating superior value for all its stakeholders."

This document is the 'Operating Model' as defined in the Trust Deed.

2. Definitions and interpretation

- 2.1 Terms defined in the Trust Deed have the same meaning in this Operating Model, changed as necessary.
- 2.2 The interpretation provisions of the Trust Deed shall apply to this Operating Model, changed as necessary.

3. Ranking of this Operating Model

This Operating Model is subject to the terms of the Trust Deed and, in the event of a conflict between any provisions of this Operating Model and the provisions of the Trust Deed, the provisions of the Trust Deed shall prevail. This Operating Model is a Policy, which may be amended from time to time by the Founder. Any such amendments shall be made available in writing to the Trust and the Trustees by the Founder.

4. Objectives of the Trust

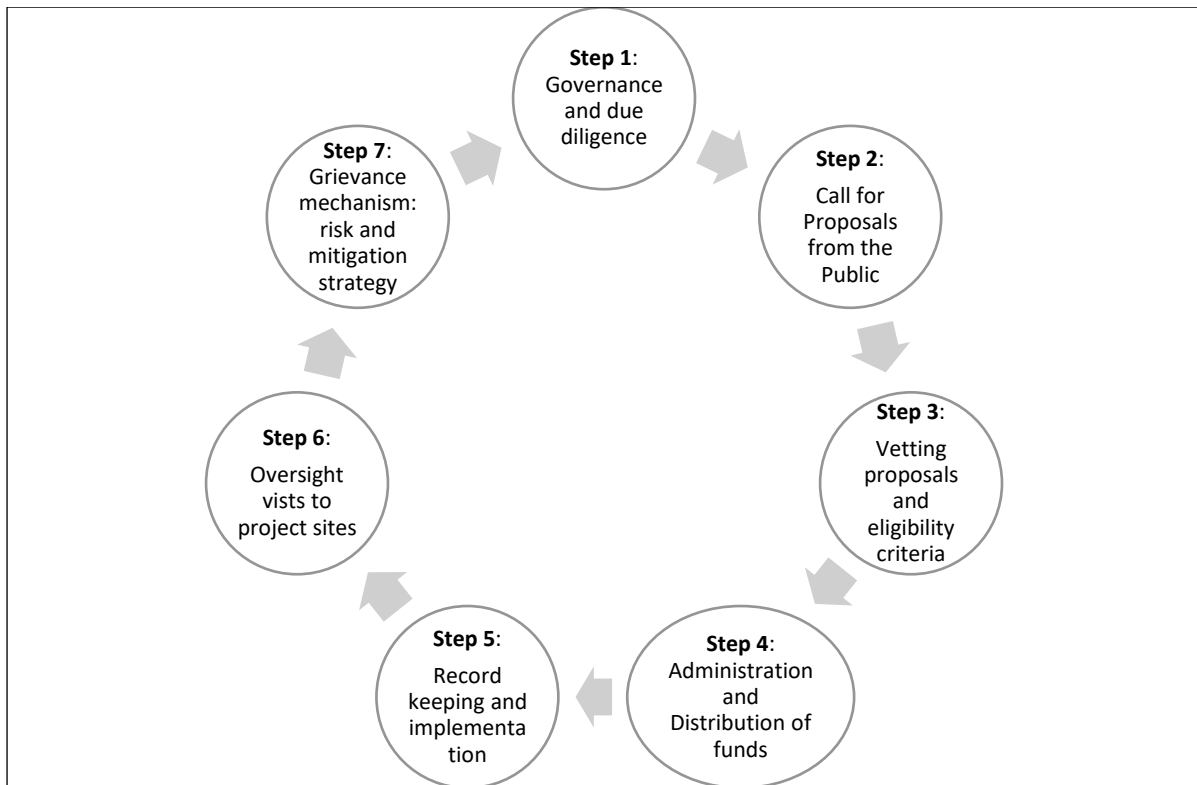
The Objectives are set out in the Trust Deed. As at the date of this Operating Model, the Objectives are as follows:

- 5.1 The purpose and objects of the Trust shall be to acquire the Community Trust Shares, to hold the Community Trust Shares as a Trust Asset for the benefit of the Beneficiaries and to enhance the material benefits and moral welfare of the Beneficiaries in any way that the Trustees may from time to time decide including the creation, through the Trust, of a platform for external investment, and thereby advancing, in particular:

- 5.1.1 education, training and bursaries and more specifically so in the mining and related industries;
- 5.1.2 sustainable health and social development within the Community and amongst the Beneficiaries;
- 5.1.3 the rehabilitation of the natural environment of the Community through establishing synergy with the Rustenburg Operations' rehabilitation programme;
- 5.1.4 entrepreneurship within the Community;
- 5.1.5 sustainable economic development within the Community; and
- 5.1.6 the upliftment and empowerment in general of the Beneficiaries, in particular the empowerment of women, youth and people with disabilities within the Community."

