

Russell & Associates and Global Business Initiative on Human Rights
Alan Fine and Katryn Wright
42 Glenhove Rd,
Rosebank
Johannesburg

May 24th 2016

Dear Alan Fine and Katryn Wright,

RE: Business to Business Consultation Meeting 27 May 2016

'The status quo in Marikana remains the same with some cosmetic changes'

Members of the board of the Bench Marks Foundation met on Monday 16th May 2016 to confirm our position on the consultative meeting arranged by BASF and Lonmin through Russell and Associates and the Global Business Initiative on Human Rights on the 27th May 2016.

Following attendance of BASF AGM in 2015 and 2016 where the chairperson of the Bench Marks Foundation, Bishop Jo Seoka engaged shareholders, the company chairman and CEO over responsibility of BASF towards the widows and orphans of the massacre on 16th August 2012, we were left with the impression of BASF refusing to accept any responsibility. Instead we were told that BASF had conducted an "independent due diligence audit" that Lonmin was now addressing the issues. Bearing in mind that this was not available to scrutiny as it was private says a lot!

It is now obvious to us that BASF does not want to understand us but has chosen profit over life - human dignity and integrity of creation. Lonmin too are aware of the challenges facing them both in regards to workers and impacted communities through numerous surveys they have done. In addition the Bench Marks Foundation Policy Gap studies, in particular Policy Gap 6- A review of the Platinum Belt, and Policy Gap 7- Coping with Unsustainability that examined Lonmin against their social responsibility commitments showed broken promises and difficulty in separating fact from fiction. This study we believe is informative and has been in the public domain since 2013. So far our engagements with Lonmin along with our recommendations have not been taken up.

Notwithstanding BASF attitude and behavior to our input at their AGM 2015 and 2016, we are certain of one thing - they heard what we said and we believe that they are very worried about our consistency on this matter. The publicity we received has set the alarm bells ringing and now many people have started talking about the reliability of the information that is distributed by BASF and LONMIN in their glossy reports to impress Shareholders. We have proved beyond doubt that BASF is only interested in profit at any cost to life and environmental destruction. This is why they did not give an honest answer to our questions and challenges put before them at their 2015/16 AGM's.

There is no doubt that they do not tell the truth when they claim to be taking UN Global Compact seriously and that they take the issue of sustainability as serious as they do with economic success. This is now public and we only have to intensify the struggle against their false propaganda in which they collaborate with LONMIN. Therefore while BASF argue in support off LONMIN that it is not guilty of any misconduct with regard to violations of human rights that led to death of innocent and defenseless workers, on the contrary we believe both companies are guilty as charged and they must be held responsible for the Marikana massacre. On our part we will not rest our case until reparation has been done.

We reiterate that BASF and LONMIN should:

1. Set up a consultation process to work towards fair and just compensation with the Marikana widows. Bench Marks Foundation believes this should constitute 20 years wages workers would have earned, as well as retirement pay, unless otherwise agreed upon by the widows.
2. Compensate the injured and all workers maimed workers during the period leading up to the Marikana massacre
3. Issue a public apology for the events that transpired on the 16th August 2012 and agree that they could have done better in how they dealt with the strike.
4. Accept the Farlam Commission report where it puts much blame of Lonmin who were given ample opportunity to resolve the strike but instead criminalized it and take some constructive action to make amends

Admitting this and adequately compensating the victims would go a long way to restoring confidence and morale among workers and communities and enhance both Lonmin and BASF reputation. Finally, we believe the agenda should have involved us from the beginning and that AMCU (Association of Mine and Construction Workers Union) should have been invited.

We, the Bench Marks Foundation has decided not to honor their invitation and to boycott their conferences to be held on the 26th and 27th May 2016. Finally we believe our good reputation and name would be tarnished should we attend given the lack of response to truly address the widows and orphans needs.

Yours sincerely,
On behalf of the board
John Capel
Executive Director

Bench Marks Foundation

CC: Ben Magara Lonmin CEO
Thorsten Pinkepark Sustainability Manager BASF