

## KING IV APPLICATION REGISTER

Herewith the Governance Report as it relates to the application of the 16 (applicable) principles as per part 5 of the King Report on Corporate Governance 2016 (King IV).

	PRINCIPLE	APPLICATION/EXPLANATION
	<b>LEADERSHIP</b>	
1.	<b>The governing body should lead ethically and effectively.</b>	<p><i>Ethics</i></p> <p>The board of directors of Randgold constitutes the governing body and the directors hold one another accountable for decision making and ethical behavior. The board has adopted a code of ethics. The board's responsibility for setting the tone for an ethical organisational culture is discharged by the company and corporate level governance, monitoring and reporting systems and structures are in place, as detailed in the Corporate Governance Report, to give effect hereto. Board members are under a legal duty to prevent conflicts of interest with the company and are obliged to make full disclosure of any areas or potential areas of conflict prior to any consideration or discussion by the board of such items, and do not take part in any discussions on such matters, being obliged to recuse themselves from any board meeting while such discussions are in progress. Disclosures of other directorships are tabled at the start of each board meeting and this is a standard agenda item.</p> <p><i>Effectiveness</i></p> <p>To ensure that the company's leadership is effective; board, committee or senior executive appointments are proposed to the board to ensure an appropriate mix of skills and independence of thought. Board members collectively possess a wide range of financial, commercial and technical knowledge, together with experience in the industry within which the company operates. Annual performance evaluations of the board, the audit and risk committee, and the remuneration and nomination committee are undertaken. The results thereof are communicated to the board and/or committees and addressed as needed. Due to the relative simplicity of the company's operations, hands-on induction of new directors is performed by the CEO and Finance Director.</p>
	<b>ORGANISATIONAL ETHICS</b>	
2.	<b>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</b>	<p>The ultimate responsibility for the governance of ethics rests with the board. The board serves as the focal point and custodian of corporate governance for the company.</p> <p>The board commits to the Constitution of the Republic of South Africa (including the Bill of Rights) and accepts the principles of fairness, accountability, integrity and transparency. The board strives, as a minimum, to ensure compliance with all applicable legislation and regulations, leading standards and with its own code of ethics.</p> <p>The board is assisted in governing the ethics of the organisation by the social and ethics committee.</p> <p>The board, assisted by its committees, is committed to maintaining an ethical culture, on transformation within the company, on fair, transparent and responsible remuneration and on the continued development and training of its employees.</p> <p>The board has adopted a zero-tolerance approach to fraud and the appropriate remedial action is taken should there be found to be any substance to the matter reported.</p> <p>The code of ethics adopted by the board, commits the company and its employees to the highest ethical standards of conduct.</p> <p>Through the social and ethics committee the board adopted the principles of the United Nations Global Compact in the areas of human rights, labor, the environment and anticorruption, as well as promoting economic and social wellbeing of people.</p> <p>The policy on price-sensitive information was renewed and the declarations of interest policy, as set out in the board charter, allows for the governing of conflicts of interest.</p>

