

CORPORATE GOVERNANCE REPORT

APPLICATION OF KING IV WITHIN GOLD FIELDS

The Board is committed to the principles and recommended practices of King IV and, to this end, ensured material compliance during 2019. The table below provides an overview of Gold Fields' compliance with the principles. Should gaps be identified, the Board instructs management to address these as work in progress.

Principles	Principle application
PART 5.1: LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP	
LEADERSHIP	
Principle 1: The governing body should lead ethically and effectively.	The Board, Gold Fields' governing body, through its various subcommittees is confident on a prospective basis that the combined inputs of its committees produce conformity with this principle. The Board exhibits the requisite levels of integrity, competence, responsibility, accountability, fairness and transparency.
ORGANISATIONAL ETHICS	
Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The SET Committee comprises non-executive and one executive member. The majority of the members are independent. The committee ensures conformity with this principle through the Code of Ethics and the Group Disciplinary Code that set out sanctions to be followed.
RESPONSIBLE CORPORATE CITIZENSHIP	
Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board, through the SET Committee and the SHSD Committee ensures conformity with this principle. The SHSD Committee is committed to the 10 principles of the ICMM and the UN Global Compact's 10 sustainable development principles and ensures compliance therewith.
PART 5.2: STRATEGY PERFORMANCE AND REPORTING	
STRATEGY AND PERFORMANCE	
Principle 4: The governing body should appreciate that the organisation's core purposes, its risks and opportunities, strategy and business model, performance and sustainable development are all inseparable elements of the value creation process.	The Board conforms to this principle. The Board oversees strategy formulation and execution, and sets performance targets which are agreed upon with management. On a yearly basis, the Board, together with management reviews the strategy.
REPORTING	
Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and short, medium and long-term prospects.	The Board keeps its shareholders updated in line with the JSE Listings Requirements, and ensures integrity of external reports in so far as dealing with assurance of external reports.
PART 5.3: GOVERNING STRUCTURES AND DELEGATION	
PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY	
Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The Board adheres to the requirements of King IV. The Board receives external advice as and when required or necessary, and keeps abreast of best corporate governance practices both locally and abroad, making recommendations where appropriate, for Board participation in continuing education programmes.
COMPOSITION OF THE GOVERNING BODY	
Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The Board has delegated to the Nominating and Governance Committee the nomination, election and the appointment processes having set the criteria for the selection of candidates to serve on the Board. The JSE Listings Requirements require that race diversity disclosure be made effective 1 June 2018. In November 2017, the Board approved a Company-wide diversity policy.

Principles	Principle application
COMMITTEES OF THE GOVERNING BODY	
<p>Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.</p>	<p>The Board conforms to this principle. Through the Nominating and Governance Committee, the Board ensures that the structures of the Board are well resourced with a balance of skills and expertise. The subcommittees of the Board include the following: Audit Committee, Risk Committee, Nominating and Governance Committee, SET Committee, Remuneration Committee, SHSD Committee, and Capital Projects Control and Review Committee. In November 2017, the Board established a new ad-hoc committee, known as the Investment Committee.</p>
EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY	
<p>Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its Chairperson and its individual members support continued improvement in its performance and effectiveness.</p>	<p>The Board conforms to this principle. The Board regularly monitors and appraises its own performance, those of its subcommittees and individual NEDs. The Board further evaluates the independence of its independent NEDs, which evaluation is rigorously tested in respect of the independent NEDs who have served on the Board for an aggregate term exceeding nine years. The Board has scheduled in its yearly work plan an opportunity for consideration, reflection and discussion of its performance and that of its subcommittees, its Chairperson and its members as a whole.</p>
APPOINTMENT AND DELEGATION TO MANAGEMENT	
<p>Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p>	<p>The Board conforms to this principle. Board authority is conferred on management through the CEO. The approval of the Board is required to the levels of the subdelegation immediately below the CEO.</p>
PART 5.4 GOVERNANCE FUNCTIONAL AREAS	
<p>Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The Board conforms to this principle. The Board has delegated this authority to the Risk Committee. The Risk Committee has oversight of the integrity and effectiveness of the risk management processes. A comprehensive strategic and operational risk management process is in place throughout the Group.</p>
TECHNOLOGY AND INFORMATION GOVERNANCE	
<p>Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	<p>The Board conforms to this principle. The Board has delegated this authority to the Audit Committee. The Audit Committee and Risk Committee ensure that the I&T framework is in place and that the I&T Charter and policies are established and implemented. A detailed information, communication and technology risk assessment is performed on a yearly basis across the Group with key strategic risk themes highlighted in the risk enterprise register.</p>
COMPLIANCE GOVERNANCE	
<p>Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	<p>The Board conforms to this principle. The Board has delegated this authority to the Audit Committee. The Board approves policies that articulate and give effect to its direction on compliance. The following policies are applicable: anti-bribery and corruption governance framework; and management guidelines in relation to the Group governance and compliance framework and portal.</p>
REMUNERATION GOVERNANCE	
<p>Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	<p>The Board conforms to this principle. The Board has delegated this authority to the Remuneration Committee. The Remuneration Committee assist the Board in overseeing all aspects of remuneration practices for the Group to ensure employees are remunerated fairly, responsibly and transparently. Fair and competitive reward processes are embedded in the organisation. These processes encourage and result in the achievement of the Group's strategic objectives and positive outcomes in the short, medium and long term.</p>