5. Day to day operation of the Operating Model

There are a range of options that the Trust could have considered in outlining this Operating Model. However, to simplify the process and to create transparency for the Beneficiaries, it was agreed to work with an Operating Model that is based on the the principle that all proposals for funding to be considered by the Trust will be based on 'Call for Proposals'. Below is a summary of the Operating Model flow from Step 1 to Step 7.



6. Approach to Operating Model: Step-by-Step Guide

Step 1: Governance and due diligence

1. The Trust Administrator presents to the Trustees an updated socio-economic infographic and Needs Assessment for the Community needs including vulnerable groups, women, youth, children and persons living with disabilities) within the Beneficiary Communities
2. The Trustees evaluate and prioritise funds remaining in the bank account to be allocated for socio-economic empowerment of the Beneficiaries in the respective Communities as outlined in the Trust Deed.
3. A resolution is then passed by the Trustees to set aside a budget to advertise the Request for Proposals in local community newspapers with the Trust Administrator being the contact point. This will occur bi-annually.

Step 2: Calls for Proposals from the Public

1. The Request for Proposals shall be open for a period of three weeks to a month from the date of being published in local community newspapers in Rustenburg Local Municipality.
2. Within two months after the closing date for the Request for Proposals, the Trustees will convene a meeting to discuss the applications received and exercise their discretion to approve any such applications, subject to a satisfactory due diligence being done by the Trust Administrator in respect of each application as described more fully below.

Step 3: Vetting proposals and eligibility criteria

1. One week after the closing date of the Request for Proposals the Trust Administrator to conduct the initial vetting of the proposals in line with the Eligibility Criteria set out below under Step 3: Point 8
2. The Trust Administrator will provide a presentation summary of Accepted Proposals and the areas of focus that they fall under; name of the organisation; how the organisation meets the criteria for beneficiation in line with the Trust Deed objectives; period of support; budget and monitoring and evaluation systems in place.
3. The proposals that have passed the initial stage of the vetting process will be packaged into a Board Pack to be shared with the Trustees within 14 days prior to the Trustees' meeting.
4. A separate Board Pack of Rejected Applications will be prepared by the Trust Administrator to be circulated to the Trustees, providing a summary of the reasons for the recommendation to reject the application.
5. The Trustees will, by written resolution, approve presented proposals or request additional information from tentatively accepted proposals, or reject proposals presented.
6. The Trustees, through the Chairperson of the Trustees, will write a letter of acceptance of the successful proposals detailing the process of distribution of the approved project proposal, which will be drafted by the Trust Administrator.
7. A written letter of rejection of proposals to be drafted by the Trust Administrator signed by the Chairperson of the Trustees providing a summary of reasons for rejection.
8. To ensure compliance with the objectives set out in the Trust Deed, the Trustees will, inter alia, apply the following **Eligibility Criteria** in respect of applications:
 - a. Applicants must have a mission and implement community empowerment programmes that are community based and should include beneficiaries that include vulnerable groups which include women, youth, children and persons with disabilities
 - b. Applicants must have a clear strategic vision for the organization, and an articulation of how this vision will assist the organization to address the needs of targeted beneficiaries in the beneficiary communities
 - c. Applicants must possess experience and expertise in implementing community empowerment programmes or projects in the beneficiary communities
 - d. Applicants must be a legally registered Public Benefit Organisation from the South African Revenue Services (SARS) and be located within the beneficiary community;
 - e. Applicants must demonstrate the ability to operate a well-managed and financially viable operation by submitting 1 - 2 years of financial statements and letter of reference from past and current funders;
 - f. Applicants must provide evidence of financial management systems and capacity for resource mobilization as contained within the

- submitted financial statements and or service provider providing accounting services to the organisation; and,
- g. Applicants must provide sound and strong track record of success and impact of past and current projects implemented in the beneficiary communities.

Step 4: Administration and Distribution of Funds

1. The Trust Administrator must ensure that a Grant Agreement (contract) is prepared, to be approved and signed by the Trustees [and approved organisations] before funds are to be transferred into the account of the Grant Beneficiary .
2. The approved project's principal must submit the Project Implementation Plan with a Monitoring and Evaluation Plan to the Trustees.
3. The Administrator and project principal must work out a flow of resources to ensure the project is concluded in time and under budget. The approved project principle must sign this agreement before any monies flow.
4. The Trust Administrator, authorised in terms of a resolution of the Trustees, will distribute funds into the bank accounts of approved organisations.
5. All payments must be approved by 2 Trustees to ensure monies are allocated correctly on a monthly basis.
6. The Trust Administrator to liaise with the Chairperson of the Trustees to schedule a 2nd Trustees' meeting 6 months after the distribution of funds to Beneficiaries of the first round of approved proposals.
7. The 2nd Trustees' meeting is to review project progress reports and to prepare for the 2nd round of Call for Proposals.
8. The Trust Administrator must alert the project Beneficiaries to share project narrative and financial reports using the following timeframes:
 - a. 6 months after the funds are distributed
 - b. 12 months after the funds are disbursed
9. The Trust Administrator to determine the number of times they will conduct a review of the project implementation plan.
10. The Trustees shall be empowered to distribute the income of the Trust in support of Beneficiary communities from time to time:
 - o if there is any income available after they have given effect to the payment of all Costs, for making distributions thereof in such proportions as they, in consultation with the Founder may from time to time determine;
 - o these funds will be allocated to registered NGO's, CBO's, charitable, educational or religious organisations charitable works excluding construction of church buildings, bursary and other skills funds, bodies and causes, provided always that at least 85% of the benefits derived from or accruing to any person/ organisations are enjoyed by 85% Black Beneficiaries residing within Rustenburg Local Municipality.

