

KUMBA IRON ORE LIMITED
(Registration number: 2005/015852/06)
("Kumba" or "the Company")

NOMINATIONS AND GOVERNANCE COMMITTEE
("NomGov" or "the Committee")

TERMS OF REFERENCE



1. CONSTITUTION

- 1.1 The nominations and governance committee (“NomGov”) has been constituted as a standing committee of the Kumba Iron Ore Board (“the board”).
- 1.2 The committee will also perform the functions of a NomGov on behalf of the subsidiaries of Kumba Iron Ore Limited and receives feedback from the subsidiary boards of Kumba on the nomination, election and appointment of directors.
- 1.3 These terms of reference are subject to the provisions of the Companies Act (as amended), the Company's Memorandum of Incorporation, the JSE LR and any other applicable law or regulatory provision and should be read together with the Governing Principles Regulating Kumba Iron Ore Board Committees.
- 1.4 The Committee shall have decision-making power in respect of its duties where decision-making power has been specifically delegated by the Board to the Committee in these terms of reference. In respect of all other duties as contained herein, the Committee shall only have the power to make recommendations to the Board.
- 1.5 Committee meetings shall be held four times a year, unless agreed otherwise with the Chairperson of the Committee.
- 1.6 In line with the overarching principals of King IV™, this committee will play a key role in the promotion of sound corporate governance as integral to running an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control and legitimacy.

2. COMPOSITION

- 2.1 The board shall appoint the chairperson of the board as the chairperson of the committee. The members of the committee shall comprise the chairpersons of each of the board committees and shall be appointed by the board. The Committee shall comprise of at least three members, all of whom must be independent non-executive directors.
- 2.2 In the absence of the Chairperson, the members present may nominate and elect one of their members to chair the meeting, provided the member is an independent non-executive director.



- 2.3 Invitations to attend the Committee meetings shall be extended to:
- the Chief Executive Officer;
 - ABAS, and
 - any other senior executives and professional advisors as deemed appropriate.

3. ROLE

In line with the overarching principals of King IV™, the role of the NomGov is to:

- 3.1 Promote sound corporate governance as integral to running an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control and legitimacy and will have due regard to the UN sustainable development goals* (SDG 16 and 17) when executing its mandate
- 3.2 Assist the Board with the nomination, election and appointment of directors and ensure a transparent and accountable process to determine an optimally diverse Board and committee composition.

4. RESPONSIBILITIES

- 4.1 The committee assists the board to ensure that:
- 4.1.1 the board, through a process of board succession planning, regularly reviews its composition to enable it to execute its duties effectively;
 - 4.1.2 the directors are appointed through formal and transparent processes;
 - 4.1.3 induction and ongoing training and development of directors takes place.

5. ACCOUNTABILITY

5.1 STEERING AND SETTING STRATEGIC DIRECTION

- 5.1.1 review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the market-place.
- 5.1.2 keep up to date and fully informed about strategic governance issues and commercial changes affecting the company and the market in which it operates.
- 5.1.3 review all shareholder proposals and recommend to the board proposed Company responses to such proposals for inclusion in the Company's AGM notice, integrated report or otherwise;
- 5.1.4 review amendments in governance regulations, JSE listings requirements and best practice, as and when needed, and recommend any required changes to the board;
- 5.1.5 monitor emerging corporate governance trends, oversee and evaluate the Company's corporate governance policies and programmes against these trends, and recommend to the board such changes as the committee believes desirable.

5.2 APPROVING POLICY AND PLANNING

The committee is responsible for the creation of governance policies and procedures that define:

- 5.2.1 the roles and responsibilities of the board;
- 5.2.2 the duties and responsibilities of directors and relevant prescribed officers;
- 5.2.3 the nomination, selection, appointment and removal of directors;
- 5.2.4 conflict of interest procedures;
- 5.2.5 processes to ensure and enhance corporate governance in the Company.