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Principles	Principle application
ASSURANCE	
Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Board conforms to this principle. The combined assurance guideline for the Group provides an analysis of all the assurance activities within the Group. The Board, executive management and senior management identify additional areas that may require assurance on an ongoing basis.
STAKEHOLDERS	
Principle 16: In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	<p>The Board conforms to this principle. A stakeholder relationship and engagement policy statement has been aligned with King IV and approved by the Board. The policy was revised to be inclusive of business-wide stakeholders that are material and not just those relevant to sustainable development, particularly employees and shareholders.</p> <p>The governance framework addresses relationships within the Group's companies and shareholder relationships. Summaries of engagement undertaken with all material stakeholders can be found online at www.goldfields.com/societal-stakeholders.php.</p>

Application of section 3.84 of the JSE Listings Requirements on Board governance processes

Requirement	Principle	Gold Fields' approach and compliance
3.84(a)	There must be a policy evidencing a clear balance of power and authority at Board of Directors' level to ensure that no one director has unfettered powers of decision making.	The Board Charter shows that there is clear balance of power and authority at Board level and that no one director has unfettered powers.
3.84(b)	Issuers must have an appointed CEO and a Chairperson, and the same person must not hold these positions. The Chairperson must either be an independent director, or the issuer must appoint a lead director in accordance with King IV.	Gold Fields' CEO and Chairperson positions are held by different people, and the Chairperson is an independent NED.
3.84(c)	All issuers must, in compliance with King IV, appoint an Audit Committee. Issuers must appoint a remuneration committee, and issuers must appoint a social and ethics committee. The composition of such committees, a brief description of their mandate, the number of meetings held and any other relevant information must be disclosed in the annual report.	<p>The Board appointed an Audit Committee that is chaired by an independent NED. Audit Committee members are all independent NEDs.</p> <p>Gold Fields' Remuneration Committee comprises independent NEDs and has an independent Chairperson.</p> <p>Gold Fields' SET Committee is aligned with King IV, and comprises independent NEDs and one executive director, the majority being NEDs.</p> <p>Each committee provides a brief description in the IAR of its mandate, number of meetings held in a year and any other relevant information.</p>
3.84(d)	Brief CVs of each director standing for election or re-election must accompany the relevant notice of the meeting.	Brief CVs of our directors are listed on p11 – 13.
3.84(e)	The capacity of each director must be categorised as executive, non-executive or independent.	<p>The CVs of our directors include information on whether a director is an independent NED or an executive director.</p> <p>The composition of committees is in accordance with the requirements of the Companies Act and King IV.</p>