



GENERAL OFFER TO SHAREHOLDERS OF ROYAL BAFOKENG PLATINUM LIMITED

YOUR QUESTIONS ANSWERED

1. Why is Implats offering to buy the majority of RBPlat's shares?

- There is strong industry and sector logic to the offer as RBPlat's mining and concentrating operations are contiguous to Implats' Impala Rustenburg portfolio.
- This offer provides compelling strategic, operational and financial benefits for the stakeholders of both RBPlat and Implats. It presents an opportunity to secure a significant Western Limb production base that enhances and entrenches the region's position as the most significant source of global primary PGM supply.
- The scale of a sizeable and sustainable Western Limb production base will deliver tangible socio-economic benefits for the region and its communities, including employment security and support for stakeholders.

2. Why should a RBPlat shareholder consider this offer?

- Shareholders are being offered a compelling value proposition that delivers inherent equity value at an attractive premium, with the offer funded through a combination of a substantial cash portion as well as high quality, liquid Implats shares.
- Implats' clear and disciplined capital allocation policy aims to deliver industry-leading shareholder returns and a sustainable and attractive dividend yield.
- Beyond the immediate benefit of an attractive premium to current trading levels, by receiving Implats shares, RBPlat shareholders have the opportunity to gain exposure to a global PGM portfolio, which is well-positioned to capture the benefits of the full PGM value chain, from mining to downstream refining, marketing and sale.
- This presents an opportunity for RBPlat to benefit from regionally diverse production growth through existing and recently approved development projects across shallow, mechanised operations on the Eastern Limb of the Bushveld Complex, Canada and Zimbabwe and the planned expansion of installed processing capacity across the Group.
- A majority stake in RBPlat will enable Implats to pursue substantial, unique regional synergies through broader collaboration of complementary assets and shared infrastructure, which will ultimately be beneficial to all stakeholders.

3. Is there benefit for Implats' shareholders?

- Yes. This offer is a major step in the delivery of our stated value-focused strategy which seeks to increase exposure to low-cost, shallow, mechanised assets, further aiding in the repositioning the Implats Group as the owner and operator of a portfolio of high-value, sustainable and competitive operations through the cycle. It also enhances our ability to:
 - Deploy our significant, scale, relevance, mineral resource base and technical capabilities to further grow and optimise value delivery of the asset portfolio;
 - Progress enhanced regional socio-economic stability, sustainability and shared value delivery;
 - Enhance strategic optionality to significantly extend life of mine production profiles, which will enhance provide job security and socio-economic benefits; and
 - Increase our ability to pursue substantial, unique regional synergies in time through broader collaboration and/or the logical combination of complementary assets and shared infrastructure.

4. Why should an RBPlat shareholder accept Implats' R150 a share offer, when Northam recently paid R180 a share for a 32.8% stake a few weeks ago?

- Northam's offer was to only one shareholder – Royal Bafokeng Holdings. There is no certainty that Northam will make an offer of R180 per share to all the other shareholders of RBPlat.
- Northam's offer was composed of equity and a series of deferred cash payments, with the final payment due no later than 30 September 2022.
- A put and call arrangement for a further 0.5% share purchase was structured at an initial exercise price of R135 per share.
- Implats' compelling offer is being made to all shareholders and has more deal certainty than any potential offer from Northam.

5. There have been various discussions between Implats and RBPlat over the past 10 years. Why are you doing this transaction now at what could arguably be considered the peak in the current PGM cycle?

- This strategic opportunity has always made sense to Implats.
- The significant and extended material downturn in PGM industry profitability resulted in a challenging period for the PGM industry and was not conducive to a transaction of this nature, with Implats' limited balance sheet flexibility and depressed equity valuation a material consideration.
- However, the companies are both well positioned at this stage: Implats have successfully strengthened its balance sheet and optimised operations and are in a strong financial position. Similarly, the financial risks associated with the funding of the construction of Styldrift are also now, largely behind RBPlat. The strategic merit, benefits and synergies to Implats' and RBPlat's shareholders are compelling.

6. Will Implats' shareholders have to vote on the transaction?

- Implats is not issuing more shares than its authorised share capital allows, and the transaction is therefore a Category Two transaction, meaning Implats will not require shareholder approval.