		Planned areas of future focus will include the continued training of employees to ensure that the company embeds a culture of ethical behaviour in all of its operations and at all levels
	<b>RESPONSIBLE CORPORATE CITIZENSHIP</b>	
<b>3.</b>	<b>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</b>	<p>It is the responsibility of the board to ensure that the consequences of the company's activities do not adversely affect its status as a responsible corporate citizen in the areas of the workplace and the economies of the geographical areas within which it operates, with due regard to social and environmental issues.</p> <p>The social and ethics committee is tasked with monitoring the company's activities in respect of good corporate citizenship.</p> <p>Their tasks includes:</p> <ul style="list-style-type: none"> <li>• Promotion of equality, prevention of unfair discrimination and reduction of corruption;</li> <li>• Contribution to the development of the communities in which it is predominantly involved; and</li> <li>• Record of sponsorship, donations and charitable giving.</li> </ul> <p>During the period under review there were no fines or penalties incurred. The company will continue to consider its responsibilities in the areas of the workplace, the economy, society in general and the environment; all being key interrelated factors in ensuring the sustainability of the company's businesses. Also refer to the Social and Ethics Committee's report in the corporate governance section.</p>
	<b>STRATEGY AND PERFORMANCE</b>	
<b>4.</b>	<b>The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</b>	<p>The directors individually and collectively work to achieve the company's strategic objectives, to manage the risks and opportunities that could threaten or enhance the company's ability to provide sustainable long-term growth to stakeholders, to maintain and enhance efficiencies within the company's businesses and to support the people who rely on its businesses. The sustainability of the company's businesses is a key consideration and sustainability is evaluated at each board meeting. Formal policies governing environmental, corporate social investment, ethical and remuneration matters, form key components of the value creation process and are effective in ensuring the long-term sustainability of the company.</p> <p>Management has the responsibility of formulating and developing the strategy for the company. Budgets are presented to the board as well as strategic plans, and any risks and opportunities are identified and considered as part of this process within which the company operates.</p>
	<b>REPORTING</b>	
<b>5.</b>	<b>The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.</b>	<p>The board assumes responsibility for the integrity and transparency of the company's reporting and, assisted by the audit and risk committee and the external auditor, oversees the issue of the company's annual financial statements and annual reports.</p> <p>The annual report provides stakeholders with information relating to the company's performance.</p> <p>Information is also made available to stakeholders via the electronic news service of the JSE Limited (SENS) and announcements which are also available on the company's website at <a href="http://www.randgoldexp.co.za">www.randgoldexp.co.za</a>.</p> <p>The publication of external reports and press releases, including SENS, requires the prior approval of the company's chief executive officer, chief financial officer or as may be otherwise instructed.</p>
	<b>PRIMARY ROLE AND RESPONSIBILITIES OF THE GOVERNING BODY</b>	
<b>6.</b>	<b>The governing body</b>	The board charter documents the board's role and responsibilities, including the focal role of setting the strategic direction of the company, approving policies and plans to

	<p>should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>give effect thereto, oversight and monitoring of the implementation of policies and plans by management together with reporting and disclosure. All policies are subject to compliance with the overarching policies set at board level. The board is supported by the committees and management reporting structures detailed in the Corporate Governance Report but remains ultimately responsible for corporate governance in the company and for the appropriate and transparent reporting of corporate governance.</p>
	<p><b>COMPOSITION OF THE GOVERNING BODY</b></p>	
7.	<p>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.</p>	<p>The names of the board members during the review period, together with details of their age, qualifications, knowledge, skills and experience, are disclosed in the Annual Report.</p> <p>King IV requires that the majority of directors shall be nonexecutive directors, the majority of whom shall qualify as independent and this requirement has been met. The independence of the non-executive directors is reviewed on an annual basis by the board against the criteria stipulated in King IV.</p> <p>A chief executive officer and chief financial officer have been appointed to the board. The arrangements for periodic, staggered rotation of nonexecutive directors are contained within the company’s memorandum of incorporation and are duly applied.</p> <p>The process for nomination, election and appointment of board members is formal and transparent, as outlined in the Corporate Governance Report.</p> <p>The board as a whole considers and, if appropriate, approves recommendations, subject to shareholder approval.</p> <p>Due to the relative simplicity of the company’s operations, hands-on induction of new directors is performed by the CEO and finance director.</p> <p>The board has carried out a formal self-evaluation and is satisfied that the composition of the board reflects the appropriate mix of knowledge, skills, experience, diversity and independence.</p>
	<p><b>COMMITTEES OF THE GOVERNING BODY</b></p>	
8.	<p>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>Standing board committees have been established, under written terms of reference, in accordance with statutory requirements. These committees assist the board to effectively discharge its duties. The composition of these standing committees ensures that there is an appropriate balance of power and that an independent perspective is brought to board deliberations and that no single director has unfettered powers.</p> <p>The standing committees of the board, which are reported on more fully in the Corporate Governance Report, are the:</p> <ul style="list-style-type: none"> <li>• Audit and Risk Committee;</li> <li>• Social and Ethics Committee;</li> <li>• Remuneration Committee; and</li> <li>• Nomination Committee.</li> </ul>
	<p><b>EVALUATIONS OF THE PERFORMANCE OF THE GOVERNING BODY</b></p>	
9.	<p>The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued</p>	<p>The board, the audit and risk committee, the social and ethics committee and the nomination and remuneration committee conduct annual assessments as disclosed in the Corporate Governance Report. Items identified for improvement are discussed and followed up to ensure the implementation of recommended actions.</p> <p>An assessment of the suitability and effectiveness of the chief financial officer is conducted annually by the audit and risk committee and is confirmed in the Audit and Risk Committee’s report in the annual financial statements. The suitability and effectiveness of the company secretary is reviewed by the board on an annual basis.</p> <p>The appointment of the chairman is reviewed by the board on an annual basis.</p>