5.3 OVERSIGHT AND MONITORING

The committee shall:

- 5.3.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the board with regard to any changes;
- 5.3.2 consider succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future;

Further, the committee must:

- 5.3.3 oversee the development of a formal induction programme for new directors;
- 5.3.4 oversee the development and implementation of continuing professional director development programmes for the Board;
- 5.3.5 ensure that directors receive regular briefings on changes in governance risks, laws and developments in the mining industry;
- 5.3.6 consider the performance of directors and take steps to remove directors who do not make an appropriate contribution;
- 5.3.7 oversee in conjunction with Anglo American, the recruitment and appointment of a chief executive officer should a vacancy arise.
- 5.3.8 oversee the recruitment and appointment of the company secretary should a vacancy arise;
- 5.3.9 ensure that formal succession plans for the board and chief executive officer and chief financial officer are developed and implemented;
- 5.3.10 oversee the biennial independent evaluation of directors, the board, , board chairperson, board committees and the annual evaluation of the company secretary;
- 5.3.11 Every alternate year, consider, reflect and discuss the board's performance and that of its chairperson, board committees and members as a whole and report to the board accordingly;
- 5.3.12 review the terms of reference of the board committees and the board charter;
- 5.3.13 review the annual board calendar;
- 5.3.14 identify the committee's focus areas for each financial year for inclusion in the integrated report;
- 5.3.15 confirm the fulfilment of the committees mandate

- 5.3.14 review the governance section of the integrated report;
- 5.3.15 review the annual general meeting (“AGM”) notice of the Company;

5.4 ACCOUNTABILITY

The committee shall:

- 5.4.1. be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise;
 - 5.4.2. before any appointment is made by the board, evaluate the balance of skills, knowledge, experience and broader diversity on the board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
 - 5.4.3. the committee must recommend to the board the continuation in service, or otherwise, of any director who has served for more than 9 (nine) years and is required to stand for annual re-election.
- 5.5 The committee must oversee the process to determine the continued independence of directors who have served for more than 9 (nine) years on the board.
- 5.6 The Committee must recommend the re-election, or otherwise, of directors who are retiring by rotation.
- 5.7 The Committee must ensure the establishment of a formal process for the appointment of directors, including:
- 5.7.1 identifying suitable Board members;
 - 5.7.2 performing reference and background checks of candidates prior to nomination;
 - 5.7.3 formalising the appointment of directors through an agreement between the Company and the director.
- 5.8 The committee shall report annually, in the integrated report, to shareholders how it has executed its responsibilities.

- 5.9 The committee will consider and approve applications from board members to serve on boards of other companies in line with the approved board policy;
- 5.10 The committee will have oversight over and will ensure that Kumba Iron Ore and its subsidiary companies comply with all conflict of interest policies and principles;
- 5.11 The committee will receive and review reports from the Sishen Iron Ore Company board (and other KIO subsidiary boards) in respect of governance and conflict of interest issues and will provide guidance or return feedback on relevant discussions, as required.

5.12. **Risk management**

To support the board in ensuring effective risk management oversight, specifically in relation to material risks within its scope, the committee will:

5.12.1.1 ensure the effective monitoring of these risks and that potential opportunities are considered as appropriate;

5.12.1.2 consider and review executive management's reports on the design and implementation of appropriate risk responses, overseeing that the risks are managed within the approved levels of appetite and tolerance and the integration and embedding of risk management in the business activities and culture of the Company;

5.12.1.3 obtain confirmation that there is adequate assurance and that controls in relation to these risks are appropriate in design and effectiveness; and

5.12.1.4 inform the board of its findings and recommendations in respect of material risks within its scope, which may have an impact on the Company.



***SUSTAINABLE DEVELOPMENT GOALS**

SDG 16

Peace, justice and strong institutions

SDG 17

Strengthen the means of implementation and revitalise the global partnership for sustainable development

APPROVED BY THE BOARD ON 10 NOVEMBER 2023