7. How will Implats pay for the RBPlat's shares

- The cash component is funded entirely from Implats' own cash resources and guaranteed facilities.

8. What are the terms of the offer?

- Implats is offering a consideration of R150 per RBPlat share. This consists of a cash amount of R90 a share, and 0.30 ordinary shares in Implats.
- In the event that RBPlat declares a dividend or makes a distribution after 29 November 2021, the cash component will be reduced by an amount equal to the RBPlat dividend on a rand for rand basis.
- The offer consideration represents a premium of 80% to RBPlat's undisturbed price based on the 30-day VWAP on 26 October 2021's close of business and a 23% premium to RBPlat's closing price on 24 November 2021.

9. How did you arrive at this price?

- The price was determined following a detailed and comprehensive mutual due diligence process between Implats and RBPlat. We are confident that the transaction terms are competitive and will create value for Implats' shareholders, while simultaneously crystallising strong value at an attractive premium for RBPlat's shareholders.
- We believe the transaction terms are a fair reflection of the value of RBPlat, given the quality of its assets and the potential synergies and operational benefits that Implats and RBPlat would be able to achieve.

10. What regulatory and other conditions need to be fulfilled?

- RBPlat's shareholders must first accept the offer for their shares, and cumulative acceptances must represent more than 50% (unless Implats is willing to adjust this percentage lower) of the entire issued share capital of RBPlat, excluding treasury shares.
- Implats and RBPlat must obtain all approvals as may be required by the JSE and the TRP in terms of the JSE Listings Requirements, the Companies Act or the Takeover Regulations.
- As required, the Competition Commission, Competition Tribunal and/or Competition Appeal Court approvals in terms of the Competition Act, 1998 must be secured.
- RBPlat must also secure necessary approval from its third-party financiers and contract counterparties for any change of control arising from the offer.

11. What is the end game plan? Does Implats want to manage and control RBPlat? Is a joint venture (JV) envisaged?

- We have not discussed any plans for a JV with RBPlat as the future structure would depend on how the current RBPlat shareholders tender in their shares.
- However, Implats has a long track record of successful, value-enhancing JVs (Two Rivers and Mimosa being the most recent) and these operations are managed effectively with a partner. We don't see any issues if the ultimate structure results in a JV partnership.

- This logical transaction would bring together two leading PGM players with closely aligned values. Acquiring more than 50% in RBPlat is a first step in creating the opportunity to work together to start extracting the compelling operational, financial and strategic benefits for all stakeholders.
- All stakeholders would benefit from the enlarged mineral reserve and resource base of both Implats and RBPlat as well as the existing, talented operating teams. And, through this transaction, Implats and RBPlat will preserve the sustainability of South Africa's natural resources on the Western Limb and extend the viability of long-term job security

12. How does Northam's 32.8% holding affect Implats' plans?

- We are still committed to acquiring a majority stake in RBPlat and providing the platform for all stakeholders, which includes all RBPlat shareholders, to benefit from the potential synergies and optionality from this production base.

13. What will happen to RBPlat's employees?

- It is business as usual for RBPlat. It remains a standalone, listed company. There will be no changes to its employee conditions and agreements, or the management of various RBPlat operations.

14. What are the next steps for RBPlat's shareholders?

- We will distribute an Offer Circular to RBPlat's shareholders by no later than 17 January 2022. It will include further details of the offer, salient dates and next steps.

15. What are the benefits expected from this transaction?

- In terms of operational synergies, there is the potential to share business and technical services across our operations, potentially transfer a portion of the concentrate offtake agreement at RBPlat to Impala Refining Services in the fullness of time and seek to extract additional processing synergies by targeting the treatment of chrome, enhancing concentrate recoveries, optimising concentrator capacity and utilisation and assessing the potential for tailings retreatment.
- There is also the enhanced ability to progress regional socio-economic stability, sustainability and shared value delivery.
- There is the opportunity to pursue significant optimisation of the assets, through various scenarios, including potential improvement in capital efficiency of extraction of RBPlat's Styldrift 2 Resource and life-of-mine extensions for Impala Rustenburg.
- Further, achieving measurable operational benefits by accessing additional production at 20 Shaft and optimising surface infrastructure are important imperatives, while pursuing resource extraction outside of the current life-of-mine plans is another exciting option.