	improvement in its performance and effectiveness.	
	<b>APPOINT AND DELEGATION TO MANAGEMENT</b>	
10.	<b>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.</b>	<p>The chief executive officer has a clearly defined role and is responsible for the implementation and execution of the board's strategy, policies and proposals presented to and approved by the board.</p> <p>To provide continuity of executive leadership, succession planning is in place for the chief executive officer and chairman. Succession plans are regularly reviewed to provide for succession in both emergency situations and over the longer term.</p> <p>The chief executive officer of Randgold operates under clearly defined guidelines.</p> <p>Dispensation has been granted by the JSE for the financial director, Mr. Botha, to fulfil the role of company secretary and this dispensation is still valid.</p> <p>The board is satisfied that Mr. Botha possesses the necessary competence, qualifications and expertise and is able to effectively perform the role as the custodian of good governance of the company and that he is able to adequately and effectively perform and carry out the roles and duties of a company secretary. In addition to being bound by the company's Code of Ethics and Business Conduct, he is a chartered accountant and thus bound by professional ethics.</p> <p>In spite of the fact that Mr. V Botha is also a director of the company and that an arm's length relationship between the board and the company secretary exists, the company has taken additional measures by appointing Mrs. Mandrie Steyn CA(SA) (group financial manager of R&amp;E) as assistant company secretary and appointing an internal audit firm to independently review compliance and corporate governance as it relates to financial controls.</p> <p>The performance and independence of the company secretary is evaluated by the board on an annual basis and the board has satisfied itself as to the appropriateness.</p> <p>The company secretary reports to the board on all statutory, regulatory and governance matters concerning the company and to the chief executive officer on all other duties and administrative matters.</p> <p>In instances where delegation has taken place to management or committees, preapproved materiality levels and terms of references apply, respectively.</p> <p>Although the board has delegated certain powers and authorities to executive management and to board committees, the ultimate responsibility for retaining full and effective control of the company rests with the board.</p> <p>Decisions on strategy and other material matters are reserved for the board and there is a clear delineation of power between the board and management at all times.</p>
	<b>RISK GOVERNANCE</b>	
11.	<b>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</b>	<p>The board assumes responsibility for the governance of risk by setting the direction for how risk is to be approached and addressed by the company in order to achieve its strategic group objectives. Without derogating from its overall responsibility for risk management the board delegates the implementation and execution of effective risk management to management.</p> <p>The board receives regular risk reports from management, which considers the risks that could impact the organisation. The risk reports, which are updated on a regular basis, categorise the estimated impact and likelihood of the risks identified, differentiating between residual risks and inherent risks, and advising the board of the controls established/ remedial action taken to mitigate the risk identified.</p> <p>Responsibility for effective risk management is spread across the company's workforce and management.</p> <p>The audit and risk committee plays an integral oversight role in ensuring the ongoing effectiveness of these processes.</p> <p>The audit and risk committee assists the board by providing an independent and objective view on the company's financial, accounting and control mechanisms and policies, information systems and internal controls, the going concern status of the company and compliance with all relevant statutory and regulatory requirements. The chief executive officer is responsible for the management of risk.</p> <p>The audit and risk committee receives an annual report from the internal audit function,</p>