11. The Trustees shall reinvest any of the income not committed to Trust expenses or distributed to Beneficiaries.
12. In cases where there are deviations, the Trust Administrator must ensure that the Grant Beneficiary has adhered to all the rules and regulations as set out in the Grant Agreement and received a written application from the Grant Beneficiary providing reasons for the application of a deviation.
13. An Application for a deviation should not be longer than 6 months and where the Grant Beneficiary has failed to utilise the funds allocated, all the monies should be transferred back to the Trust Bank Account within 30 days of the expiration of the 6 months of application of deviation.

Step 5: Record Keeping

1. The Trust Administrator is accountable to electronically safely store and archive the Accepted and Rejected Proposals.
2. The Trust Administrator must review past successful and impactful projects for continued support over a multi-year period by the Trustees where deemed necessary.
3. A record of narrative and financial statements of Grant Beneficiary s to be kept for the duration that the organisation is still actively implementing funded projects for reference and audit purposes.
4. The Trust Administrator must ensure that record keeping of Grant Beneficiary s are safely stored in line with the Protection of Personal Information Act of 2013 (POPIA).

Step 6: Oversight visits to project sites

1. The Trustees will ensure that all successful projects will be monitored as the per the evaluation template in Annexure 3
2. The Trustees will ensure that the Trust Administrator puts systems in place to ensure that all projects are monitored on a quarterly basis and oversight reports are shared 4 times a year with the Trustees.
3. The Trust Administrator to flag where deviations are necessary due to unforeseen circumstances by the Grant Beneficiary , that the organisation prepares a written application in time for the Trustees to consider and approve or reject the application for deviation.
4. The Trust Administrator must monitor progress once a month where deviations have been approved by the Trustees to ensure that project deliverables are met within a 6-month period.
5. Where the Trust Administrator suspects maladministration, Trustees to be notified in writing detailing concerns and shared with Sibanye-Stillwater Internal Audit Department for further investigation.

Annexure 1: Ten Guidelines for Applicants preparing proposals

1. Provide an organisational profile which includes skills and expertise of the team implementing the project.
2. Summarise the project in 2(two) paragraphs.
3. What is the project goal (problem statement)
4. How is your project aligned to the objectives of the Trust.
5. Provide a project plan outlining the milestones, budget, monitoring and evaluation.
6. What activities will you undertake to ensure delivery of the project.
7. Outline the beneficiary communities' role in the project.
8. Provide information on any partnerships with other organisations in implementing the project.
9. If there are other funding sources, please disclose these in the application.
10. Please explain how will you ensure that this project is sustainable beyond the funding that you are applying for.

Annexure 2 : Call for Proposals Template

Name of Organisation	
PBO Number of Organisation/NGO Number (Attach supporting documentation i.e Valid and certified NGO Certificate not more than 3 months)	
Name of Project	
Contact Person	
Contact Details (Office/Cell number/Fax & Postal/ Email Address/Office Address)	
A brief history of the organisation (Not more than 800 words and attach any necessary documentation)	
Description of the organization; including governance/management structure and information/documentation on past experience/activities relevant to this call (Not more than 800 words and attach any necessary documentation)	
Total Project Budget (In Rands)	
Duration of Project (Not more than 12 months)	
Geographic Location of Project (Rustenburg Local Municipality)	
Short Description of Project (Not more than 800 words- Attach report)	
Rationale for Project (Not more than 800 words-Attach report)	
Overall Goal of the Project (Not more than 100 words- Attach report)	
Activities of the Project (Not more than 100 words)	
Success Indicators(Not more than 100 words)	

Targeted Beneficiaries(Not more than 100 words)	
Monitoring and Evaluation of Project	
Conflict of Interest Declaration	

Annexure 3: Monitoring and Evaluation Plan (for applicant and Trust use)

Results	Project Indicators of Success <i>(What are the key indicators that demonstrate project achievement of project goal, objectives and activities?)</i>	Targets-Beneficiaries <i>(What is the geographic location, project beneficiaries and demography of project beneficiaries?)</i>	Means of Verification <i>(How will the Trustees verify that beneficiaries have benefited from the project in line with the Trust objectives?)</i>	Risks/Assumptions (Which factors are necessary to achieve the project goal and objectives? Which risks should be taken into consideration?)
Goal: What is the Project Goal?				
Objective 1: (Are the objectives aligned to the Trust Objectives)				
Objective 2:				
Objective 3:				
Activity 1: (What outcomes/activities undertaken to demonstrate project progress/success)				
Activity 2:				