		providing feedback against the financial risks included in the risk register.
	<b>TECHNOLOGY AND INFORMATION GOVERNANCE</b>	
<b>12.</b>	<b>The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</b>	Given the current size and scope of the company and the limited operations the company is engaged in, the board believes IT is aligned to the complexity of the current operations, and considers it to be appropriate at this time.
	<b>COMPLIANCE GOVERNANCE</b>	
<b>13.</b>	<b>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.</b>	<p>Responsibility for the implementation and execution of effective compliance management is delegated by the board to management. The board, however, retains ultimate responsibility for compliance with applicable laws, adopted non-binding rules, codes and standards.</p> <p>Through its board, committee and reporting structures, the board, the audit and risk committee and the social and ethics committee will be apprised of any incidences of noncompliance with legislative and regulatory requirements and/or internal compliance benchmarks set by the company.</p> <p>Management is required to highlight any areas of noncompliance with the legislative or regulatory requirements applicable to the activities of the company which need to be addressed. Any material incidences of non-compliance and/ or significant fines or penalties incurred are reported to the board and/or the audit and risk committee and/or the social and ethics committee of the board to ensure that appropriate remedial action is taken.</p> <p>Key applicable legal and regulatory matters are periodically brought to the board's attention as and when updates and/ or changes occur.</p> <p>Should any material or repeated regulatory penalties, sanctions or fines for non-compliance with the company's statutory obligations be incurred, or should the company face criminal sanction or prosecution in respect thereof, details will be disclosed in the company's annual report.</p> <p>During the review period there were no material findings of non-compliance with applicable legislation or regulations and there were no criminal sanctions or prosecutions.</p> <p>The company continues to operate as a responsible corporate citizen.</p>
	<b>REMUNERATION GOVERNANCE</b>	
<b>14.</b>	<b>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.</b>	<p>The board assumes responsibility for the governance of remuneration and sets the direction for remuneration in the company.</p> <p>The board has appointed a remuneration committee to ensure that the company's executives and managers are fairly rewarded for their individual and joint contributions to the company's performance and that the company remunerates fairly, responsibly and transparently in the context of overall remuneration in the company to enable the company to achieve its strategic objectives and to secure positive outcomes in the short, medium and long term. To this end the board has approved a remuneration policy. The main provisions of this policy are disclosed in the company's annual report, together with a background statement and an implementation report.</p> <p>The remuneration policy, together with the implementation report, will be presented to shareholders at the company's annual general meeting to be held on 18 May 2018 for a nonbinding, advisory vote by shareholders. Voting at annual general meetings on the remuneration policy and implementation report and any required actions following from the exercise by shareholders of their votes, will be conducted in compliance with the requirements of the Companies Act No. 71 of 2008, the Listings Requirements of the JSE Limited and King IV.</p> <p>Directors' remuneration has been disclosed comprehensively in the company's annual</p>

		financial statements.
	<b>ASSURANCE</b>	
<b>15.</b>	<b>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.</b>	<p>The board sets the direction for assurance services and functions but the responsibility for overseeing such arrangements is delegated to the audit and risk committee, which is charged with supporting the integrity of information for internal decision-making use and for external reports.</p> <p>A combined assurance model has been developed and formally implemented by the company to effectively cover the company's significant risks and material matters. The model includes but is not limited to the company's established risk management and compliance functions and the external auditors, together with such other external assurance providers as may be appropriate or deemed necessary from time to time, including the company secretary, which provides assurance on aspects of corporate governance and a JSE sponsor which advises on the JSE Listings Requirements.</p> <p>The audit and risk committee has satisfied itself as to the independence of the external auditor as well as the effectiveness of the chief audit executive (internal audit) and the internal audit function.</p>
	<b>STAKEHOLDERS</b>	
<b>16.</b>	<b>In the execution of its governance role 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.</b>	<p>The board determines the stakeholder engagement strategy and delegates to management the responsibility for implementation and execution thereof.</p> <p>Stakeholders are kept apprised of the company's performance by publication of the annual report, the interim and year-end results announcements and, should these be required, trading updates.</p>